



YÜNSA YÜNLÜ INDUSTRY AND TRADE INC.

**FOR THE PERIOD BETWEEN JANUARY 1 AND SEPTEMBER 30, 2025
CAPITAL MARKETS BOARD'S REGULATION NO II-14.1 ON CAPITAL MARKETS
PREPARED BASED ON THE COMMUNIQUE ON PRINCIPLES RELATED TO 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: January 1, 2025 – September 30, 2025

2. Partnership Information

Trade Name	Yünsa Woolen Industry and Trade Inc.
Trade Registry Number	122890-0
Tax Office	Large Taxpayers
Tax Number	9950030604
Head Office Address Information	Vadi İstanbul 1B Block K:23 34396 Ayazaga - Sarıyer / İstanbul - Türkiye
Center Contact Information	Tel: 2123656500 Fax: 2122825067
Address of Production Facilities	Organized Industrial Zone, Çerkezköy 59500 Tekirdağ/Türkiye
Website	www.yunsa.com
Registered Capital Ceiling	500,000,000 TL
Paid / Issued Capital	480,000,000 TL

3. Partnership Structure and Capital Distribution

Shareholder	Number of Shares	%
Sürmegöz Tekstil Yatırım A.Ş.	277,835,496.94	57.88
Other (Public)	202,164,503.06	42.12
Total	480,000,000	100

4. Directors , Senior Executives and Number of Staff

The Company is managed and represented by a Board of Directors consisting of at least five members elected by the General Assembly from among shareholders in accordance with the provisions of the Turkish Commercial Code ("TCC"). Board members are elected for a maximum term of three years. Re-election of a member whose term has expired is permissible. The General Assembly may replace Board members at any time if deemed necessary.

At the 2024 Ordinary General Assembly Meeting held on April 18, 2025, in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law ("CML"), six board members, two of whom are independent members, were elected to serve three-year terms in accordance with Articles 9 and 10 of the Company's Articles of Association. The elected board members and their duties are as follows:

Board Member	Mission	Term of Office
Mustafa SÜRMEGÖZ	Chairman of the Board of Directors	April 18, 2025 – April 18, 2028
Tamer SAKA	Deputy Chairman of the Board of Directors	April 18, 2025 – April 18, 2028
Taha Adnan SÜRMEGÖZ	Board Member	April 18, 2025 – April 18, 2028
Cem Nuri TEZEL	Board Member	April 18, 2025 – April 18, 2028
Güngör KAYMAK	Independent Board Member	April 18, 2025 – April 18, 2028
Başar AY	Independent Board Member	April 18, 2025 – April 18, 2028

Duties and Powers of Board Members

The rights, obligations, responsibilities and liabilities of the Board of Directors, the form and quorum of meetings, the withdrawal of a member, death or circumstances preventing the member from performing his/her duties, remuneration 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 make decisions on all matters, including real estate mortgages, except for those powers granted exclusively to the general assembly by law and the articles of association.

Senior executives in office as of September 30, 2025

Name and Surname	Mission	Date of Commencement
Mustafa Sürmegöz	General manager	April 24, 2020
Engin Sarıbüyük	Director of Operations	September 15, 2017
Hakan Konuşkan	Supply Chain Director	May 4, 2020
Mahmure Civan	Sales and Design Group Manager	January 1, 2022
Murat Doğan	Finance and Investor Relations Manager	February 4, 2020

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

The XXVIth Term Group Collective Bargaining Agreement, which was valid 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 member employees are affiliated, between the dates 01.04.2022 and 31.03.2025, expired as of 30.06.2025. The 27th Term Group Collective Bargaining Agreement negotiations between TTSİS and TEKSİF were concluded on 14.08.2025 and will be valid for 33 months, effective from 01.04.2025.

Within the framework of our job evaluation and compensation policies, our employees are provided with various benefits, including base salary, bonuses, performance-based variable bonuses, private health insurance, private retirement contributions, accident and life insurance. Our programs also include a dedicated vehicle, initiatives for the use of various communication tools, and additional benefits for our graduate and doctoral staff.

