



YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.

**FOR THE PERIOD 1 JANUARY - 31 MARCH 2024
IN THE CAPITAL MARKET NUMBER II-14.1 OF THE CAPITAL MARKETS BOARD
PREPARED BASED ON THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING
BOARD OF DIRECTORS ACTIVITY REPORT**

Headquarters, Istanbul

Factory, Çerkezköy

Vadi Istanbul, Ayazağa

Organized Industrial Zone



A. GENERAL INFORMATION

1.) Accounting period to which the report relates: 1 January 2024 – 31 March 2024

2.) Information About the Partnership

Trade name	Yünsa Yünlü Sanayi ve Ticaret A.Ş.
Trade Registry Number	122890-0
Tax Administration	Large Taxpayers
Tax number	9950030604
Head Office Address Information	Vadi İstanbul 1B Block K:23 34396 Ayazağa - Sarıyer / İstanbul - Türkiye
Head Office Contact Information	Tel: 2123656500 Fax: 2122825067
Address of Production Facilities	Organized Industrial Zone, Çerkezköy 59500 Tekirdağ/Türkiye
Internet page	www.yunsa.com
Registered Capital Ceiling	500,000,000 TL
Paid / Issued Capital	60,000,000 TL

3.) Partnership Structure and Capital Distribution

Shareholder	Number of Shares	%
Sürmegöz Tekstil Yatırım A.Ş.	34,729,437	57.88
Other (Public)	25,270,563	42,12
Total	60,000,000	one hundred

4.) Board of Directors , Senior Managers and Number of Personnel

The Company is managed and represented by a Board of Directors consisting of at least five members to be elected by the General Assembly from among the shareholders within the framework of the provisions of the Turkish Commercial Code ("TTK"). Members of the Board of Directors are elected for a maximum period of 3 years. It is permissible for a member whose term has expired to be re-elected. The General Assembly may change the members of the Board of Directors at any time if it deems necessary.

At the 2021 Ordinary General Assembly meeting held on April 14, 2022, within the framework of the provisions of the Turkish Commercial Code and the Capital Markets Law ("CMB"), six members of the board of directors, two of whom are independent members, were elected to serve for three years, in accordance with articles 9 and 10 of the Company's articles of association. .

The members of the Board of Directors and their duties were as follows.

Board members on duty as of 31.03.2024

board member	Mission	Mission time
Mustafa Surmegöz	Chairman of the Board	14.04.2022 – 14.04.2025
Tamer Saka	Board Member	27.04.2023 – 14.04.2025
Taha Adnan Surmegöz	Board Member	14.04.2022 – 14.04.2025
Ahmet Cevat Acar	Independent Board Member	14.04.2022 – 14.04.2025
Ahmet Yariz	Independent Board Member	14.04.2022 – 14.04.2025

Duties and Powers of Board Members

The rights, duties, obligations and responsibilities of the Board of Directors, meeting format and quorum, member's withdrawal, death or circumstances preventing them from performing their duties, fees and other matters related to the Board of Directors are governed by the provisions of the Turkish Commercial Code and Capital Markets legislation.

The Board of Directors is authorized to take decisions on all matters, including real estate mortgages, other than the authority given exclusively to the general assembly in the law and the articles of association.

Senior managers on duty as of 31.03.2023

Name and surname	Mission	Starting Date
Mustafa Surmegöz	General manager	24.04.2020
Semih Utku	Financial Affairs Director	01.06.2021
Engin Saribüyük	Operations Director	15.09.2017
Hakan Konuskan	Supply Chain Director	04.05.2020
Mahmure Civan	Sales and Design Group Manager	01.01.2022

5.) Personnel and Worker Movements, Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers

XXVI, which is valid between 01.04.2022-31.03.2025 between the Turkish Textile Industry Employers' Union (TTSİS), to which our company is affiliated, and the Turkish Textile Knitting and Clothing Industry Workers' Union (TEKSİF), to which our employees are affiliated. There is a Term Group Collective Labor Agreement.

