



**YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.**

**FOR THE PERIOD 1 JANUARY - 31 MARCH 2025  
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 December 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	480.000.000 TL

### 3. Partnership Structure and Capital Distribution (Current Position)

Shareholder	Number of Shares	%
Sürmegöz Tekstil Yatırım A.Ş.	277.835.496,94	57,88
Other (Public)	202.164.503,06	42,12
<b>Total</b>	<b>480.000.000</b>	<b>100</b>

### 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. .

Cem Nuri Tezel was appointed to the Board of Directors membership vacated by the resignation of Temel Tayyar Yeşil to serve for the remaining term of the departing member with the decision of the Board of Directors dated May 22, 2024 and was approved by the shareholders at the General Assembly dated May 24, 2024. After the decision, the members of the Board of Directors and their duties are as follows:

**Board members on duty as of 31.03.2025**

Board member	Mission	Mission time
<b>Mustafa Surmegöz</b>	Chairman of the Board	14.04.2022 – 14.04.2025
<b>Tamer Saka</b>	Deputy Chairman of the Board of Directors	27.04.2023 – 14.04.2025
<b>Taha Adnan Surmegöz</b>	Board Member	14.04.2022 – 14.04.2025
<b>Cem Nuri Tezel</b>	Board Member	22.05.2024 – 14.04.2025
<b>Ahmet Cevat Acar</b>	Independent Board Member	14.04.2022 – 14.04.2025
<b>Ahmet Yarız</b>	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 31.03.2025**

Name and surname	Mission	Starting Date
<b>Mustafa Surmegöz</b>	General manager	24.04.2020
<b>Engin Saribüyük</b>	Operations Director	15.09.2017
<b>Hakan Konuskan</b>	Supply Chain Director	04.05.2020
<b>Mahmure Civan</b>	Sales and Design Group Manager	01.01.2022
<b>Murat Doğan</b>	Finance and Investor Relations Manager	04.02.2020
<b>Dilek Aydın</b>	Human Resources and Corporate Development Manager	11.11.2024

**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. The 26th Term Group Collective Labor Agreement has expired as of 31.03.2025 and the 27th Term Group Collective Labor Agreement negotiations are ongoing between TTSİS and TEKSİF.

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. Number of Employees

	31.03.2025	31.12.2024
White Collar	198	207
Blue Collar	610	658
Total	808	865

## 7. Amendments to the Articles of Association

As of 31.03.2025, there has not been any change in the articles of association of our Company.

## 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 5 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - March 31, 2025.

### 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 5 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - March 31, 2025.

## C. RESEARCH AND DEVELOPMENT STUDIES

In order to improve its leading position in the world textile trade, increase its share in exports and social welfare, our company aims to reach new markets with high value-added, sustainable innovative products and to continue to increase the adaptation and use of high technology. One of the primary elements required to achieve this goal is to continuously develop and utilize current knowledge and technology in the most efficient way by attaching importance to innovation. 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 universities and research centers, to create a culture of continuous innovation with its employees, and to lead the way in learning and developing new technologies.

In the textile industry, where tough competitive conditions exist and market players are losing ground and markets, Yünsa continued its sales and marketing activities to maintain its position in the markets 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, it has become inevitable to systematically carry out technology and innovation activities and to develop innovative products with high added value in order to reach new markets and new customers. Yünsa maintains its desire to be the first implementer of new subjects, new designs and original works. In line with its goal of being the leader and pioneer in the sector, it carries out the necessary work for intellectual and industrial property rights.

In 2024, Yünsa R&D Center, which continued its fourteenth activity period, was subject to the inspection of the Republic of Turkey Ministry of Industry and Technology for the thirteenth activity period. Yünsa

continues to be a motivating force for all stakeholders with its efforts to strengthen its competitive structure, increase its brand value and solve chronic problems in production processes. At Yünsa R&D Center, a sustainable, pioneering and creative environment has been created where innovative ideas are transformed into projects in cooperation with universities in line with company targets. Within the scope of University-Industry cooperation, Yünsa R&D Center has started to sign mutual cooperation protocols with universities in order to strengthen its communication network with universities and continue its cooperation activities in the first quarter of 2025. In addition to conducting joint research and development projects, these include open innovation meetings, student internships, laboratory facilities, events, publication subscriptions and technical trips. There are collaborations and ongoing projects with over 10 universities.