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

6. Number of Staff

	September 30, 2025	June 30, 2025
White collar	200	197
Blue Collar	726	703
Total	926	900

7. Amendments to the Articles of Association

There has been no change in the articles of association of our company as of September 30, 2025.

B. FINANCIAL RIGHTS PROVIDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

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

Detailed information regarding the financial rights provided to the members of the Board of Directors and senior executives is provided in footnote 6 of the explanatory report on the Consolidated Financial Statements for the accounting period of January 1 - September 30, 2025.

2. Information on the Total Amount of Granted Allowances, Travel, Accommodation and Representation Expenses, In-Kind and Cash Opportunities, Insurances and Similar Guarantees

Detailed information regarding the financial rights provided to the members of the Board of Directors and senior executives is provided in footnote 6 of the explanatory report on the Consolidated Financial Statements for the accounting period of January 1 - September 30, 2025.

C. RESEARCH AND DEVELOPMENT STUDIES

Our company aims to expand its leading position in global textile trade, increase its export share, and boost social welfare by reaching new markets with high-value-added, sustainable, innovative products, and

increasing its use of high technology. A key element of achieving this goal is prioritizing innovation, continuously developing and utilizing current knowledge and technology in the most efficient way. In this context, the company established the Yünsa R&D Center in 2010, which continues its operations to carry out its current and planned R&D projects in coordination with universities and research centers, foster a culture of continuous innovation with its employees, and pioneer the learning and development of new technologies.

In the textile sector, where competition is fierce and market players are losing ground and markets, Yünsa continues its sales and marketing activities to maintain its market position with high value-added, qualified, differentiated products and short delivery times, while continuing its modernization and improvement efforts to improve product quality and reduce industrial costs.

In today's intensely competitive environment, systematically conducting technology and innovation efforts and developing high-value-added innovative products to reach new markets and customers has become essential. Yünsa maintains its commitment to being the first to implement new topics, new designs, and original projects. In line with its goal of becoming a leader and pioneer in the sector, it conducts the necessary work to ensure intellectual and industrial property rights.

In its fifteenth quarter of operation in 2025, the Yünsa R&D Center continues to be a motivating force for all its stakeholders through its efforts to strengthen its competitive structure, increase brand value, and resolve chronic problems in production processes. A sustainable, pioneering, and creative environment has been created at the Yünsa R&D Center, where innovative ideas aligned with company objectives are transformed into projects in collaboration with universities. Within the scope of university-industry collaboration, the Yünsa R&D Center is signing mutual cooperation protocols with universities to further strengthen and expand its communication network and will continue its collaboration efforts in 2025. In addition to conducting these joint research and development projects, these initiatives also include open innovation meetings, student internships, laboratory facilities, events, publication subscriptions, and technical trips. Currently, there are ongoing projects in collaboration with seven different universities and two SMEs.

Yünsa R&D Center, in collaboration with universities, creates new job opportunities for SMEs through research-oriented projects that result in unique products and methods, contributing to their R&D progress. In addition to SMEs, it also continues its collaboration efforts at a global level. In addition to our nationally supported projects carried out in partnership with institutions in the third quarter of 2025, our total project count reaches five, including the project we received approval for under the TUBITAK-1832 Green Transformation Program in Industry.

Since 2010, a total of 43 supported projects have been successfully completed, 41 of which received national support and two of which received European Union support. The R&D Center continues its work with a strategy of transforming the results of its own projects into scientific publications. One international academic article was published in the third quarter of 2025.

Within the scope of the protection of scientific publications and intellectual property rights of Yünsa R&D Center project results, one utility model application was submitted. By the end of the third quarter of 2025, seven patents and five utility model registrations had been obtained.

