

**Kordsa Teknik Tekstil A.Ş. and
Its Subsidiaries**

Convenience Translation into English of
the Consolidated Financial Statement
for the Interim Period
1 January - 31 March 2024
(Originally Issued in Turkish)

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KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

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

	Notes	Not Reviewed 31 March 2024	Audited 31 December 2023
ASSETS			
Current Assets:			
Cash and Cash Equivalents	4	1.817.500.596	1.712.468.307
Financial Investments		111.021.036	91.639.021
Trade Receivables	6	5.653.899.306	4.773.938.898
<i>Due from Related Parties</i>	19	332.600.200	317.610.477
<i>Due from Third Parties</i>		5.321.299.106	4.456.328.421
Other Receivables	7	577.992.869	449.285.901
<i>Other Receivables from Third Parties</i>	7	577.992.869	449.285.901
Derivatives		22.555.252	3.400.830
Inventories	8	7.990.802.822	6.839.959.506
Prepayments		585.103.948	433.552.431
<i>Prepayments to Third Parties</i>		585.103.948	433.552.431
Current Tax Assets	18	60.322.615	47.477.693
Other Current Assets		529.516.756	390.284.876
<i>Other Current Assets from Third Parties</i>		529.516.756	390.284.876
Current Assets		17.348.715.200	14.742.007.463
Non-Current Assets:			
Financial Investments		2.142.228	1.969.244
Other Receivables	7	171.865.816	113.040.134
<i>Other Receivables from Third Parties</i>		171.865.816	113.040.134
Derivatives		-	18.821.056
Investment Properties	11	764.474.062	697.056.265
Property, Plant and Equipment	9	10.293.570.044	9.482.157.379
Right of Use Assets	10	924.687.780	870.598.988
Intangible Assets		8.330.703.213	7.528.628.568
<i>Goodwill</i>		4.342.674.544	3.959.700.724
<i>Other Intangible Assets</i>		3.988.028.669	3.568.927.844
Prepayments		128.083.513	113.974.008
<i>Prepayments to Third Parties</i>		128.083.513	113.974.008
Deferred Tax Assets	18	1.142.256.646	1.025.765.381
Other Non-Current Assets		422.631.632	382.095.611
Non-Current Assets		22.180.414.934	20.234.106.634
Total Assets		39.529.130.134	34.976.114.097

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

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

	Notes	Not Reviewed 31 March 2024	Audited 31 December 2023
Liabilities			
Short Term Liabilities			
Short Term Borrowings	5	5.903.879.178	6.954.689.210
Short Term Portion Of Long Term Borrowings	5	687.301.500	427.623.845
Short Term Lease Liabilities	5	131.405.324	113.022.245
Trade Payables	6	4.103.789.510	3.375.239.130
<i>Due To Related Parties</i>	19	141.616.713	76.598.491
<i>Due To Third Parties</i>		3.962.172.797	3.298.640.639
Payables Related To Employee Benefits		163.916.009	81.854.474
Other Payables	7	245.360.703	142.825.312
<i>Other Payables To Third Parties</i>	7	245.360.703	142.825.312
Deferred Revenue		16.804.629	14.875.555
<i>Deferred Revenue From Third Parties</i>		16.804.629	14.875.555
Current Tax Liabilities	18	135.633.989	139.872.061
Short Term Provisions		277.740.667	239.839.144
<i>Short Term Employee Benefits</i>		266.137.431	203.873.470
<i>Other Short Term Provisions</i>		11.603.236	35.965.674
Other Short Term Liabilities		524.885.010	331.893.469
<i>Other Current Liabilities To Third Parties</i>		524.885.010	331.893.469
Derivative Financial Instruments		48.254.556	7.550.407
Subtotal		12.238.971.075	11.829.284.852
Liability Directly Associated With The Assets Held For Sale		40.860.452	29.565.974
Total Short Term Liabilities		12.279.831.527	11.858.850.826
Long Term Liabilities			
Long Term Borrowings	5	6.686.662.485	4.269.179.252
Long Term Lease Liabilities	5	941.344.586	851.762.569
Deferred Revenue		39.884.424	37.409.611
Long Term Provisions		441.000.493	437.846.681
<i>Long Term Employee Benefits</i>		323.076.072	364.294.960
<i>Other Long Term Provisions</i>	7	117.924.421	73.551.721
Deferred Tax Liabilities	18	652.412.931	595.521.083
Other Long-Term Liabilities		897.601.140	818.443.973
Derivative Financial Instruments		6.348.343	46.424.861
Total Long Term Liabilities		9.665.254.402	7.056.588.030
Total Liabilities		21.945.085.929	18.915.438.856
Shareholder's Equity			
Equity Attributable To Owners Of The Company			
Share Capital		194.529.076	194.529.076
Share Premium		62.052.856	62.052.856
Put Option Valuation Fund For Non-Controlling Interests		(515.292.078)	(515.292.078)
Other Comprehensive Income Or Expenses That Will Not Be Reclassified To Profit Or (Loss)		2.064.995.989	1.787.801.476
<i>Revaluation And Remeasurement Gain /(Loss)</i>		(88.041.266)	(91.681.312)
<i>Defined Benefit Plans Remeasurement Fund</i>		(88.041.266)	(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
<i>Currency Translation Difference</i>		2.113.010.158	1.839.455.691
Other Comprehensive Income Or Expenses That Will Be Reclassified To Profit Or (Loss)		8.906.246.205	8.015.748.482
<i>Currency Translation Difference</i>		9.831.918.675	8.967.964.364
<i>Gain/Loss On Hedge Reserve</i>		(925.402.319)	(951.945.731)
<i>Investment Hedging Losses Related To Foreign Operations</i>		(954.135.431)	(954.135.431)
<i>Cash Flow Hedge Gains/(Loss)</i>		28.733.112	2.189.700
<i>Revaluation And Reclassification Gain /(Loss)</i>		(270.151)	(270.151)
<i>Other Revaluation And Reclassification Gain/(Loss)</i>		(270.151)	(270.151)
Restricted Reserves		458.633.031	444.065.124
Retained Earnings		2.840.775.341	2.672.019.932
Profit For The Period		33.609.336	183.323.316
Total Non-Controlling Interests		3.538.494.449	3.216.427.057
Total Equity		17.584.044.205	16.060.675.241
Total Equity And Liabilities		39.529.130.134	34.976.114.097