Within the framework of our job evaluation and wage policies, our employees are provided with various benefits such as base salary, bonuses, variable premiums based on performance, private health insurance, private pension contribution, accident and life insurance. On the other hand, our practices within this scope include vehicles allocated to the office, initiatives for the use of various communication tools, and additional benefits for our staff who have master's and doctoral degrees.

In addition, wages, rights and social benefits are provided to our employees who are members of the party labor union, within the framework defined in the collective bargaining agreement.

6.) Personal number

	31.03.2024	31.12.2023
White Collar	211	219
Blue Collar	692	783
Total	903	1.002

7.) Amendments to the Articles of Association

There is no.

B. FINANCIAL RIGHTS PROVIDED TO BOARD MEMBERS AND SENIOR MANAGERS

1.) Total Amount of Financial Benefits Provided, Such as Attendance Allowance, Wage, Premium, Bonus, Dividend

Detailed information regarding the financial rights provided to the members of the Board of Directors and senior managers is included in footnote 6 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - March 31, 2024.

2.) Information on the Total Amount of Allowances Given, Travel, Accommodation and Representation Expenses, In-Kind and Cash Facilities, Insurance and Similar Guarantees

Detailed information regarding the financial rights provided to the members of the Board of Directors and senior managers is included in footnote 6 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - March 31, 2024.

C. RESEARCH AND DEVELOPMENT STUDIES

Our company aims to reach new markets with high added value, sustainable innovative products and to continue increasing the adaptation and use of high technology in order to improve its leading position in the world textile trade, increase its share in exports and social welfare. Among the elements required to achieve this goal: By giving importance to innovation , constantly improving current information and technology and using it in the most efficient way. In this context, the company established the Yünsa R&D Center in 2010 in order to carry out its current and planned R&D projects in coordination with the University and Research Centers, to create a culture of continuous innovation with its employees , and to lead the way in learning and developing new technologies. It continues its activities today.

In the textile sector, where there are tough competitive conditions and market players are losing ground and market, Yünsa; While continuing its sales and marketing activities to maintain its position in the markets with high value-added, qualified, differentiated products and short delivery times, it continued its modernization and improvement efforts to improve product quality and reduce industrial costs.

it has become inevitable to carry out technology and innovation studies systematically and to develop innovative products with high added value to reach new markets and new customers. Yünsa maintains its desire to be the first to implement the new subjects, new designs and original works it works on. In line with its goal of being a leader and pioneer in the sector, it carries out the necessary studies for intellectual and industrial property rights.

Yünsa R&D Center, which continues its fourteenth operating period in 2024, continues to be a motivating force for all its stakeholders with the experiences it has gained and its efforts to strengthen Yünsa's competitive structure, increase its brand value and solve chronic problems in production processes. At Yünsa R&D Center, innovative ideas in line with company goals are transformed into projects with university collaborations; A sustainable, pioneering and creative environment has been created. Yünsa R&D Center has started to sign mutual cooperation

protocols in order to further strengthen its communication network with universities within the scope of University-Industry cooperation and continues its cooperation efforts in 2024. In addition to carrying out these joint research and development projects; It also includes open innovation meetings, student internships, laboratory facilities, events, publication subscriptions and technical trips. It has collaborations and ongoing projects with approximately 10 universities .

Yünsa R&D Center, together with universities, contributes to the increase of R&D levels of SMEs by creating new job opportunities for SMEs with projects that have a research direction and will result in original products and methods. In addition to SMEs, it continues its cooperation efforts at the global level. In the R&D Center project portfolio, 6 supported projects jointly with institutions are being carried out in 2024. Equity , National and International project work continues.