Together with universities, Yünsa R&D Center creates new job opportunities for SMEs with research-oriented projects that will result in unique products and methods, and contributes to raising their R&D levels. In addition to SMEs, the Center also continues its cooperation activities at the global level. As of the first quarter of 2025, the number of nationally funded projects carried out jointly with institutions is five. Four of the projects are within the scope of TÜBİTAK support programs carried out in cooperation with the University Industry.

Since 2010, 40 projects supported by the Scientific and Technological Research Council of Turkey (TUBITAK) and 2 projects supported by the European Union, totaling 42 projects, have been successfully completed. The R&D Center continues to work with the strategy of transforming the results of its projects into scientific publications. In the first quarter of 2025, academic publication activities continued.

Yünsa R&D Center continues its efforts to protect the results of its own projects in scientific publications and intellectual property rights. In 2024, 1 Patent and 2 Utility Model applications were made and continued with 1 Patent registration. There are 7 Patent registrations and 5 Utility Model registrations at the end of first quarter 2025.

Within the scope of new materials, designs and processes, new product development projects funded with equity and external resources are continued. Yünsa, which makes cooperation protocols to increase University-Industry cooperation, continued to offer business opportunities to undergraduate students. In this context, it is ensured that undergraduate students complete their graduation theses with Yünsa co-supervisors by learning the project systematics.

Yünsa R&D Center works in accordance with the Law No. 5746 on Supporting Research, Development and Design Activities, which supports the generation of technological knowledge, innovation in products and production processes, improvement of product quality and standards, increase in 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 2023, within the framework of the relevant law, income tax, stamp tax, SSI employer's share, R&D personnel salary and R&D discount incentives are utilized on R&D Center personnel salaries. Within the scope of the projects carried out at Yünsa R&D Center, incentives are provided by TÜBİTAK and the Republic of Turkey Ministry of Industry and Technology.

#### **D. SUSTAINABILITY STUDIES**

The textile industry is among the sectors with high energy and water consumption. The Company carries out various efficiency projects to optimize the use of natural resources and reduce the negative impact on the environment, and aims to reduce energy and water intensity per meter of fabric produced.

Yünsa, which has been publishing sustainability reports in accordance with GRI (Global Report Initiative) standards since 2016, published its 2023 sustainability report in Turkish and English in the second quarter of the 2024. Yünsa's TSRS-compliant sustainability report for 2024 is in progress as of the first quarter of 2025.

Within the scope of our environmental responsibilities, data collection activities, which started in the fourth quarter of 2024 for carbon and water footprint studies to calculate emissions, continued in the first quarter of 2025.

In 2024, it was documented with the International I-REC Certificate that all of the electrical energy we used was provided from renewable sources. In this way, approximately 8,600 tons of CO2 equivalent greenhouse gas emissions were neutralized for 19,311,392 kWh consumption.

In the name of sustainable environmentally friendly product designs with the use of recycled raw materials, we continued to produce special REPREEVE® fiber blended fabric designs produced by recycling waste pet bottles from the world's most effective recycling companies.

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

Considering the factors that increase methane gas emissions, which are the main contributors to climate change, efforts are being made to reduce the ratio of recycled wool materials and raw materials used. With Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) certificates, recycled materials used in the end product are monitored and verified throughout the supply chain. In addition, with the Responsible Wool Standard (RWS) certification, which sets standards for animal welfare and good management of the land on which animals graze, priority is given to sourcing wool from farms that are certified to produce with respect for animal rights. By certifying our products with the RWS standard for wool, we continued to support the best practices in raising sheep in good conditions and in managing and protecting the land. In the first quarter 2025, Oekotex Standard 100 and Oekotex Recycled, GRS, RCS and RWS certified products continued to be offered.

In the first quarter of 2025, Yünsa continued to use its certificate that guarantees the traceability of first class flax fiber grown in Europe.

Yünsa uses the Higg Index Facility Environment Module (FEM) and Higg Index Facility Social and Labor Management (FSLM) module developed by the Sustainable Apparel Coalition (SAC), a platform established for sustainable production, where member brands, retailers and manufacturers in the industry transparently share their best practices.