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS AT 31 MARCH 2024 AND 2023

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

	Notes	Not Reviewed 1 January- 31 March 2024	Not Reviewed 1 January- 31 March 2023
Profit or Loss			
Revenue	13	7.239.383.700	5.194.084.877
Cost of Sales	13	(6.008.910.925)	(4.426.028.022)
Gross Profit		1.230.472.775	768.056.855
General and Administrative Expenses	14	(460.845.914)	(290.609.219)
Selling, Marketing and Distribution Expenses	14	(368.254.566)	(217.212.260)
Research and Development Expenses	14	(35.896.923)	(21.530.946)
Other Income from Operating Activities	15	133.907.691	150.740.803
Other Expenses from Operating Activities	15	(133.458.860)	(124.399.973)
Operating Profit		365.924.203	265.045.260
Income from Investing Activities	16	14.438.796	11.669.633
Expense from Investing Activities	16	(26.601)	(5.940.470)
Operating Profit Before Finance Costs		380.336.398	270.774.423
Finance Income	17	171.469.300	42.625.235
Finance Expense (-)	17	(472.362.022)	(197.632.822)
Profit Before Tax from Continuing Operations		79.443.676	115.766.836
Tax (Expense)/Benefit from Continuing Operations		18.888.519	(25.329.491)
<i>Current Tax Expense</i>	18	(37.292.881)	(57.768.619)
<i>Deferred Tax (Expense) /Income</i>	18	56.181.400	32.439.128
Profit for the Year from Continuing Operations		98.332.195	90.437.345
Net Profit/(Loss) for the Year from Discontinued Operations		-	(47.660)
Profit for the Period		98.332.195	90.389.685
Profit /(Loss) Attributable To:			
Non-Controlling Interest		64.722.859	56.650.713
Owners of the Company		33.609.336	33.738.972
Earnings (Loss) per Shares			
<i>Earnings/(Losses) per Share from Continuing Operations</i>		1,73	1,74
<i>Earnings/(Losses) per Share from Discontinuing Operations</i>		-	(0,001)
<i>Earnings /(Losses) per Diluted Shares from Operations</i>		1,73	1,73

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
AS AT 31 MARCH 2024 AND 2023

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

Notes	Not reviewed 1 January- 31 March 2024	Not reviewed 1 January- 31 March 2023
Profit for the Period	98.332.195	90.389.685
Other Comprehensive Income		
Items That Will Not Be Reclassified To Profit Or Loss	277.194.532	60.232.239
<i>Defined Benefit Plans Remeasurement Fund</i>	4.853.420	-
<i>Deferred Tax Benefit/(Expense)</i>	(1.213.355)	-
<i>Foreign Currency Translation Differences</i>	273.554.467	60.232.239
Items That Are Or May Be Reclassified Subsequently To Profit Or Loss	1.147.842.237	215.290.762
<i>Foreign Currency Translation Differences</i>	1.121.298.825	223.900.719
<i>Hedging gains/losses on cash flow risk</i>	35.391.216	(10.762.446)
<i>Deferred Tax Benefit/(Expense)</i>	(8.847.804)	2.152.489
Total Other Comprehensive Income	1.425.036.769	275.523.001
Total Comprehensive Income	1.523.368.964	365.912.686
Total Comprehensive Income Attributable to:		
Owners Of The Company	1.201.301.572	253.373.212
Non-Controlling Interests	322.067.392	112.539.474

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 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					
	Share Capital	Share Premium	Put Option Valuation Fund on Non-Controlling Interest	Revaluation and Reclassification gain/(loss)			Currency Translation Differences	Gain/(loss) on Hedge Reserve	Revaluation and Reclassification gain/(loss)	Restricted Reserves	Retained Earnings	Net profit for the Year	Equity Attributable to Owners of the Company	Total Non-Controlling Interests	Total Equity
				Currency Translation Differences	Defined Benefit Plans Remeasurement Fund	Other Revaluation and Reclassification gain/(loss)		Cash Flow Hedge gains / (losses)	Other Revaluation and Reclassification gain/(loss)						
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	1.254.627.639	(1.289.197.611)	-	-	-
Total Comprehensive Income	-	-	-	60.232.239	-	-	168.011.957	(8.609.957)	-	-	-	33.738.972	253.373.212	112.539.474	365.912.686
Dividend Paid (*)	-	-	-	-	-	-	-	-	-	-	(57.000.000)	-	(57.000.000)	-	(57.000.000)
Balance At 31 March 2023	194.529.076	62.052.856	(527.789.084)	554.159.298	(58.880.941)	40.027.097	5.747.627.806	(960.718.046)	(270.151)	443.403.797	2.686.351.457	33.738.972	8.214.232.137	2.120.995.953	10.335.228.090
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	-	-	-	-	-	-	-	-	-	14.567.907	168.755.409	(183.323.316)	-	-	-
Total Comprehensive Income	-	-	-	273.554.467	3.640.046	-	863.954.311	26.543.412	-	-	-	33.609.336	1.201.301.572	322.067.392	1.523.368.964
Balance at 31 March 2024	194.529.076	62.052.856	(515.292.078)	2.113.010.158	(88.041.266)	40.027.097	9.831.918.675	(925.402.319)	(270.151)	458.633.031	2.840.775.341	33.609.336	14.045.549.756	3.538.494.449	17.584.044.205

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

(*) 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
CONSOLIDATED STATEMENT OF CASH FLOW
AS AT 31 MARCH 2024 AND 2023

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

	Notes	Not Reviewed 1 January- 31 March 2024	Not Reviewed 1 January- 31 March 2023
A. CASH FLOWS FROM (USED IN) / OPERATING ACTIVITIES		52.757.377	148.540.491
Profit For The Period		98.332.195	90.389.685
<i>Profit/(Loss) for the Period from Continuing Operations</i>		98.332.195	90.437.345
<i>Profit/(Loss) from Discontinuing Operations</i>		-	(47.660)
Adjustments to Reconcile Profit/(Loss) for the Period		606.029.804	447.863.996
Adjustments Related to Depreciation and Amortization	14	321.454.307	192.623.594
Adjustments Related to Provisions For (Reversal) of Impairment		(5.458.833)	17.448.953
<i>Adjustments Related to Provision For (Reversal) of Doubtful Receivables</i>	6	441.975	853.308
<i>Adjustments Related to Provision For (Reversal) of Inventory Allowances</i>	8	(5.900.808)	16.595.645
Adjustments Related to Provisions		52.902.709	15.205.697
<i>Adjustments related to provision for employee benefit provision</i>		32.892.447	15.205.697
<i>Adjustments Related to Other Provision (Reversal)</i>		20.010.262	-
Adjustments Related to Interest (Income)/Expense		393.941.698	141.269.527
<i>Adjustments Related to Interest Income</i>	16	(14.095.016)	(10.564.643)
<i>Adjustments Related to Interest Expense</i>	17	375.090.486	133.817.128
<i>Adjustments Related to Unrealized Finance Expenses On Credit Purchases</i>	6	(56.802.878)	(14.433.902)
<i>Adjustments Related to Unrealized Finance Income On Credit Sales</i>	6	89.749.106	32.450.944
Adjustments Related to Unrealized Currency Translation Difference		(63.406.615)	29.960.795
Foreign exchange (gain) or loss(net)		(129.121.290)	6.000.405
Other Finance (Income)/Expense(Net)		41.908.248	13.475.720
Adjustments Related to Fair Value Changes	17	13.015.278	1.714.334
<i>Adjustments Related to Fair Value Losses /(Gains) Of Derivatives</i>	17	13.015.278	1.714.334
Adjustments Related to Tax (Benefit)/Expense	18	(18.888.519)	25.329.491
Adjustments Related to Losses /(Gains) On Disposal of Non-Current Assets	16	(317.179)	4.835.480
<i>Adjustments Related to Gains on Disposal of Tangible Assets</i>	16	(317.179)	4.835.480
Changes In Working Capital		(651.604.622)	(389.713.190)
(Increase)/Decrease in Trade Receivables		(536.546.530)	(137.684.912)
(Increase)/Decrease in Other Receivables		(98.412.237)	(93.125.298)
(Increase)/Decrease in Inventories		(462.836.418)	(45.762.348)
(Increase) in Prepaid Expenses		(107.969.662)	(168.719.729)
Increase/(Decrease) in Trade Payables		441.322.049	(206.412.120)
Increase/(Decrease) in Retirement Pay And Employee Benefit Obligation		19.655.499	63.297.266
Increase/(Decrease) in Other Payables		95.173.333	62.383.081
Increase/(Decrease) in Deferred Income		29.340.812	(8.698.434)
Other Increase/(Decrease) in Working Capital		79.747.237	119.217.353
<i>Decrease/(Increase) in Other Assets From Operating Activities</i>		(100.650.223)	12.444.771
<i>Increase/(Decrease) in Other Liabilities From Operating Activities</i>		180.397.460	106.772.582
Payments Related To The Provision Of Employee Benefits		(65.505.192)	(21.264.864)
Income Tax Returns/(Payments)		(24.767.618)	43.068.128
Other		(20.805.895)	3.988.687
B. CASH FLOWS FROM INVESTING ACTIVITIES		(321.496.776)	(116.473.794)
Proceeds From Sales Of Property, Plant And Equipment		25.299.728	41.053.774
Acquisition Of Sales Of Property, Plant And Equipment And Intangible Assets		(350.814.639)	(168.092.211)
Securities Purchase		(10.076.881)	-
Interest Received		14.095.016	10.564.643
C. CASH FLOWS FROM FINANCING ACTIVITIES		230.403.533	115.270.702
Proceeds From Borrowings		4.142.130.720	4.430.081.848
Cash Inflows /(Outflows) From Borrowing Transactions		(3.503.019.203)	(4.109.856.307)
Cash Outflows For Financial Lease Liabilities		(11.938.004)	(2.741.923)
Dividend Paid		-	(57.000.000)
Interest Paid		(396.769.980)	(145.212.916)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT BEFORE THE IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE (A+B+C)		(38.335.866)	147.337.399
D.IMPACT OF THE CURRENCY TRANSLATION DIFFERENCE ON CASH AND CASH EQUIVALENT		143.368.155	17.936.691
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C+D)		105.032.289	165.274.090
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1.712.468.307	799.228.246
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		1.817.500.596	964.502.336