Since 2010, a total of 41 supported projects, including 39 TÜBİTAK- supported and 2 European Union projects, have been successfully completed. ARDEB 1002 program application was made in the first quarter. The R&D Center continues its work with the strategy of transforming the results of its own projects into scientific publications. 1 paper and 1 article were published in the first quarter of 2024. Thus, the number of academic publications reached 90.

Yünsa R&D Center continues its efforts to protect the scientific publications and intellectual property rights of the results of its own projects. Yünsa R&D Center has a total of 6 Patents and 5 Utility Model registrations in order to protect intellectual property rights in its work areas.

equity and external resources within the scope of new materials, designs and processes continue, and Yünsa, which has made cooperation protocols to increase Public-Industry cooperation, continued to offer business opportunities to undergraduate students. In this context, undergraduate students are enabled to complete their studies in their graduation thesis by learning the project systematics together with co-advisors within Yünsa.

Yünsa R&D Center; Research, Development and Innovation No. 5746, which supports the production of technological information, innovation in products and production processes, raising product quality and standards, increasing efficiency, reducing production costs, and commercialization of technological knowledge in order to make the country's economy an internationally competitive structure through R&D and innovation. It carries out studies in accordance with the Law on Support of Design Activities. In 2023, income tax, stamp tax, SSI employer share, R&D personnel salary and R&D discount incentives will be benefited from R&D Center personnel wages within the framework of the relevant law. Within the scope of the projects carried out at Yünsa R&D Center, incentives are provided by the Scientific and Technological Research Council of Turkey (TÜBİTAK) and the Ministry of Science, Industry and Technology of the Republic of Turkey.

D. SUSTAINABILITY STUDIES

Textile sector energy And This of consumption busy is sectors is between . Company within natural source optimizing usage And to the environment the one which... negative effects reducing for the purpose of various productivity projects carried out , meters of fabric produced per falling energy And This of density reducing is targeted .

this from 2016 Since GRI (Global Report Initiative) standards suitable sustainability report published by Yünsa, 2022 sustainability report Turkish And English aspect of the year second in the quarter published . year 2023 Sustainability Report to their work continue is done .

Environmental our responsibilities beyond climate change and greenhouse gas of emissions calculation , report to be And reducing by providing verification of their work to be done principle with Yünsa greenhouse gas studies completed . Sustainability in the report verification declarations place will take it .

recycled raw materials use of with sustainable environment friendly product designs in the name of This in scope of the world -most effective back transformation waste pet bottles from companies back by transforming produced special REPVE® fiber blended material designs to be produced continue has been made .

environment , social And economic in specified sizes priority performance in areas indicators base 2025 and 2030 , taking goals Yünsa Sustainability by determining Path Map to their work continue is done .

Climate to change royal effect eden , methane gas release enhancer factors eyelash before when taken back converted wool materials with raw material used rate to reduce aimed at studies is being done . Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) certifications in the final product with used back converted materials supply chain along being monitored And is confirmed . Additional as animal your well-being And of animals on where he grazes of lands Good management standards Responsible Wool Standard (RWS) certification with animal to your rights respectful production what he did registered from farms wool to supply priority is given . Wool for RWS standard with our products by certifying of sheep Good conditions cultivation , soil management And in the protection -most Good with apps treatment to be to support continue has been made . In the first quarter of 2024 , Oekotex Standard 100 and Oekotex Recycled, GRS, RCS and RWS certified products with service to be presented continue has been made .

first quarter of 2024 , Yünsa will be in Europe grown first class linen fiber traceability guarantee providing certificate to use continue has done .

Yünsa, sustainable production for established , in the industry member brand , retailer And manufacturers with transparency Good applications shared which is a platform sustainable Clothes Developed by the Coalition (SAC) Higg Index Facility Environment Module (FEM) and Higg Index Facility Social and Labor Management (FSLM) module uses .

In the first quarter of 2024 , corporate This foot trace And carbon foot trace calculation The work was organized .