New product development projects funded by both internal and external resources continue to explore new materials, designs, and processes. Yünsa has signed collaboration protocols to enhance university-industry collaboration, and has continued to offer business opportunities to undergraduate students. This includes providing undergraduate students with the opportunity to learn project systematics and complete their theses with co-advisors from Yünsa.

The Yünsa R&D Center conducts studies in accordance with Law No. 5746 on Support for Research, Development, and Design Activities. This work supports the generation of technological knowledge, innovation in products and production processes, enhancement of product quality and standards, increased productivity, reduction of production costs, and commercialization of technological knowledge in order to make the national economy internationally competitive through R&D and innovation. In 2025, within the framework of the relevant law, R&D Center personnel salaries will be subject to income tax, stamp duty, SSI employer share, R&D personnel salary, and R&D discount incentives. Projects conducted at the Yünsa R&D Center receive incentives from TÜBİTAK and the Ministry of Industry and Technology of the Republic of Turkey.

D. SUSTAINABILITY STUDIES

The textile industry is among the sectors with high energy and water consumption. The company is implementing various efficiency projects to optimize natural resource use and reduce negative environmental impacts, aiming to reduce energy and water consumption per meter of fabric produced.

Yünsa, which has been publishing sustainability reports in line with GRI (Global Report Initiative) standards since 2016, has published the 2024 TSRS (Turkey Sustainability Standards Report) and GRI-compliant Sustainability Report.

As part of our environmental responsibilities and emissions calculations, carbon and water footprint studies for 2025 began in the third quarter.

We have been organized to certify that all of the electrical energy we use will be from renewable sources by the end of the third quarter of 2025 with the International I-REC (International Renewable Energy Certificate) Certificate.

As part of our strategically important corporate sustainability goals, we continued to contribute to the circular economy by increasing and diversifying our recycled raw material content within the scope of material management. As part of our circular economy approach and sustainable product range, we also replaced petroleum-based synthetic raw materials with recycled raw materials in the third quarter of 2025 to produce fabric. The results of the Life Cycle Assessment, to be conducted at the end of 2025, will be shared as every year.

Yünsa Sustainability Roadmap studies are continuing by determining the 2025 and 2030 targets based on the performance indicators of the determined priority areas in environmental, social and economic dimensions.

Efforts are underway to increase the proportion of recyclable raw materials in the fight against climate change. With the Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) certifications, recycled materials used in the final product are monitored and verified throughout the supply chain.

Additionally, the Responsible Wool Standard (RWS) and Responsible Mohair Standard (RMS) certifications, which standardize animal welfare and the good management of the land on which animals graze, prioritize wool sourcing from farms certified to produce with respect for animal rights. By certifying our products with the RWS standard for wool, we continue to support the raising of sheep in good conditions and the implementation of best practices in soil management and conservation. In the third quarter of 2025, we continued to offer services with Oeko-Tex Standard 100 and Oeko-Tex Recycled, GRS, RCS, RWS, and RMS certified products.

In the third quarter of 2025, Yünsa continued to use its certificate that provides traceability guarantee for first-class flax fiber grown in Europe.

Yünsa uses the Higg Index Facility Environment Module (FEM) and the Higg Index Facility Social and Labor Management (FSLM) module, which are platforms established for sustainable production, where member brands, retailers and manufacturers in the industry share their best practices with transparency.

Since 2010, Yünsa has been transparently disclosing its greenhouse gas emissions and water management to the public through Carbon Disclosure Project (CDP) reporting. As part of this effort, the company has been included in the CDP Program's 2024 scoring system for the water and climate change categories. It achieved a C score, above the global average, in the climate change category, and a B score, above the global average, in the water category.

The Borsa Istanbul Sustainability Index is calculated to create a platform that guides companies on environmental, social, and corporate governance issues and conveys information about their sustainability policies to responsible investors. As part of an agreement between Borsa Istanbul and Refinitiv Information Limited Company (Refinitiv), publicly available information will be considered starting in 2021, and sustainability assessment results will be used. To be included in the BIST Sustainability Index, companies must have an overall sustainability score of 50 or higher. Yünsa achieved an overall score of 83 in the environmental, social, and governance assessments conducted as of December 23, 2024. It performed well above the required score and continued to be included in the BIST Sustainability Index in the third quarter of 2025.