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 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 and construction while providing these companies with the same management and behavioural principles to operate more efficiently, rationally and profitably, in accordance with and responding to the current conditions, creating competition conditions in favour of these companies.

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

Kordsa is registered with the Capital Markets Board of Turkey (“CMB”) and its shares have been traded in Borsa İstanbul (“BIST”) since 1986. As at 31 March 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:

Shareholder Structure	Shareholding (%)	
	31 March 2024	31 December 2023
Sabancı Holding A.Ş.	71,11	71,11
Other	28,89	28,89
	100,00	100,00

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

Number of employees within the group is 4.706. (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 CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 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 31 March 2024 and 31 December 2023 in accordance with the operating country and segment reporting purpose are as follows:

31 March 2024

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

31 December 2023

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

(*) 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 CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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 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 7 June 2019.

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

Approval of the Financial Statements:

These consolidated financial statements have been approved to be issued during the meeting of the Board of Directors held on 29 May 2024, and have been signed by the Chief Finance Officer Volkan Özkan and Global Finance Manager Ceyda Özdemir Kolya on behalf of the Board of Directors. General Assembly and related regulatory authorities have the right to make changes to these consolidated financial statements.

Conversion to presentation currency

The presentation currency of the Group is TL. Financial statements prepared in USD within the scope of TAS 21 (“Effects of Currency Changes”) have been translated into TL using the following method:

- a. Assets in the balance sheet are translated into TL using the USD buy exchange rate of 32,2854 TL = 1 USD (December 2023: 29,4382) announced by the Central Bank of the Republic of Turkey and the liabilities are converted into TL using the foreign exchange selling rate of 32,3436 TL = 1 USD (December 2023: 29,4913). 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 statement are translated into TL using the monthly average exchange rates of 30,9288 TL= 1 USD (March 2023: 18,8527).
- c. All the resulting exchange differences are presented as a separate component of equity under the name of translation differences.

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 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

The table below sets out all Subsidiaries and shows their shareholding rates as at 31 March 2024:

Subsidiaries	Direct and indirect ownership interest by the Group and its subsidiaries (%)	Proportion of effective interest (%)
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:

Subsidiaries	Direct and indirect ownership interest by the Group and its subsidiaries (%)	Proportion of effective interest (%)
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.

Basis of Consolidation (continued)

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.

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 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)

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 CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 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)

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.

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 31 March 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.

2.4.1 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</i>
<i>Sustainability-</i>	<i>related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

**KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2024**

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

**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.

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

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.

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
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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

Amendments to TFRS 17

Insurance Contracts

*Initial Application of TFRS 17 and TFRS 9 —
Comparative Information (Amendment to TFRS 17)*

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.

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - SEGMENT REPORTING

The reportable geographical segments for segment reporting are as follows:

a) Segment Assets	31 March 2024	31 December 2023
North America	17.773.846.057	16.092.046.575
Europe, Middle East and Africa	12.021.116.283	9.206.063.746
Asia	9.233.674.022	8.793.547.555
South America	2.611.764.583	2.238.374.588
Segment Assets (*)	41.640.400.945	36.330.032.464
Unallocated Assets	2.200.067.423	1.949.486.942
Less: Intersegment Eliminations	(4.311.338.234)	(3.303.405.309)
Total Assets per Consolidated Financial Statements	39.529.130.134	34.976.114.097
b) Segment Liabilities	31 March 2024	31 December 2023
Europe, Middle East and Africa	12.524.055.280	10.054.984.349
North America	8.597.386.683	7.523.398.698
South America	729.375.692	481.560.369
Asia	1.806.309.558	1.769.026.917
Segment Liabilities (**)	23.657.127.213	19.828.970.333
Unallocated Assets	1.901.657.282	1.729.743.932
Less: Intersegment Eliminations	(3.613.698.566)	(2.643.275.409)
Total Assets per Consolidated Financial Statements	21.945.085.929	18.915.438.856

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

(**) Segment liabilities mainly comprised liabilities regarding operations. Income tax liabilities, other financial liabilities and loans and borrowings have not been associated with segments.

c) Segment analysis for the period 1 January – 31 March 2024

	Europe, Middle East and Africa(**)	North America	South America	Asia	Elimination (*)	Total
External Revenue	2.752.601.629	2.364.397.270	686.147.826	1.436.236.976	-	7.239.383.700
Intersegment Revenue	120.144.417	139.171.855	-	270.949.684	(530.265.956)	-
Revenue	2.872.746.046	2.503.569.125	686.147.826	1.707.186.660	(530.265.956)	7.239.383.700
Segment Operating Expenses, net	(2.594.965.165)	(2.588.339.610)	(672.300.481)	(1.572.118.026)	554.263.785	(6.873.459.497)
Segment Operating Results	277.780.880	(84.770.484)	13.847.345	135.068.633	23.997.829	365.924.203
Operating Profit	277.780.880	(84.770.484)	13.847.345	135.068.633	23.997.829	365.924.203

d) Segment analysis for the period 1 January – 31 March 2023

	Europe, Middle East and Africa(**)	North America	South America	Asia	Elimination (*)	Total
External revenue	1.944.519.708	1.605.918.859	498.350.212	1.145.296.097	-	5.194.084.877
Intersegment revenue	204.084.462	136.979.969	-	75.201.290	(416.265.721)	-
Revenue	2.148.604.170	1.742.898.828	498.350.212	1.220.497.387	(416.265.721)	5.194.084.877
Segment operating expenses, net	(2.077.818.430)	(1.682.555.975)	(486.095.950)	(1.065.352.911)	382.783.650	(4.929.039.616)
Segment operating results	70.785.740	60.342.853	12.254.263	155.144.476	(33.482.070)	265.045.260
OPERATING PROFIT	70.785.740	60.342.853	12.254.263	155.144.476	(33.482.070)	265.045.260