Yünsa since 2010 This sideways Carbon Transparency Project (CDP) reporting greenhouse gas through emissions And This management transparent One with approach all to the public explains . In this context, 2023 in the CDP Program for This And climate change in categories to score including has been made . Climate change global level in its category score B on water in the category is the global level score of C get has been made .

E. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES

1.) Investment Activities

Yünsa Yünlü Sanayi ve Ticaret A.Ş. As of 31.03.2024, the total investment expenditure amount is 42.271.102 TL . (31.12.2023 : 29.930.874 TL)

2.) Internal Control System and Internal Audit Activities

There is an Internal Audit Department within the Company to conduct audits, investigations and investigations to protect the rights and interests of the company and to develop recommendations against internal and external risks.

In accordance with the principle of independence, the Company's Internal Audit Department reports directly periodically to the Audit Committee, consisting of Independent Board Members, within the Company's organizational structure, and carries out the duties assigned to them by the Board of Directors within the framework of the current Audit Committee Internal Regulation. The internal control mechanism is the responsibility of the senior management and is regularly reviewed by the Company's Internal Audit Department.

The duties of the Internal Audit Department are to control the reliability and accuracy of the financial statements of the Company and its subsidiaries, to ensure that activities are carried out in accordance with the law and the Company's accepted ethical rules, to identify and eliminate existing and potential risks by analyzing processes in order to increase the effectiveness and efficiency of operations. It is to provide assurance that risks are reduced to a reasonable level and to check whether activities within the business are carried out in accordance with predetermined standards, policies and targets.

3.) Direct and Indirect Subsidiaries

The main areas of activity and capital participation rates of the companies included in the consolidation are as follows:

Company	Country of Establishment	Main Activities	Participation Rate (%)
Yunsa Germany GMBH	Germany	Sales and marketing	one hundred
Yunsa UK Ltd.	England	Sales and marketing	one hundred
Yunsa Italia Srl	Italy	Design Office	one hundred
Yunsa USA Inc.	America	Sales and marketing	one hundred

Yunsa Germany GmbH : The name of Exsa Deutschland GmbH, in which Yünsa has a 100% partnership share, was changed to Yunsa Germany GmbH as of 2009. The company was established to organize and carry out marketing and sales activities in Germany and its surroundings.

Yunsa UK Ltd. : Yunsa UK Ltd, in which Yünsa has a 100% partnership share, was established in 2007 in Leeds, England, for the sales and marketing activities of Yünsa products.

Yunsa Italia Srl: Yunsa Italia Srl, in which Yünsa has a 100% partnership share, serves as a fabric design office in Milan, Italy.

Yunsa USA Inc. : The name of the company in which Yünsa has a 100% partnership share is Yunsa USA Inc. as of 2009. has been changed to .

F. FINANCIAL SITUATION

1.) Summary of Financial Statements

The financial statements are prepared in accordance with the financial reporting standards published by the Capital Markets Board. The financial statements dated 31.12.2023 and 31.03.2024 have been applied Inflation Accounting in accordance with the relevant accounting principles in TMS 29 and have been independently audited.

Summary Statement of Financial Position

ACTIVE		
(TL)	01.01.2024 – 31.03.2024	01.01.2023 – 31.12.2023
Current Assets	1.545.479.469	1.649.437.403
Fixed Assets	2.381.731.507	2.424.733.823
Total Assets	3.927.210.976	4.074.171.226
PASSIVE		
(TL)	01.01.2024 – 31.03.2024	01.01.2023 – 31.12.2023
Short-Term Liabilities	708.024.712	859.675.785
Long Term Liabilities	258.585.211	291.777.788
Equity	2.960.601.053	2.922.717.653
Total Resources	3.927.210.976	4.074.171.226

Summary Profit or Loss Statement

(TL)	01.01.2024 – 31.03.2024	01.01.2023 – 31.03.2023
Revenues	353.358.710	683.367.601
Gross profit	56.043.959	117.080.029
Main Operating Profit	(1.453.623)	74.594.998
EBITDA	50.750.205	213.232.486
Net Period Profit/Loss	44.086.704	16.777.421