As a demonstration of its commitment and dedication to sustainability, Yünsa became a participant in the UN Global Compact initiative on December 9, 2024; it was among the signatories of the United Nations Global Compact, which consists of 10 principles on human rights, working conditions, environment and the fight against corruption ([YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş. | UN Global Compact](#)) .

Yünsa's sustainability work has been recognized by international organizations. TIME Magazine, in collaboration with Statista, an international data analysis company, evaluated global brands across three dimensions: revenue growth, financial stability, and environmental impact. Yünsa was among the three Turkish companies to make the list, which includes the top 500 companies in this field. The relevant news and list can be accessed through the shared link (<https://time.com/collection/worlds-best-companies-sustainable-growth-2025/>).

E. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES

1. Investment Activities

As of September 30, 2025, the total investment amount of tangible and intangible fixed assets and right of use of Yünsa Yünlü Sanayi ve Ticaret A.Ş. is TL 109,308,272 (calculated according to the purchasing power of September 30, 2025, the amount of September 30, 2024 is TL 92,640,888).

2. Internal Control System and Internal Audit Activities

The Company has an Internal Audit Department to conduct audits, investigations and reviews to protect the Company's rights and interests and to develop recommendations against internal and external risks.

In accordance with its principle of independence, the Company's Internal Audit Department reports directly to the Audit Committee, comprised of independent Board members within the Company's organizational structure, on a periodic basis, and fulfills the duties assigned to it by the Board of Directors within the framework of the existing Audit Committee Bylaws. The internal control mechanism is the responsibility of 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 existing and potential risks by analyzing processes in order to increase the effectiveness and efficiency of operations and to provide assurance that these risks are reduced to a reasonable level, and to check whether the activities within the company are carried out in accordance with predetermined standards, policies and objectives.

3. Direct and Indirect Affiliates

The main fields 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 & Marketing	100
Yunsa UK Ltd.	England	Sales & Marketing	100
Yunsa Italia Srl	Italy	Design Office	100
Yunsa USA Inc.	America	Sales & Marketing	100

Yunsa Germany Gmbh: Yünsa's 100% stake in Exsa Deutschland Gmbh was renamed Yunsa Germany Gmbh in 2009. The company was established to organize and carry out marketing and sales activities in Germany and the surrounding area.

Yunsa UK Ltd.: Yunsa UK Ltd., a 100% owned company by Yünsa, was established in 2007 in Leeds, England, for the sales and marketing 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 was changed to Yunsa USA Inc. in 2009.

F. FINANCIAL SITUATION

1. Summary of Financial Statements

The financial statements were prepared in accordance with the financial reporting standards published by the Capital Markets Board. The financial statements dated September 30, 2025 and December 31, 2024 were subjected to Inflation Accounting in accordance with the relevant accounting principles in TMS 29 and were independently audited.

Summary Statement of Financial Position

ACTIVE		
(TL)	January 1, 2025 – September 30, 2025	January 1, 2024 – December 31, 2024
Current Assets	2,219,382,906	1,794,570,699
Fixed Assets	3,860,986,789	3,865,307,349
Total Assets	6,080,369,695	5,659,878,048

PASSIVE		
(TL)	January 1, 2025 – September 30, 2025	January 1, 2024 – December 31, 2024
Short-Term Liabilities	926,643,055	830,680,646
Long-Term Liabilities	590,549,282	567,933,766
Equity	4,563,177,358	4,261,263,636
Total Resources	6,080,369,695	5,659,878,048