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

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

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
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AS AT 31 MARCH 2024

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

NOTE 3 - SEGMENT REPORTING (continued)

The reportable geographical segments for segment reporting are as follows:

a) External Revenue	1 January – 31 March 2024	1 January – 31 March 2023
Industrial Yarn and Cord Fabric	5.478.502.723	4.072.837.701
Advanced Composite Materials	1.552.172.817	1.005.091.662
Other	208.708.160	116.155.514
	7.239.383.700	5.194.084.877

NOTE 4 – CASH AND CASH EQUIVALENTS

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

	31 March 2024	31 December 2023
Cash	13.442.417	19.890.239
Bank-Demand Deposits	1.337.590.047	1.306.452.816
Bank-Time Deposits	466.468.132	386.125.252
	1.817.500.596	1.712.468.307

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 33,00% for TL (31 December 2023: 25,00%). Bank balances with the related parties are disclosed in Note 19.

NOTE 5 – BORROWINGS

	31 March 2024	31 December 2023
Short-Term Borrowings	5.903.879.178	6.954.689.210
Short-Term Portion of Long Term Borrowings	687.301.500	427.623.845
Lease Liabilities	131.405.324	113.022.245
Total Short-Term Financial Borrowings	6.722.586.002	7.495.335.300
Long-Term Borrowings	6.686.662.485	4.269.179.252
Lease Liabilities	941.344.586	851.762.569
Total Long-Term Financial Borrowings	7.628.007.071	5.120.941.821
Total Borrowings	14.350.593.073	12.616.277.121

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 5 – BORROWINGS (continued)

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

	31 March 2024		31 December 2023	
	Weighted average effective interest rate %	TL	Weighted average effective interest rate %	TL
Short-Term Borrowings				
TL Borrowings	36,84	1.202.163.194	34,79	1.646.920.444
USD Borrowings	8,32	3.861.519.075	8,68	4.242.790.470
EUR Borrowings	6,65	770.393.410	8,23	908.398.549
Other Borrowings (*)	4,42	69.803.499	4,42	156.579.747
		5.903.879.178		6.954.689.210
Short-Term Portion of Long Term Borrowings				
USD Borrowings	9,34	687.301.500	9,33	427.623.845
		687.301.500		427.623.845
Total Short-Term Borrowings		6.591.180.678		7.382.313.055
Long-Term Borrowings				
USD Borrowings	8,11	5.969.018.714	8,25	4.040.308.100
EUR Borrowings	6,09	717.643.771	3,59	228.871.152
Total Long-Term Borrowings		6.686.662.485		4.269.179.252

(*) Consists of Indonesian Rupiah(IDR) and Thai Baht(THB) currency loans.

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

	31 March 2024	31 December 2023
1 to 2 years	2.696.027.359	1.605.328.906
2 to 3 years	2.150.434.466	1.529.907.507
3 to 4 years	1.454.761.037	846.845.320
4 to 5 years	372.030.926	184.584.201
Over 5 years	13.408.697	102.513.318
	6.686.662.485	4.269.179.252

KORDSA TEKNİK TEKSTİL A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

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

NOTE 5 – BORROWINGS (continued)

As of 31 March 2024 and 31 December 2023, the redemption schedules of leasing are summarized below:

	31 March 2024	31 December 2023
1 to 2 years	238.566.171	198.554.207
2 to 3 years	86.474.031	85.360.126
3 to 4 years	87.464.044	84.400.032
4 to 5 years	71.924.201	78.960.952
Over 5 years	456.916.139	404.487.252
	941.344.586	851.762.569

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

	1 January- 31 March 2024	1 January- 31 March 2023
1 January Financial Liabilities	12.616.277.121	8.444.582.416
Proceed from Borrowings	4.142.130.720	4.430.081.848
Repayment of Borrowings	(3.503.019.203)	(4.109.856.307)
Interest Expense Recognized in the Statement of Profit or Loss (Note 17)	375.090.486	133.817.128
Interest Payment	(396.769.980)	(145.212.916)
TFRS 16 Additions (Note 10)	2.154.717	13.552.538
Lease Liability Repayments	(11.938.004)	(2.741.923)
Currency Translation Differences	1.126.667.216	222.663.231
31 March Financial Liabilities	14.350.593.073	8.986.886.015

NOTE 6 - TRADE RECEIVABLES AND TRADE PAYABLES

	31 March 2024	31 December 2023
Trade Receivables		
Trade Receivables	5.402.399.584	4.525.475.297
Cheques Received	34.654.610	14.139.530
Due from Related Parties (Note 19)	332.600.200	317.610.477
	5.769.654.394	4.857.225.304
Less: Provision for Doubtful Receivables	(26.005.982)	(23.575.045)
Less: Unearned Credit Finance Income	(89.749.106)	(59.711.361)
	5.653.899.306	4.773.938.898

As at 31 March 2024, the annual interest rates used for the discount of trade receivables and payables are 63.32%, 8.53% and 7.65% for TL, USD and Euro, respectively (2023: 52.73%, 9.47%, and 8.60%). As at 31 March 2024, the average maturity of trade receivables is 67 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 AND TRADE PAYABLES (continued)

As of 31 March 2024, trade receivables amounting to TL 674.678.929 (31 December 2023: TL 543.697.365) were past due but not impaired. The aging of these receivables as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Up to 1 month	363.592.745	320.989.742
1 to 3 months	228.829.200	126.601.175
3 to 12 months	69.441.560	52.026.502
1 to 5 years	12.815.424	44.079.946
	674.678.929	543.697.365

As of 31 March 2024, trade receivables amounting to TL 26.005.982 (2023: 23.575.044 TL) are overdue and the provision for doubtful receivables has been set aside. As of 31 March 2024 and 31 December 2023, the aging schedule of the related receivables is as follows:

	31 March 2024	31 December 2023
Up to 1 month	47.566	1.572.399
1 to 3 months	2.428.299	961.998
3 to 12 months	7.609.015	9.800.653
1 to 5 years	15.921.102	11.239.994
	26.005.982	23.575.044

Movement schedules of provision for doubtful receivables for the three months periods ended 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Balance on 1 January	23.575.045	16.431.373
Additions	441.975	853.308
Currency Translation Differences	1.988.962	472.075
Balance on 31 March	26.005.982	17.756.756

	31 March 2024	31 December 2023
Trade Payables		
Trade Payables	4.018.975.675	3.328.970.832
Due to Related Parties (Note 19)	141.616.713	76.598.491
	4.160.592.388	3.405.569.323
Less: Unrealized Credit Finance Expense on Purchases	(56.802.878)	(30.330.193)
	4.103.789.510	3.375.239.130

NOTE 7 - OTHER RECEIVABLES AND PAYABLES

	31 March 2024	31 December 2023
Other Short-Term Receivables		
Taxes and Other Duties (*)	292.837.261	304.496.833
Other	285.155.608	144.789.068
	577.992.869	449.285.901

	31 March 2024	31 December 2023
Other Long-Term Receivables		
Litigation Guarantee Receivables (**)	171.865.816	108.197.159
Other	-	4.842.975
	171.865.816	113.040.134

(*) 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.