2.) Important Rates

(%)	01.01.2024 – 31.03.2024	01.01.2023 – 31.03.2023
Gross Profit Margin	15,86	17,13
Operating Profit Margin	(0,41)	10,92
EBITDA Margin	14,36	31,20
Net Profit Margin	12,47	2,46
Profit/Loss Per Share	0,0073	0,0028

3.) Development of Financing Sources and Policies Implemented by the Business Within the Framework of This Development

New financing alternatives suitable for market conditions are constantly being researched and suggestions are being evaluated. The company develops its borrowing policy based on its high cash generation ability and strong equity capital structure. Hedging methods and rates to be used against possible financial risks are developed within the framework of a specific model.

4.) The Sector in which the Business Operates and Its Place within the Sector

Yünsa, which has Europe's largest integrated production facility under one roof, is one of the five largest upper segment woolen fabric manufacturers in the world. Exporting more than half of its production, Yünsa is the leader in woolen woven fabric exports in Turkey. Exporting to more than fifty countries, the Company contributes to the Turkish economy with its high export power and is one of the national brands that represent Turkey with its success in the international arena with its innovative products.

Operating in many regions of the world as a global Turkish company, Yünsa has sales offices in England, Germany and the USA; It has agencies in Italy, France, USA, China, South Korea and Japan. Yünsa, Europe's largest woven fabric manufacturer under one roof, with its integrated facility established on an area of approximately 200,000 m² in Çerkezköy, Tekirdağ, has an annual capacity of producing 4,500 tons of worsted yarn and weaving 10 million meters of fabric. The company carries out all yarn, warp and weaving, dyeing and finishing processes in-house with its modern and technological facility infrastructure.

5.) Development of the Business

The success story of Yünsa, which is one of the five largest upper segment woolen fabric manufacturers in the world today, started in 1973. Yünsa, which started its operations in 1980 by producing high-quality men's clothing woolen woven fabrics, later added women's clothing, uniform and upholstery fabrics to its portfolio. After commissioning the Çerkezköy design office in 1989, Yünsa shares were offered to the public in 1990 with the aim of improving corporate management, ensuring transparency at the corporate level, and increasing brand value and national and global awareness.

Making its first investment abroad in 2002 by opening a design office in Biella, Italy, Yünsa subsequently opened offices in England in 2007, America in 2008 and Germany in 2009. Yünsa, which opened its R&D center in 2010, has accelerated its efforts to develop innovative and technological products. With the acquisition in 2019, the controlling shareholder of the company was Sürmegöz Tekstil Yatırım A.Ş. has happened.

6.) Products

Yünsa, which has half a century of experience in the woolen fabric industry, offers a wide range of products, from clothing fabrics to upholstery fabrics, to the world's leading brands with its modern and technological infrastructure and designs created with colors and patterns reflecting the latest trends. Comfort, performance and durability are offered together in Yünsa collections, which were developed to meet the needs of different customer groups with 5 main product groups.

Premium Fabrics

Yünsa Premium collection consists of superior quality fabrics produced by blending wool, a 100% natural and sustainable raw material, with special natural fibers such as linen, silk and cashmere and enriching it with assertive touches.

Yünsa Premium is a vibrant collection with innovative blends, micro patterns, thin and thick, jaspe, muline with its durable feature, curl and nope effects with its protruding structure, and the qualities it contains have a natural touch feature with their lycra, elastic and matte appearance. Yünsa's experienced technical teams provide mechanical stretch properties even to 100% wool fabrics without using elastane.

The preferences of consumers who do not want to give up their elegance and comfort determine fashion trends today. While comfort is the first choice, remarkable changes are also observed in style. Yünsa Premium collection, which was launched in 2015. Creating its Premium collection according to these trends, Yünsa takes its place in the showcases of giant brands with its assertive designs.