Summary Profit or Loss Statement

(TL)	January 1, 2025 – September 30, 2025	January 1, 2024 – September 30, 2024
Revenues	1,980,567,208	1,929,104,583
Gross Margin	375,457,567	334,682,112
Operating Profit	230,283,790	(26,548,518)
EBITDA	268,652,366	163,001,461
Net Profit/Loss for the Period	313,348,818	15,485,787

2. Important Ratios

(%)	January 1, 2025 – September 30, 2025	January 1, 2024 – September 30, 2024
Gross Margin	18.96	17.35
Operating Profit Margin	11.62	(1.38)
EBITDA Margin	13.56	8.45
Net Profit Margin	15.82	0.80
Earnings/Loss Per Share	0.006528	0.000323

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

New financing alternatives tailored to market conditions are continually explored and evaluated. The company develops its borrowing policy based on its high cash generation capacity and strong equity structure. Hedging methods and ratios to be used against potential financial risks are developed within a specific model.

4. Dividend Distribution

The determination and distribution of profits are explained in Article 30 of the company's articles of association, titled "Distribution of Profit", as follows:

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

- a) 5% is allocated to the legal reserve fund.
- b) The first dividend is set aside from the remaining amount, in accordance with the Turkish Commercial Code and Capital Markets Legislation, by adding the amount of donations made during the year, if any.
- c) After deducting the amounts specified in clauses a and b from the net profit, the General Assembly is authorized to distribute the remaining amount partially or completely as second dividend shares or to set aside as reserve funds.
- d) capital from the portion decided to be distributed to shareholders and other persons participating in the profit, one tenth of the remaining amount is set aside as the second legal reserve fund in accordance with article 519 of the Turkish Commercial Code.
- e) Unless the legally required reserves are set aside, and unless the first dividend specified for shareholders in the articles of association is distributed in cash and/or in the form of shares, no other reserves can be set aside, no profit can be carried forward to the following year, and no dividends can be distributed to privileged shareholders, holders of participation, founder and ordinary dividend

certificates, members of the Board of Directors, civil servants, employees and workers, foundations established for various purposes and similar persons and/or institutions.

- f) Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates.

With the Special Circumstances Statement we made on the Public Disclosure Platform (KAP) on March 24, 2025:

by our Company in accordance with the “Communiqué on Principles Regarding Financial Reporting in Capital Markets” of the Capital Markets Board, Serial (II - 14.1) and independently audited by PwC Independent Auditing and Certified Public Accountants Inc., a “Period Profit” of 156,962,334 TL was obtained, and according to the Tax Procedure Law (VUK) records, a “Period Profit” of 211,202,919 TL was obtained.

According to the VUK records, although the net distributable profit after tax is 178,413,524 TL, it has been seen that 36,647,022 TL net distributable profit has been obtained according to the financial statements prepared in accordance with the TFRS principle, and with the addition of 32,800 TL donation made during the year and calculated according to the purchasing power on 31 December 2024, a first dividend base of 36,679,822 TL has been formed, and accordingly;

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	: 18,339,911.00 TL
Second Dividend	: -
Total Gross Dividend	: 18,339,911.00 TL
Extraordinary Reserve	: 18,307,111.00 TL

As a result of the profit distribution being made in accordance with the above principles,

- 160,073,613 TL of the Net Distributable Period Profit of 178,413,524 TL in our legal records prepared in accordance with the provisions of the Tax Procedure Law is reserved as Extraordinary Reserves,

Thus, it has been unanimously decided by the attendees to submit to the approval of the Ordinary General Assembly to be held on April 18, 2025, the issue of distributing a total of TL dividends in cash, starting from April 28, 2025, at a rate of 3.8208 % (Gross) and 3.2477% (Net), to shareholders representing a capital of TL 480,000,000.00, from the 2024 profit, depending on their legal status.

the Board of Directors' dividend distribution proposal was approved at the Ordinary General Assembly held on April 18, 2025, cash distribution to investors began on April 28, and distribution to public shares was completed on April 30.