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES (continued)

Other Short Term Payables	31 March 2024	31 December 2023
Taxes and Duties Payable	212.588.009	109.056.976
Other	32.772.694	33.768.336
	245.360.703	142.825.312
Other Long Term Payables	31 March 2024	31 December 2023
Taxes and Duties Payable (***)	117.924.421	73.551.721
	117.924.421	73.551.721

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

NOTE 8 - INVENTORIES

	31 March 2024	31 December 2023
Finished Goods	3.071.655.299	2.735.008.091
Raw Materials and Supplies	3.112.522.410	2.512.795.610
Semi-Finished Goods	483.921.922	530.719.908
Spare Parts	435.009.295	400.160.356
Intermediate Goods	875.218.806	735.863.664
Other Inventories	304.731.634	195.826.698
	8.283.059.366	7.110.374.327
Less: Provision for Obsolescence	(292.256.544)	(270.414.821)
	7.990.802.822	6.839.959.506

Movement schedules for provision for impairment in value as of 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Balances at 1 January	270.414.821	116.576.248
Additions	2.009.259	19.431.405
Disposals	(7.910.067)	(2.835.760)
Currency Translation Differences	27.742.531	3.605.054
Balanced at 31 March	292.256.544	136.776.947

The amount of provision for impairment of inventory is charged to cost of goods sold for the interim periods of 31 March 2024 and 2023.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment for the interim period ended 31 March 2024 is as follows:

	1 January 2024	Additions	Disposals	Transfers(*)	Currency Translation Differences	31 March 2024
Cost						
Land and Land Improvements	411.662.574	-	-	2.243.293	31.784.508	445.690.375
Buildings	2.929.748.614	1.231.023	-	5.182.374	250.766.648	3.186.928.659
Machinery and Equipment	15.562.483.304	7.005.635	(12.244.538)	117.864.950	1.362.042.328	17.037.151.679
Motor Vehicles	14.204.400	-	-	-	1.303.766	15.508.166
Furniture and Fixtures	609.934.632	534.995	(435.540)	47.224.399	53.874.648	711.133.134
Construction in Progress	1.440.735.769	192.233.260	(20.642.461)	(179.726.473)	134.100.215	1.566.700.310
	20.968.769.293	201.004.913	(33.322.539)	(7.211.457)	1.833.872.113	22.963.112.323
Accumulated Depreciation:						
Land Improvements	88.392.002	899.782	-	-	8.526.869	97.818.653
Buildings	1.584.654.926	23.688.397	-	-	128.189.568	1.736.532.891
Machinery and Equipment	9.390.708.808	179.670.332	(7.889.781)	-	801.600.184	10.364.089.540
Motor Vehicles	9.199.194	263.921	-	-	831.249	10.294.364
Furniture and Fixtures	413.656.984	11.688.454	(420.045)	-	35.881.435	460.806.828
	11.486.611.914	216.210.886	(8.309.826)	-	975.029.305	12.669.542.279
Net Book Value	9.482.157.379					10.293.570.044

TL 235.511.399 (2023: 142.855.713 TL) 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 4.313.392 (2023: 1.362.236 TL) to research and development expenses, TL79.958.000 (2023: TL 47.190.934) to general administrative expenses, 1.671.516 TL (2023: 1.214.711 TL) to marketing, sales and distribution expenses.

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (continued)

The movement of property, plant and equipment for the year ended 31 March 2023 is as follows:

	1 January 2023	Additions	Disposals	Transfers(*)	Currency translation differences	31 March 2023
Cost:						
Land and Land Improvements	253.098.156	-	-	-	7.254.255	260.352.411
Buildings	1.771.419.385	4.329.298	-	1.395.867	47.228.250	1.824.372.800
Machinery and Equipment	9.422.412.646	15.990.389	(133.848.494)	54.901.206	271.063.272	9.630.519.019
Motor Vehicles	8.204.576	-	-	-	233.224	8.437.800
Furniture and Fixtures	331.465.529	947.919	(962.314)	2.485.750	9.199.392	343.136.276
Construction in Progress	853.049.916	139.723.677	(881.427)	(80.936.243)	13.277.670	924.233.593
	12.639.650.208	160.991.283	(135.692.235)	(22.153.420)	348.256.063	12.991.051.899
Accumulated Depreciation:						
Land Improvements	53.197.366	690.693	-	-	1.335.874	55.223.933
Buildings	934.089.818	14.037.500	-	-	27.561.386	975.688.704
Machinery and Equipment	5.548.520.347	111.508.026	(87.754.343)	-	157.440.186	5.729.714.216
Motor Vehicles	2.814.283	81.855	-	-	102.786	2.998.923
Furniture and Fixtures	267.462.760	7.437.795	(919.182)	-	6.994.047	280.975.420
	6.806.084.573	133.755.869	(88.673.525)	-	193.434.279	7.044.601.196
Net Book Value	5.833.565.634					5.946.450.703

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NOTE 10 - RIGHT OF USE ASSETS

	1 January 2024	Addition	Disposals	Transfers	Currency translation differences	31 March 2024
Cost						
Properties	951.957.561	-	-	-	83.137.590	1.035.095.151
Fixtures	2.151.334	-	(226.213)	-	140.120	2.065.241
Vehicles	101.729.633	-	-	-	9.562.703	111.292.336
Other	93.230.741	2.154.717	-	-	9.169.620	104.555.078
	1.149.069.269	2.154.717	(226.213)	-	102.010.033	1.253.007.806
Accumulated Depreciation:						
Properties	170.801.169	14.073.501	-	-	17.136.817	202.011.487
Fixtures	1.825.997	70.184	(226.213)	-	222.663	1.892.631
Vehicles	54.519.889	4.174.904	-	-	5.330.637	64.025.430
Other	51.323.226	3.933.833	-	-	5.133.419	60.390.478
	278.470.281	22.252.422	(226.213)	-	27.823.536	328.320.026
Net Book Value	870.598.988					924.687.780

	1 January 2023	Addition	Disposals	Transfers	Currency translation differences	31 March 2023
Cost						
Properties	543.335.686	960.900	-	1.979.001	15.134.847	561.410.434
Fixtures	736.759	-	-	-	3.327	740.086
Vehicles	58.391.069	8.798.461	-	(1.979.001)	1.565.922	66.776.451
Other	39.649.193	3.793.177	(2.193.830)	-	1.007.198	42.255.738
	642.112.707	13.552.538	(2.193.830)	-	17.711.294	671.182.709
Accumulated Depreciation:						
Properties	96.712.513	10.939.822	-	1.013.875	2.561.747	111.227.957
Fixtures	461.194	16.999	-	-	30.868	509.061
Vehicles	23.521.236	4.136.007	-	(1.013.875)	619.479	27.262.847
Other	20.004.528	2.636.269	(2.193.830)	-	2.726.585	23.173.552
	140.699.471	17.729.097	(2.193.830)	-	5.938.679	162.173.417
Net Book Value	501.413.236					509.009.292

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NOTE 11 – INVESTMENT PROPERTIES

	31 March 2024	31 March 2023
Balance on 1 January	697.056.265	426.405.882
Currency Translation Differences	67.417.797	10.373.779
Balance on 31 March	764.474.062	436.779.661

(*) 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 March 2024, the fair value hierarchy level of investment properties measured by the revaluation method is 3.