Men's Clothing Fabrics

Yünsa plays the role of trend creator as the woolen and worsted fabric production leader with its main field of activity, the men's collection. In its men's clothing collection, the Company focuses on innovative blends as well as fabrics made from 100% wool. In addition to creating different product groups by blending wool with other natural and regenerated cellulosic fibers, it also prepares capsule collections by blending it with chemical fibers that provide various functionality to the fabrics. In addition, it creates a trend for easy-to-use woolen fabrics for the end consumer with different finishing applications such as washable, wrinkle-free, natural stretch, anti-odor, oil, water and sweat repellent.

Women's Clothing Fabrics

Yünsa, which has included women's clothing fabrics in its portfolio since 1999, has become one of the leading manufacturers in the field of women's clothing with its elegant and exclusive collections that appeal to all ages and styles.

Responding to the ever-increasing comfort expectations with highly elastic, functional fabrics, Yünsa's talented and experienced team offers assertive designs that inspire fashion designers with its rich color and pattern options. In women's clothing collections, light weight voile with a shiny look, light weight loose crepe fabrics, seersucker and crinkle fabrics with their embossed and curved appearance stand out.

Fabrics in Yünsa women's collection are offered with different types of finishing applications such as piece dyed, water / oil repellent, washable and natural stretch. Benefiting from the capabilities of being an integrated production facility, the Company offers a wide range of touch options to its customers.

Uniform Fabrics

Yünsa, which has added uniform fabrics to its portfolio since 2005, prepares bespoke collections with value-added fabrics in every geography it serves, in order to offer the best to its customers.

Uniform fabrics prepared with 100% wool, wool/polyester (with/without lycra), functional fiber wool blends and other wool compositions are offered to customers with dyed, partially dyed and different types of finishing applications such as water/oil repellent, washable and natural stretch.

Upholstery Fabrics

Yünsa started producing wool blended upholstery fabrics in 2003 and over time, included polyester and recycled polyester qualities in its collections. Continuing its research and development activities in line with the expectations and needs of customers and the industry, the Company is taking firm steps forward in the upholstery fabric sector.

Yünsa upholstery fabrics are mainly used in furniture, curtains, decorative and office furniture. Yünsa upholstery fabrics, developed and produced to meet the demands for qualified fabrics for use in public areas, are also used in special projects such as hospitals, hotels, movie theaters and airports.

In addition, upholstery fabrics are produced for the public transportation sector for buses, trains, airplanes and cruise ships, with technical features such as flame retardant, high strength, oil and liquid repellent and meeting the standards of the sector.

7.) Developments in Sales

Yünsa supplies fabrics to brands that have a say in the fashion world, with its rich collections that meet customer expectations and needs, its strong design team and its ability to serve all over the world.

The sustainable success of Yünsa, which analyzes global fashion trends very well and interprets them according to market needs, lies in combining unique collections created by taking customer expectations into consideration with high quality fabric. Yünsa always positions new generation technologies as a part of the production and creation process; It has become one of the innovative brands in its sector by producing new generation fabrics with features such as water repellent, UV protected, self-cleaning and natural stretching.

Domestic and International market sales distribution as of 31.03.2023 and 31.03.2024, for which Inflation Accounting has been applied in accordance with the relevant accounting principles in TMS 29, is as follows:

(TL)	01.01.2024 – 31.03.2024	01.01.2023 – 31.03.2023
Overseas sales	146.529.249	282.285.180
Domestic Sales	206.100.711	398.259.027
Other Sales	1.358.983	3.080.168
Other Discounts from Sales (-)	(570.287)	(11.618)
Sales Returns (-)	(59.946)	(245.156)
TOTAL	353.358.710	683.367.601

Sales distribution according to product range as of 31.03.2023 and 31.03.2024, where Inflation Accounting has been applied in accordance with the relevant accounting principles in TMS 29, is as follows:

(TL)	01.01.2024 – 31.03.2024	01.01.2023 – 31.03.2023
Material	353.355.454	648.649.559
Apparel	3.256	34.718.042
TOTAL	353.358.710	683.367.601

G. RISKS AND EVALUATION OF THE BOARD OF DIRECTORS

Risk assessment and internal control mechanisms are carried out at all levels of the Company.