Since 2010, Yünsa has been disclosing its greenhouse gas emissions and water management to the public with a transparent approach through Carbon Disclosure Project (CDP) reporting. In this context, it was included in the scoring in the water and climate change categories for 2023 in the CDP Program. In the climate change category, a score of B, which is above the global level, and in the water category, a score of C, which is the global level, were achieved.

The Borsa Istanbul Sustainability Index is calculated to create a platform that guides companies on environmental, social and corporate governance issues and communicates information on companies' sustainability policies to responsible investors. Within the scope of the agreement between Borsa Istanbul and Refinitiv Information Limited Company (Refinitiv), "publicly available" information is taken into account and sustainability valuation results are used as of 2021. In order to be included in the BIST Sustainability Index, companies must have an overall sustainability score of 50 or above. Yünsa was evaluated with a score of 82 points, far beyond the score required in this process. In the first quarter of 2025, Yünsa achieved the highest score among the companies included in the BIST Sustainability Index and made significant progress in its sustainability goals.

## **E. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES**

### **1. Investment Activities**

Yünsa Yünlü Sanayi ve Ticaret A.Ş. As of 31.03.2025, the total investment expenditure amount is 36.978.743 TL (31.03.2024 amount calculated according to March 31, 2025 purchasing power is TL 12.255.449).

## 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 (%)
<b>Yunsa Germany GMBH</b>	Germany	Sales and marketing	one hundred
<b>Yunsa UK Ltd.</b>	England	Sales and	one hundred
<b>Yunsa Italia Srl</b>	Italy	Design Office	one hundred
<b>Yunsa USA Inc.</b>	America	Sales and	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 31.03.2025 and 31.12.2024 have been inflation accounted in accordance with the relevant accounting principles in TAS 29 and have been independently audited.



### Summary Statement of Financial Position

ASSETS		
(TL)	01.01.2025 – 31.03.2025	01.01.2024 – 31.12.2024
Current Assets	1.757.476.741	1.636.948.054
Non-current Assets	3.331.141.782	3.329.502.049
<b>Total Assets</b>	<b>5.088.618.523</b>	<b>4.966.450.103</b>

LIABILITIES&SHAREHOLDERS' EQUITY		
(TL)	01.01.2025 – 31.03.2025	01.01.2024 – 31.12.2024
Short-Term Liabilities	851.013.631	728.908.635
Long Term Liabilities	488.265.740	498.352.559
Equity	3.749.339.152	3.739.188.909
<b>Total Liabilities&amp; Sh. Equity</b>	<b>5.088.618.523</b>	<b>4.966.450.103</b>

### Summary Profit/ (Loss) Statement

(TL)	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Revenues	422.725.426	488.001.910
Gross profit	53.145.612	77.398.853
Main Operating Profit	(14.863.589)	(2.007.510)
EBITDA	17.356.953	69.461.505
<b>Net Period Profit/Loss</b>	<b>7.288.451</b>	<b>60.885.427</b>