NOTE 12 - COLLATERAL, PLEDGE, MORTGAGE AND SURETIES

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

a) Guarantees given	31 March 2024	31 December 2023
Pledges given to banks	671.338.354	619.450.052
Sureties (*)	3.393.374.885	3.691.877.368
Letter of credits	834.040.996	796.049.692
Letter of guarantees	2.305.732.714	1.340.614.363
Commitments and Others	1.107.358	1.551.295
	7.205.594.307	6.449.542.770

(*) Kordsa Teknik Tekstil A.Ş. have been joint guarantor to borrowings used by Kordsa Inc. amounting to total USD 105.105.555 equivalent TL 3.393.374.885

b) Guarantees received	31 March 2024	31 December 2023
Letter of guarantees	91.232.534	100.062.473
Cheques and notes received as collateral	331.351	331.350
	91.563.885	100.393.823

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NOTE 12 - COLLATERAL, PLEDGE, MORTGAGE AND SURETIES (continued)

31 March 2024	TL Equivalent	TL	USD	EUR	Thai Baht	Other TL Equivalent
A.Total amount of CPMSs given on behalf of own legal entity	3.812.219.422	1.887.655.587	41.217.626	10.251.812	139.594.408	145.867.466
B. Total amount of CPMSs given on behalf of subsidiaries consolidated in full	3.393.374.885	-	105.105.555	-	-	-
C. CPMS given for continuation of its economic activities on behalf of third parties						
D.Total amount of other CPMS						
i. Total amount of CPMS given on behalf of the majority shareholder	-	-	-	-	-	-
ii Total amount of CPMS given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMS given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	7.205.594.307	1.887.655.587	146.323.181	10.251.812	139.594.408	145.867.466
31 December 2023	TL Equivalent	TL	USD	EUR	Thai Baht	Other TL Equivalent
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. CPMS given for continuation of its economic activities on behalf of third parties						
D.Total amount of other CPMS						
i. Total amount of CPMS given on behalf of the major shareholder	-	-	-	-	-	-
ii Total amount of CPMS given on behalf of other Group companies which are not in scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMS given on behalf of third parties which are not in scope of clause C	-	-	-	-	-	-
	6.449.542.770	950.635.909	168.121.647	8.810.393	140.147.143	142.166.483

(*) Group equity ratio to other CPMS given by the Group is 0 % as of 31 March 2024 (31 December 2023: 0%).

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NOTE 13 - REVENUE AND COST OF SALES

	1 January- 31 March 2024	1 January- 31 March 2023
Sales Income (Gross)	7.316.621.921	5.273.025.374
Sales Returns (-)	(24.606.860)	(8.578.094)
Sales Discounts (-)	(43.775.682)	(21.364.309)
Other Sales Discounts (-)	(8.855.679)	(48.998.094)
Sales Income (Net)	7.239.383.700	5.194.084.877
Cost Of Sales (-)	(6.008.910.925)	(4.426.028.022)
Gross Profit	1.230.472.775	768.056.855

NOTE 14 - EXPENSES BY NATURE

	1 January- 31 March 2024	1 January- 31 March 2023
Raw Material and Supply Expenses	4.197.287.315	3.167.630.448
Personnel Expenses	1.113.577.509	669.593.740
Energy Expenses	462.244.420	397.727.828
Depreciation and Amortization Expenses	321.454.307	192.623.594
Distribution Expenses	220.719.082	116.673.538
Packaging Expenses	108.241.545	78.745.214
Consultancy Expenses	68.909.274	51.255.562
Idle Mill Expenses	25.357.360	41.768.811
Maintenance Expenses	15.090.223	14.137.076
Other	341.027.292	225.224.635
	6.873.908.328	4.955.380.447

NOTE 15 – OTHER OPERATING INCOME AND EXPENSES

	1 January- 31 March 2024	1 January- 31 March 2023
Other Operating Income		
Unearned Finance Income on Credit Sales	48.652.001	54.648.947
Domestic Production Incentive Income (*)	53.190.111	43.119.384
Foreign Exchange Gain/Loss on Trade Receivables/Payables -net	-	17.219.908
Export Incentive Income	7.661.821	9.246.275
Government Incentive	-	5.923.955
Other	24.403.758	20.582.334
	133.907.691	150.740.803

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

	1 January- 31 March 2024	1 January- 31 March 2023
Other Operating Expenses		
Donations	364.506	82.341.703
Foreign Exchange Gain/Loss on Trade Receivables/Payables - net	56.790.290	-
Finance Expenses on Credit Purchases	21.992.246	23.005.777
Taxes and Duties	13.040.890	3.054.769
Other	41.270.928	15.997.724
	133.458.860	124.399.973

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NOTE 16 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from Investing Activities	1 January- 31 March 2024	1 January- 31 March 2023
Interest Income	14.095.016	10.564.643
Gain on Sales of Property, Plant, and Equipment	343.780	1.104.990
	14.438.796	11.669.633
Expense from Investing Activities	1 January- 31 March 2024	1 January- 31 March 2023
Loss on Sales of Property, Plant, and Equipment	26.601	5.940.470
	26.601	5.940.470

NOTE 17 – FINANCIAL INCOME AND EXPENSES

Finance Income	1 January - 31 March 2024	1 January- 31 March 2023
Foreign Exchange Gain	162.076.107	41.416.524
Derivative Instruments	9.393.193	-
Other	-	1.208.711
	171.469.300	42.625.235
Finance Expenses	1 January - 31 March 2024	1 January- 31 March 2023
Interest Expenses	375.090.486	133.817.128
Foreign Exchange Losses	32.954.817	47.416.929
Losses on Derivative Instruments	22.408.471	1.714.334
Other	41.908.248	14.684.431
	472.362.022	197.632.822

NOTE 18 - TAXATION ON INCOME

Corporate Tax

	31 March 2024	31 December 2023
Corporate Tax Payable	37.292.881	309.713.695
Less: Prepaid Taxes on Income	(74.583.987)	(217.319.327)
Tax Payable from Previous Period	112.602.480	-
Current Tax (Asset)/ Liability, net	75.311.374	92.394.368

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 31 March 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 18 - TAXATION ON INCOME (continued)

Corporate Tax (devamı)

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 consolidated statement of profit or loss for the periods ended 31 March 2024 and 2023 are summarized as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Current Period Corporate Tax Expense	(37.292.881)	(57.768.619)
Deferred Tax Income/(Expense)	56.181.400	32.439.128
	18.888.519	(25.329.491)

Deferred Tax

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:

Country	31 March 2024	31 December 2023
Turkey	%25	%25
Egypt	%30	%30
United States of America	%25	%25
Brazil	%34	%34
Indonesia	%22	%22
Thailand	%20	%20
Italy	%24	%24