5. The Sector in Which the Business Operates and Its Position Within the Sector

Yünsa, with Europe's largest integrated production facility under one roof, is one of the world's five largest high-end wool fabric manufacturers. Exporting more than half of its production, Yünsa is Türkiye's leading wool woven fabric exporter. Exporting to over fifty countries, the company contributes to the Turkish economy with its high export potential and is a leading national brand representing Türkiye internationally with its innovative products and achievements.

As a global Turkish company, Yünsa operates in many regions around the world, with sales offices in the UK, Germany, and the US, and agencies in Italy, France, the US, China, South Korea, and Japan. With its integrated facility covering approximately 200,000 m² in Çerkezköy, Tekirdağ, Yünsa is Europe's largest single-roof woven fabric manufacturer. It boasts an annual production capacity of 4,500 tons of worsted yarn and 10 million meters of fabric. The company carries out all of its yarn, warp, weaving, dyeing, and finishing processes in-house, utilizing a modern and technologically advanced infrastructure.

6. Development of the Business

Today, Yünsa, one of the world's five largest premium wool fabric manufacturers, began its success story in 1973. Yünsa began operations in 1980 by producing high-quality menswear woolen woven fabrics, later adding womenswear, uniforms, and upholstery fabrics to its portfolio. After opening its Çerkezköy design office in 1989, Yünsa shares were offered to the public in 1990 with the goal of improving corporate governance, ensuring corporate transparency, and increasing brand value and national and global recognition.

Yünsa made its first international investment in 2002 by opening a design office in Biella, Italy. It subsequently opened offices in the UK in 2007, the US in 2008, and Germany in 2009. Yünsa, which opened its R&D center in 2010, accelerated its efforts to develop innovative and technological products. With the acquisition in 2019, Sürmegöz Tekstil Yatırım A.Ş. became the company's controlling shareholder.

7. Products

With half a century of experience in the wool fabric industry, Yünsa offers a wide range of products, from apparel to upholstery, to the world's leading brands, with its modern, technological infrastructure and designs created in colors and patterns reflecting the latest trends. Developed across five main product groups to meet the needs of different customer groups, Yünsa collections offer a combination of comfort, performance, and durability.

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 them with assertive touches.

Yünsa Premium is a vibrant collection featuring innovative blends, micro-patterns, fine, thick, jasper, durable mouline, and bouclé and nope effects with a protruding structure. Its qualities include lycra, elasticity, and a natural touch with a matte appearance. Yünsa's experienced technical teams even impart mechanical stretch to 100% wool fabrics without the use of elastane.

The preferences of consumers who refuse to sacrifice elegance and comfort are shaping today's fashion trends. With comfort becoming a top priority, there are also notable shifts in style. Launched in 2015, Yünsa's Premium collection reflects these trends and is taking its place in the displays of major brands with its bold designs.

Men's Clothing Fabrics

Yünsa, with its core business of men's clothing, serves as a trendsetter as a leader in wool and worsted fabric production. In addition to fabrics made from 100% wool in its menswear collection, the company also focuses on innovative blends. In addition to creating diverse product lines by blending wool with other natural and regenerated cellulosic fibers, it also creates capsule collections by blending it with chemical fibers that provide various functionalities. Furthermore, it creates a trend for end-users in wool fabrics that are easy to use, offering a variety of finishes, including washable, wrinkle-resistant, natural stretch, odor-fighting, oil-, water-, and sweat-repellent properties.

Women's Clothing Fabrics

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

Responding to ever-increasing comfort expectations with highly elastic, functional fabrics, Yünsa's talented and experienced team offers bold, inspiring designs with a rich selection of colors and patterns. The women's collections feature lightweight, glossy voile fabrics, lightweight, flowing crepe fabrics, and embossed, pleated fabrics like seersucker and crinkle fabrics.

The Yünsa women's collection offers fabrics in a variety of finishes, including piece-dyed, water/oil-repellent, washable, and natural stretch. Leveraging the capabilities of its integrated production facility, the company offers customers a wide variety of hand-feel options.