With the understanding that risk brings opportunities and in order to manage these risks in the most effective way, Corporate Risk Management is implemented within the Company. Yünsa Corporate Risk Management is a planned, harmonious, consistent and continuous process structured within the Company to identify the factors that pose threats and opportunities in achieving the Company's goals, and to determine and implement the measures and strategies to be taken against them.

Company risks are monitored with the main risk indicators determined by the Company. These indicators are constantly monitored and reported periodically. Necessary actions are taken by the Company to manage the risks indicated by the main risk indicators. The Board of Directors is periodically informed about these risks through the Early Detection of Risk Committee.

The company acts in accordance with its risk management policy, which defines roles and responsibilities and creates a common language, showing its risk management approach, strategies, methods and approaches. Within the framework of this policy, a Risk Management unit has been established within the internal audit organization in order to better identify, measure and manage risks.

The Risk Management Department is responsible for determining the Company's main and critical risks within the framework of policies, standards and procedures approved by the Company Management, working with risk officers to make suggestions to reduce, eliminate or transfer such risks, monitoring the action plans of the functions, determining the Company's risk appetite. It continues its activities with the full support and responsibility of the Management and the active participation of the Company's employees in carrying out the work and monitoring that the risks are managed within the framework of this appetite.

There is an Internal Audit Department within the Company to conduct audits, investigations and investigations to protect the rights and interests of the company and to develop recommendations against internal and external risks.

In accordance with the principle of independence, the Company's Internal Audit Department reports directly periodically to the Audit Committee, consisting of Independent Board Members, within the Company's organizational structure, and carries out the duties assigned to them by the Board of Directors within the framework of the current Audit Committee Internal Regulation. The internal control mechanism is the responsibility of the senior management and is regularly reviewed by the Company's Internal Audit unit.

The duties of the Internal Audit Department are to control the reliability and accuracy of the financial statements of the Company and its subsidiaries, to ensure that activities are carried out in accordance with the law and the Company's accepted ethical rules, to identify existing and potential risks by analyzing processes in order to increase the effectiveness and efficiency of operations and to reduce these risks to a reasonable level. It provides assurance and checks whether the activities within the business are carried out in accordance with predetermined standards, policies and targets.

H. EVENTS AFTER THE BALANCE SHEET DATE

1.) Dividend Distribution

In the 30th article of the company's articles of association titled "Profit Distribution", the determination and distribution of profit is explained as follows:

After deducting from the income determined at the end of the accounting year the sums that must be paid and set aside by the Company, such as the general expenses of the Company and various depreciation, and the taxes that must be paid by the Company's legal entity, the net profit remaining and seen in the annual balance sheet is the order after deducting previous year losses, if any. It is distributed as shown below.

a) 5% is allocated to the legal reserve fund.

b) From the remaining amount, the first dividend is allocated based on the amount calculated by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code and Capital Markets Legislation.

c) After deducting the amounts specified in paragraphs a and b from the net profit, the General Assembly is authorized to distribute the remaining part partially or completely as second dividend shares or allocate it as reserve funds.

d) One tenth of the amount found after deducting a dividend of 5% of the paid capital from the part decided to be distributed to the shareholders and other persons participating in the profit is allocated as the second legal reserve fund in accordance with the provision 519 of the Turkish Commercial Code.

e) Unless the reserve funds required by law are set aside and the first dividend determined for the shareholders in the articles of association is distributed in cash and/or shares; setting aside other reserve funds, transferring profits to the following year, and dividend distribution to privileged shareholders, participation, founder and ordinary usufruct certificate holders, members of the Board of Directors, civil servants, employees and workers, foundations established for various purposes and such persons and/or institutions. Distribution cannot be decided.

f) The dividend is distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates.