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 31 March 2024 and 31 December 2023 using the enacted tax rates are as follows:

	Deferred tax assets/(liabilities)	
	31 March 2024	31 December 2023
Derivative Financial Instruments	8.011.912	7.938.346
Trade Receivable	137.894.667	-
Trade Payable	34.493.514	-
Tangible and Intangible Assets	(369.469.467)	(351.245.352)
Research and Development	130.440.736	106.567.856
Inventories	(69.424.525)	40.642.182
Provision for Employment Termination Benefits	9.029.563	86.214.157
Prepaid Expenses	151.422.488	51.855.217
Deductible Financial Losses	425.285.367	425.285.367
Finance Income	24.908.078	14.247.680
Other, Net	7.251.383	48.738.845
Net Deferred Tax Assets/(Liabilities)	489.843.715	430.244.298

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NOTE 18 – TAXATION ON INCOME (continued)

Deferred Tax (continued)

	1 January- 31 March 2024	1 January- 31 March 2023
Balance on 1 January	430.244.298	(4.381.392)
Current Year Deferred Tax Income/(Expense) – net	56.181.400	32.439.128
Charges to Equity	(10.061.159)	2.152.489
Currency Translation Differences	13.479.176	(8.979.531)
Balance on 31 March	489.843.715	21.230.694

NOTE 19 - RELATED PARTY DISCLOSURES

Bank Balances:	31 March 2024	31 December 2023
Akbank T.A.Ş. – Time Deposit	4.129.913	386.100.745
Akbank T.A.Ş. – Demand Deposit	4.812.177	36.791.480
	8.942.090	422.892.225

	31 March 2024	31 December 2023
Akbank T.A.Ş. – Bank Borrowings	713.230.000	117.752.800
	713.230.000	117.752.800

Due from Related Parties:	31 March 2024	31 December 2023
Brisa Bridgestone Sabancı Lastik Sanayi ve Tic. A.Ş. (“Brisa”)	327.730.039	317.359.840
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”)	2.011.966	-
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	-	204.831
Other	2.858.195	45.806
	332.600.200	317.610.477

Due to Related Parties:	31 March 2024	31 December 2023
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	60.890.672	58.935.945
Aksigorta A.Ş. (“Aksigorta”)	61.742.307	6.634.392
Sabancı Dijital Teknoloji Hizm. A.Ş. (“SabancıDx”)	16.962.542	9.931.431
Sabancı Holding	632.797	1.003.382
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)	1.346.468	-
Other	41.927	93.341
	141.616.713	76.598.491

Product Sales	1 January- 31 March 2024	1 January- 31 March 2023
Brisa	217.961.492	174.780.128
Other	1.699.764	310.078
	219.661.256	175.090.206

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NOTE 19 - RELATED PARTY DISCLOSURES (continued)

	1 January- 31 March 2024	1 January- 31 March 2023
Product Received:		
Enerjisa	137.692.983	164.755.766
Carrefoursa	1.333.136	-
	139.026.119	164.755.766
Service Received:		
Aksigorta	158.571.907	49.749.074
SabancıDX	31.518.772	27.158.870
Other	3.971.606	2.397.895
	194.062.285	79.305.839
Interest Income:		
Akbank T.A.Ş.	2.561.671	479.439
Interest Expense:		
Akbank T.A.Ş.	8.854.189	9.743.568
Foreign Exchange Gains/(Losses), net		
Akbank T.A.Ş.	(2.495.345)	5.606.293
Other Income:		
Akbank T.A.Ş.	11.548	161.506
SabancıDX	98.885	64.269

Transactions with key management personnel:

The Group defined its top management as the 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:

	1 January- 31 March 2024	1 January- 31 March 2023
Short-Term Employee Benefits	33.962.071	15.450.566
Post-Employment Benefits	2.028.778	-
Other Long-Term Benefits	241.584	1.018.059
	36.232.433	16.468.625

Security and guarantee letters given:

The Group does not have any quarantees and letters of guarantee given as of 31 March 2024 and 2023.

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NOTE 20 - INTERESTS IN OTHER ENTITIES

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

31 March 2024				
	Non-controlling Interest %	Net Profit/Loss Attributable to Non-controlling Interest	Accumulated Profit/(Loss) Allocated to Non-controlling Interests	Dividends Distributed to Non-controlling Interests
Subsidiaries				
PT Indo Kordsa Tbk (*)	38,41%	53.456.731	3.300.169.862	-
Other		11.266.128	238.324.587	-
Total		64.722.859	3.538.494.449	

31 December 2023				
	Non-controlling Interest %	Net Profit/Loss Attributable to Non-controlling Interest	Accumulated Profit/(Loss) Allocated to Non-controlling Interests	Dividends Distributed to Non-controlling Interests
Subsidiaries				
PT Indo Kordsa Tbk (*)	38,41%	183.912.275	2.995.903.962	(221.401.345)
Other		27.231.476	222.506.098	-
Total		211.143.751	3.218.410.060	

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

The financial information of PT Indo Kordsa Tbk before the Group’s consolidation adjustments and eliminations is as follows:

Summary statement of financial position:

	PT Indo Kordsa Tbk	
	31 March 2024	31 December 2023
Cash and Cash Equivalents	1.083.408.773	968.835.796
Other Current Assets	2.624.450.782	2.357.743.053
Non-Current Assets	6.125.634.046	5.724.887.878
Total Assets	9.833.493.601	9.051.466.727
Short-Term Borrowings	69.677.892	156.579.743
Other Short-Term Liabilities	1.683.344.769	1.552.530.493
Other Long-Term Liabilities	645.016.599	601.872.979
Total Liabilities	2.398.039.261	2.310.983.215
Total Equity	7.435.454.340	6.740.483.512
Total Equity Attributable to Owners of the Company	6.714.214.123	6.079.849.896
Non-Controlling Interest (*)	721.240.218	660.633.617

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

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NOTE 20 - INTERESTS IN OTHER ENTITIES (continued)

Summary statement of profit and loss:

	PT Indo Kordsa Tbk	
	1 January – 31 March 2024	1 January – 31 March 2023
Revenue	1.707.186.660	1.220.497.387
Cost of Sales	(1.339.863.460)	(993.369.073)
Depreciation and Amortization Expense	(92.169.131)	(42.254.347)
Operating Profit/ (Loss)	135.068.633	160.934.661
Net Financial Income /(Expense)	6.119.305	(6.624.853)
Profit /(loss) Before Tax	141.187.939	154.309.808
Tax Expenses (-)	(30.277.336)	(34.163.202)
Non-Controlling Interests (*)	(17.626.187)	(7.608.518)
Profit for the Year	93.284.416	112.538.088

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

NOTE 21 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Foreign currency position

Group’s assets and liabilities denominated in foreign currencies at 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Assets	2.175.023.703	2.166.638.611
Liabilities	(3.213.017.724)	(3.158.224.240)
Net Foreign Currency Position	(1.037.994.021)	(991.585.629)

