

SASA POLYESTER SANAYİ A.Ş.

REPORT ON THE USE OF PROCEEDS OBTAINED FROM THE CAPITAL INCREASE IN CASH THROUGH PRIVATE PLACEMENT

Date of Report : 24 May 2024

Purpose of Report : The Article 33 of the Capital Markets Board's ("CMB") Communiqué on Shares numbered VII-128.1 ("Communiqué"), titled "Explanations on Use of Proceeds Obtained From Capital Increases" states that public corporations the shares of which are traded at the exchange shall prepare a report verifying whether the proceeds obtained from capital increase are used as stipulated in the report which was previously prepared and announced to the public in this context, and to publish the said report in the corporation's internet site and Public Disclosure Platform (PDP) within ten business days following the date of publishing of their initial two financial statements containing the results of capital increases as from the date of completion of capital increase. According to the provision of the Communiqué, if the proceeds obtained from capital increase are fully used as of a date subsequent to the dates of the PDP announcements to be made, it is required to publish a public disclosure of material event within 10 business days following the date of full use of the funds.

SASA Audit Committee has prepared this report herewith to evaluate whether the proceeds obtained from the capital increase in cash through private placement, which was carried out within the scope of the resolution of the Sasa Polyester Sanayi A.Ş. (SASA) Board of Directors dated 8 February 2024 and numbered 4, was used as stated in the "Report on the Use of the Proceeds to be Obtained from the Capital Increase in Cash through Private Placement", which was approved by the same decision of the SASA Board of Directors and published on the Public Disclosure Platform ("PDP") on 8 February 2024.

Board Resolution on Capital Increase : At the meeting of SASA Board of Directors' dated 8 February 2024 and numbered 4, it was decided to increase the SASA's issued capital of TRY 5,321,653,794.10 by the nominal capital amount to be calculated according to the share sale price to be determined as per the article 7.1 of Procedure for Wholesale Purchase and Sale Transactions of Borsa Istanbul ("Procedure"), where the total sales proceeds shall amount to TRY 4,365,000,000 with a premium and in cash through private placement by completely restricting the pre-emptive rights of shareholders, and to sell all the newly issued shares to Erdemoğlu Holding, the controlling shareholder of the SASA, through private placement without public offering.

Board Resolution on the Use of Proceeds : As per the provision of the Article 33 of the Communiqué titled "Explanations on Use of Proceeds Obtained from Capital Increases", the "Report on the Use of the Proceeds to be Obtained from the Capital Increase in Cash through Private Placement" prepared regarding the intended use of the proceeds to be obtained from the capital increase was

approved by SASA Board of Directors' resolution dated 8 February 2024 and numbered 4, and was announced to the public by publishing on PDP on the same date.

The following points were stated in the report in question;

- The total of TRY 4,365,000,000 which will be obtained from the capital increase in cash through private placement to be made, will be offset against the SASA's debts consisting of cash sent by Erdemoğlu Holding as a shareholder loan to SASA within the period October 2023-December 2023 and existing in the SASA's records as "Debts to Related Parties/Erdemoğlu Holding".
- TRY 4,365,000,000, sent in cash to SASA by Erdemoğlu Holding as a shareholder loan between October 2023 and December 2023, has been transferred to the SASA's bank accounts via bank transfer and the amount in question is due and may be deductible from the capital contribution debt in the event of a capital increase.
- This amount deposited as a shareholder loan was used to finance SASA's ongoing investments, to pay off short-term debts, and due to working capital needs.
- The use of funds, expenditure amounts and ratios of expenditure amounts within the total fund amounts, are shown in the following table.

Use of Fund	Expenditure Amount	Ratio (%)
Financing Investments	2,182,500,000	50.00
Credit Payments	1,746,000,000	40.00
Working Capital Needs	436,500,000	10.00
Total	4,365,000,000	100.00

Completion of Capital Increase

The application made to the CMB on 14 February 2024 to allow the capital increase to be carried out in accordance with the decision of the SASA Board of Directors dated 8 February 2024 and numbered 4, was approved on 16 May 2024.

The transaction price for the private placement of shares to be issued in capital increase was determined as TRY 49,40 per share with a nominal value of TRY 1, within the framework of Procedure, and in this respect the capital increase amount was determined as TRY 88,360,324.

Within the scope of increasing the issued capital of the SASA from TRY 5,321,653,794.10 to TRY 5,410,014,118.10, the sales of the shares with a nominal value of TRY 88,360,324 that were issued on a private basis to Erdemoğlu Holding, the controlling shareholder of the SASA, have been sold at Borsa Istanbul as wholesale buying and selling transactions on 24 May 2024. As a result of this transaction, the capital increase process was completed.

Following the completion of the capital increase, TRY 88,360,324 added to the capital was transferred from the relevant accounts to the SASA's capital account on 24 May 2024.

**The Use of
Proceeds Obtained
from the Capital
Increase**

: In accordance with the resolution of the SASA Board of Directors dated 8 February 2024, the newly issued shares of TRY 88,360,324 due to the issued capital increase of the SASA from TRY 5,321,653,794.10 to TRY 5,410,014,118.10 were sold to Erdemoğlu Holding on a private basis at the price of TRY 49,40 per share, providing a gross fund amounting to TRY 4,365,000,005.60.

As stipulated in the “Report on the Use of the Proceeds to be Obtained from the Capital Increase in Cash through Private Placement” which was announced to the public via PDP, the proceeds obtained from the capital increase were offset against the SASA's debts consisting of cash sent by Erdemoğlu Holding as a shareholder loan to SASA within the period October 2023-December 2023 and existing in the SASA’s records as "Debts to Related Parties/Erdemoğlu Holding".

TRY 4,365,000,000, sent via bank transfer in cash to SASA by Erdemoğlu Holding as a shareholder loan between October 2023 and December 2023, has been used to finance SASA’s ongoing investments, to pay off short-term debts, and due to working capital needs and the use of proceeds was realized as stated in the table showing “the use of funds, expenditure amounts and ratios of expenditure amounts within the total fund amounts” in the “Report on the Use of the Proceeds to be Obtained from the Capital Increase in Cash through Private Placement” announced to the public via PDP on 8 February 2024.

Conclusion

: All of the proceeds of amounting to gross TRY 4,365,000,005.60 obtained from the sale of shares with a nominal value of TRY 88,360,324 to Erdemoğlu Holding on private basis, within the scope of increasing the SASA's issued capital from TRY 5,321,653,794.10 to TRY 5,410,014,118.10, were used as stipulated in the “Report on the Use of the Proceeds to be Obtained from the Capital Increase in Cash through Private Placement” announced to the public via PDP on 8 February 2024.

CHAIRMAN of the AUDIT COMMITTEE
SERVİ SEBE

MEMBER of the AUDIT COMMITTEE
AYTEN TOPALKARA

MEMBER of the AUDIT COMMITTEE
TUBA YAĞCI