With the Special Circumstance Disclosure we made on the Public Disclosure Platform (KAP) on April 22, 2024:

At the meeting of our Board of Directors dated 19/04/2024;

By our company in accordance with the "Communiqué on Principles of Financial Reporting in the Capital Markets" of the Capital Markets Board, Serial (No. II - 14.1) and published by PwC Independent Audit and Free Accounting Mali Müşavirlik A.Ş. According to our consolidated financial statements for the accounting period of 01.01.2023 - 31.12.2023, independently audited by , a "Period Profit" amounting to 620.022.875 TL was obtained, and according to the Tax Procedure Law (VUK) records, a "Period Profit" amounting to 572.091.045 TL was obtained;

I. The 5% general legal reserve fund that must be set aside in accordance with Article 519 of the Turkish Commercial Code should not be allocated for 2023, since the current general legal reserve fund in the TPL records as of 31.12.2023 exceeds the 20% limit of the capital;

In the financial statements prepared in accordance with VUK records, as a result of the inflation accounting of the balance sheet dated 31.12.2023, the Prior Year Profits / Losses account, which includes the current year profit of 473.473.263 TL, gave a positive balance of 262.295.379 TL, and the Inflation related to Equity accounts in the amount to cover the total decrease of 211.177.884 TL. There is an Adjustment Difference amount; In this context, according to VUK records, there is a net distributable profit of 473,473,263 TL;

According to the financial statements prepared in accordance with TFRS, it was seen that 544,242,878 TL of distributable profit was obtained, and by adding the 164,773 TL donation made during the year and calculated according to the purchasing power on December 31, 2023, a first dividend base of 544,407,651 TL was created. Accordingly;

ii. In accordance with the Capital Markets Legislation, the provisions of the Articles of Association and the Profit Distribution Policy, the Net Distributable Period Profit will be distributed as follows;

First Dividend	3.000.000.00 TL
Second Dividend	233.736.631,38 TL
Total Gross Dividend	236.736.631,38 TL
Extraordinary Reserve	307.671.019,54 TL

As a result of profit distribution being made according to the above principles,

- 236,736,631.38 TL of the Net Distributable Period Profit of 473,473,263 TL in our legal records prepared in accordance with the provisions of the TPL shall be set aside as Extraordinary Reserve,

Thus, from the 2023 profit, a total of 236,736,631.38 TL dividend will be distributed to the shareholders representing 60,000,000.00 TL capital, at the rate of 394.56% (Gross) and 355.10% (Net), depending on their legal status, as of May 30, 2024. It was unanimously decided by the participants to submit the issue of cash distribution to the approval of the Ordinary General Assembly to be held on 24 May 2024.

the Board of Directors' dividend distribution proposal was approved at the Ordinary General Assembly held on 24 May 2024, it was distributed to investors in cash on 30 May 2024.

2.) Free Capital Increase

With the Special Circumstance Disclosure we made on the Public Disclosure Platform (KAP) on May 3, 2024: At the Company's Board of Directors meeting dated May 2, 2024; The company's paid-in capital of 60.000.000,- TL, within the registered capital ceiling of 500.000.000,- TL, will be increased by 700%, by 420.000.000,- TL, to 480.000.000 TL, all of which will be covered by internal resources. The shares to be created due to this will be distributed free of charge to the existing

shareholders in proportion to their participation in the capital. The capital increase of 420.000.000 TL to be made from internal resources; It was decided to cover 315.169.315 TL from the Capital Adjustment Differences in the financial statements prepared in accordance with TFRS records, 45.430.023 TL from the Extraordinary Reserves Inflation Adjustment Differences, and 59.400.662 TL from the Legal Profit Reserves Inflation Adjustment Differences.