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NOTE 21 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 March 2024	Total TL equivalent	TL (*)	Euro (*)	Thai Baht	Indonesian Rupiah (‘000) (*)	Other TL equivalent(**)
Assets:						
Trade Receivables	1.926.412.710	225.959.721	38.472.869	-	119.173.517.097	117.575.513
Cash and Cash Equivalents	163.790.203	34.183.505	1.370.817	-	36.596.730.992	6.989.657
Other Monetary Receivables and Assets	67.455.663	-	19.961	-	31.464.368.081	2.356.824
Other Non-Monetary Receivables and Assets	-	-	-	-	-	-
Current Assets	2.157.658.577	260.143.226	39.863.647	-	187.234.616.170	126.921.994
Non-Current Assets Held for Sale	-	-	-	-	-	-
Other Monetary Receivables and Assets	17.365.126	-	-	-	8.483.658.254	-
Non-Current Assets	17.365.126	-	-	-	8.483.658.254	-
Total Assets (a)	2.175.023.703	260.143.226	39.863.647	-	195.718.274.424	126.921.994
Liabilities:						
Trade Payables	1.098.846.415	252.148.315	17.520.412	429.070	89.004.693.127	52.870.028
Financial Liabilities	1.598.924.496	900.000.000	20.000.000	-	-	-
Other Monetary Payable and Liabilities	26.160.359	-	-	-	12.757.514.776	-
Current Liabilities	2.723.931.270	1.152.148.315	37.520.412	429.070	101.762.207.903	52.870.028
Financial Liabilities	488.110.503	-	14.000.000	-	-	-
Other Monetary Receivables and Assets	975.952	-	-	-	475.938.375	-
Non-Current Liabilities	489.086.454	-	14.000.000	-	475.938.375	-
Total Liabilities (b)	3.213.017.724	1.152.148.315	51.520.412	429.070	102.238.146.279	52.870.028
Off-Balance Sheet Derivative Assets (c)	-	-	-	-	-	-
Off-Balance Sheet Derivative Liabilities (d)	-	-	-	-	-	-
Net Foreign Currency Asset /(Liability) Position (a-b+c-d)	(1.037.114.960)	(892.005.089)	(11.656.765)	(429.070)	93.480.128.145	74.051.965
Fair Value of Financial Instruments Used for Foreign Exchange Hedge	1.954.409	-	-	-	-	-
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 21 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 December 2023	Total TL equivalent	TL (*)	Euro (*)	Indonesian Rupiah (‘000) (*)	Other TL equivalent(**)
Assets:					
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	-	-	-	-	-
Current Assets	2.131.853.354	255.289.550	40.656.427	211.538.142.028	148.075.095
Non-Current Assets Held for Sale	-	-	-	-	-
Other Monetary Receivables and Assets	34.785.257	18.944.507	-	8.291.253.454	-
Non-Current Assets	34.785.257	18.944.507	-	8.291.253.454	-
Total Assets (a)	2.166.638.611	274.234.057	40.656.427	219.829.395.482	148.075.095
Liabilities:					
Trade Payables	651.599.332	281.489.793	7.971.781	33.306.110.531	45.631.374
Financial Liabilities	2.426.549.907	1.646.920.444	23.800.000	-	-
Other Monetary Payable and Liabilities	79.450.273	-	110.181	39.631.467.118	729
Current Liabilities	3.157.599.512	1.928.410.237	31.881.962	72.937.577.649	45.632.103
Financial Liabilities	-	-	-	-	-
Other Monetary Receivables and Assets	624.728	-	-	326.400.308	-
Non-Current Liabilities	624.728	-	-	326.400.308	-
Total Liabilities (b)	3.158.224.240	1.928.410.237	31.881.962	73.263.977.958	45.632.103
Off-Balance Sheet Derivative Assets (c)	-	-	-	-	-
Off-Balance Sheet Derivative Liabilities (d)	-	-	-	-	-
Net Foreign Currency Asset /(Liability) Position (a-b+c-d)	(991.585.629)	(1.654.176.180)	8.774.465	146.565.417.524	102.442.992
Fair Value of Financial Instruments Used for Foreign Exchange Hedge	(4.149.603)	-	-	-	-
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 21 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

Foreign currency position (continued)

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

Closing Rates	31 March 2024	31 December 2023
USD (Buy/Sell)	32,2854/32,3436	29,4382/29,4913
Euro	34,8023	32,5739
Indonesian Rupiah (1000 Units)	2,0469	1,9096
Brazilian Real	6,4620	6,0806
Thai Baht	0,8854	0,8602
Egyptian Pound	0,6825	0,9527

Average Rates	31 March 2024	31 March 2023
USD	30,9288	18,8527
Euro	33,5956	20,2281
Indonesian Rupiah (1000 Units)	1,9850	1,2370
Brazilian Real	6,2105	3,6292
Thai Baht	0,8673	0,5559
Egyptian Pound	0,7911	0,6188

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

31 March 2024	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	(89.200.518)	89.200.518	-	-
Hedged Portion of TL Amounts(-)	-	-	-	-
Net Effect Of TL	(89.200.518)	89.200.518	-	-
Increase/(Decrease) 10% Of EUR Parity				
EUR Net Asset/Liability	(40.568.158)	40.568.158	-	-
Hedged Portion of EUR Amounts (-)	-	-	-	-
Net Effect Of EUR	(40.568.158)	40.568.158	-	-
Increase/(Decrease) 10% of Other Parities				
Other Foreign Currency Net Asset/Liability	26.547.921	(26.547.921)	-	-
Hedged Portion of Other Foreign Currency Amounts(-)	-	-	-	-
Net Effect of Other Foreign Currencies	26.547.921	(26.547.921)	-	-
	(103.220.754)	103.220.754	-	-

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NOTE 21 - 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(-)	-	-	-	-
Net Effect Of TL			-	-
	(150.082.309)	150.082.309		
Increase/(Decrease) 10% Of EUR Parity				
EUR Net Asset/Liability	28.581.816	(28.581.816)	-	-
Hedged Portion of EUR Amounts (-)	-	-	-	-
Net Effect Of EUR	28.581.816	(28.581.816)	-	-
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(-)	-	-	-	-
Net Effect of Other Foreign Currencies	37.704.912	(37.704.912)	-	-
	(83.795.581)	83.795.581	-	-

Export and import balances from Turkey as of 31 March 2024 and 2023 are as follows:

	31 March 2024		31 March 2023	
	Original Amount	TL Equivalent	Original Amount	TL Equivalent
Euro	42.717.949	1.435.135.127	52.719.909	1.064.815.402
USD	14.202.831	439.276.519	23.816.914	448.335.797
Total export		1.874.411.647		1.513.151.200
			1 January - 31 March 2024	1 January - 31 March 2023
Total import			1.758.923.068	848.331.004

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NOTE 22 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

According to The Group’s Board of Management, decision numbered 2015/29 dated 31 December 2016, shares belonging to company partners, Nile Kordsa Company for Industrial Fabrics S.A.E. %51 of rates, would be classified as “Assets Held for Sale” in the balance sheet as of 31 December 2016. Hence, in the preparation of the consolidated financial statements as of 31 March 2024 and 31 December 2023, Nile Kordsa Company for Industrial Fabrics S.A.E. financials, non-current assets classified as held for sale in the statement of financial position (31 March 2024: None, 31 December 2023: None) and liabilities related to asset groups classified as held for sale (31 March 2024: 40.860.452 TL, 31 December 2023: 29.565.974 TL).

NOTE 23 – EVENTS AFTER THE REPORTING PERIOD

None.