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 or without lycra), functional fiber wool blends and other wool compositions are offered to customers with different types of finishing applications such as dyed, piece dyed and water/oil repellent, washable and natural stretch.

Upholstery Fabrics

Yünsa began producing wool-blend upholstery fabrics in 2003 and has since incorporated polyester and recycled polyester grades into its collections. The company continues its research and development efforts in line with customer and industry expectations and needs, making steady progress in the upholstery fabric sector.

Yünsa upholstery fabrics are primarily used in furniture, curtains, decorative items, and office furnishings. Developed and manufactured to meet the demand for high-quality fabrics for public spaces, Yünsa upholstery fabrics are also used in special projects such as hospitals, hotels, movie theaters, and airports.

In addition, upholstery fabrics that meet industry standards and have technical features such as flame retardancy, high durability, oil and liquid repellency are produced for buses, trains, aircraft and passenger ships for the public transportation sector.

8. Developments in Sales

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

By meticulously analyzing global fashion trends and interpreting them according to market needs, Yünsa's sustainable success stems from its unique collections, tailored to customer expectations, and combined with high-quality fabrics. Yünsa consistently integrates next-generation technologies into its production and creation processes, creating new-generation fabrics with properties such as water repellency, UV protection, self-cleaning, and natural stretch, making it an innovator in its sector.

Domestic and International markets sales distribution dated 30.09.2025 and 30.09.2024, with Inflation Accounting applied in accordance with the relevant accounting principles in TMS 29, is as follows:

(TL)	January 1, 2025 – September 30, 2025	January 1, 2024 – September 30, 2024
International Sales	847,595,710	1,012,385,620
Domestic Sales	1,175,501,926	924,722,470
Other Sales	482,244	2,209,234
Other Discounts from Sales (-)	(172,879)	(4,266,794)
Sales Returns (-)	(42,839,793)	(5,945,947)
TOTAL	1,980,567,208	1,929,104,583

G. RISKS AND BOARD OF DIRECTORS' ASSESSMENT

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

With the understanding that risk brings opportunities, and to manage these risks most effectively, the Company implements Enterprise Risk Management. Yünsa Enterprise Risk Management is a planned, coherent, consistent, and ongoing process structured within the Company to identify factors that pose threats and opportunities to the achievement of the Company's objectives and to determine and implement countermeasures and strategies.

Company risks are monitored using key risk indicators determined by the Company. These indicators are continuously monitored and reported periodically. The Company takes the necessary actions to manage

the risks indicated by the key risk indicators. The Board of Directors is periodically informed about these risks through the Early Risk Identification Committee.

The company adheres to a risk management policy that defines roles and responsibilities, defining its risk management approach, strategies, methods, and approaches, and establishing a common language. Within the framework of this policy, a Risk Management unit has been established within the internal audit organization to better identify, measure, and manage risks.

The Risk Management Department carries out its activities with the full support and responsibility of the Management and the active participation of the Company's employees in the areas of identifying the Company's main and critical risks within the framework of policies, standards and procedures approved by the Company's Management, working with risk managers to make recommendations for reducing, eliminating or transferring such risks, monitoring the action plans of the functions, carrying out studies to determine the Company's risk appetite and monitoring that risks are managed within the framework of this appetite.

The Company has an Internal Audit Department to conduct audits, investigations and reviews to protect the Company's rights and interests and to develop recommendations against internal and external risks.

In accordance with its principle of independence, the Company's Internal Audit Department reports directly to the Audit Committee, comprised of independent Board members within the Company's organizational structure, on a periodic basis, and fulfills the duties assigned to it by the Board of Directors within the framework of the existing Audit Committee Bylaws. The internal control mechanism is the responsibility of 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 existing and potential risks by analyzing processes in order to increase the effectiveness and efficiency of operations and to provide assurance that these risks are reduced to a reasonable level, and to check whether the activities within the company are carried out in accordance with predetermined standards, policies and objectives.