### 2. Important Ratios

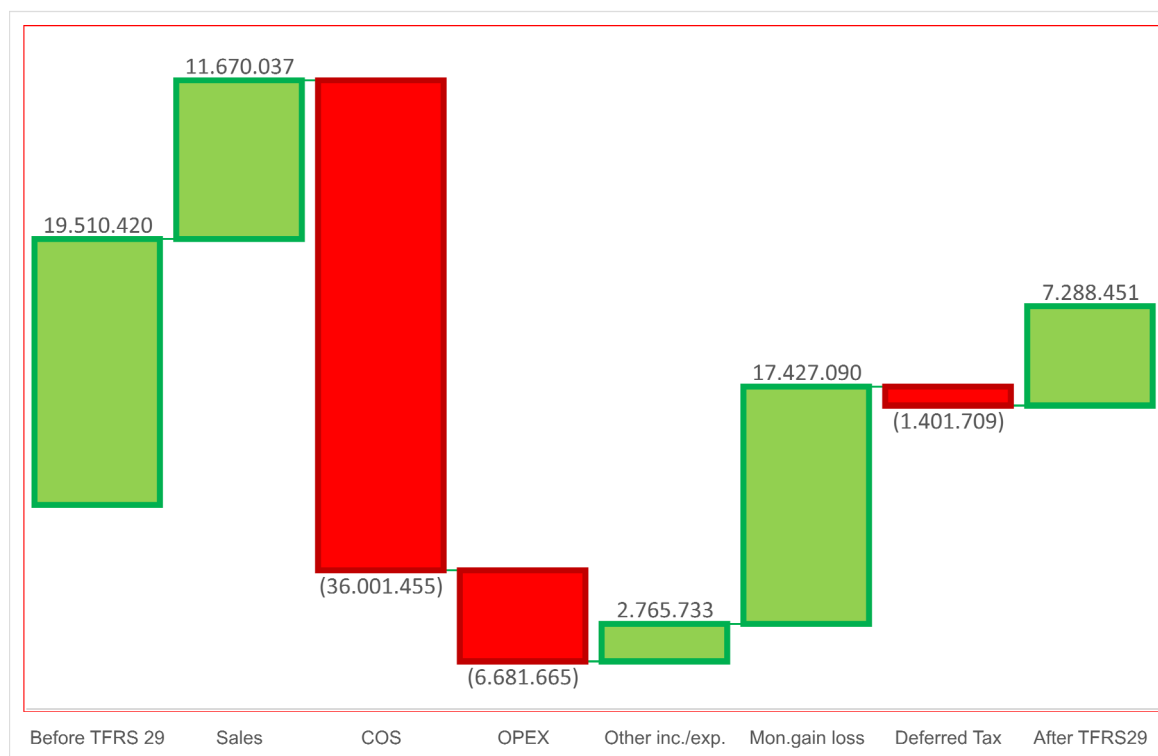
(%)	01.01.2025 – 31.03.2025	01.01.2024 – 31.03.2024
Gross Profit Margin	12,57	15,86
Operating Profit Margin	-3,52	-0,41
EBITDA Margin	4,11	14,23
Net Profit Margin	1,72	12,48
Profit/Loss Per Share	0,0152	0,1268



### 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. Effects of Inflation Accounting on 31.03.2025 Financial Results



### 5. 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.

- 5% is allocated to the legal reserve fund.
- 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.
- 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.
- 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.

On March 24, 2025, we made a Material Event Disclosure on the Public Disclosure Platform (KAP):

According to our consolidated financial statements for the accounting period 01.01.2024 - 31.12.2024 prepared by our Company in accordance with the Capital Markets Board's Communiqué Serial (II - No. 14.1) "Communiqué on the Principles of Financial Reporting in Capital Markets" and independently audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., "Profit for the Period" amounting to TL 156,962,334 and "Profit for the Period" amounting to TL 211,202,919 according to the Tax Procedure Law (TPL) records.

According to the TPL records, the net distributable profit after tax was TL 178,413,524, whereas according to the financial statements prepared on TFRS basis, a net distributable profit of TL 36,647,022 was obtained, and with the addition of TL 32,800 donations made during the year and calculated according to the purchasing power on December 31, 2024, a first dividend base of TL 36,679,822 was formed, and accordingly;

In accordance with the Capital Market Legislation, the provisions of the Articles of Association and the Dividend Distribution Policy, the Net Distributable Period Profit shall be distributed as follows;

First Dividend: 18,339,911 TL

Second Dividend: -

Total Gross Dividend: 18.339.911 TL

Extraordinary Reserve: 18,307,111 TL

As a result of the dividend distribution according to the above principles,

- TL 160,073,613 of the Net Distributable Profit for the Period amounting to TL 178,413,524 in our legal records prepared in accordance with the provisions of TPL be set aside as Extraordinary Reserves,

Thus, it was unanimously resolved to submit for the approval of the Ordinary General Assembly to be held on April 18, 2025, the issue of distributing a total TL dividend of 3.8208% (Gross) and 3.2477% (Net) in cash to the shareholders representing the capital of TL 480,000,000.00 from the profit of 2024, depending on their legal status, as of April 28, 2025.

After the dividend distribution proposal of the Board of Directors was approved at the Ordinary General Assembly held on April 18, 2025, the dividends started to be distributed in cash to investors as of April 28, and the distribution to publicly traded shares was completed on April 30.

## **6. 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 m<sup>2</sup> 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.

## **7. 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.

## **8. 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.

## 9. 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 31.12.2024 and 31.12.2023, for which Inflation Accounting has been applied in accordance with the relevant accounting principles in TMS 29, is as follows:

(TL)	01.01.2025 – 31.03.2025	01.01.2023 – 31.03.2024
<b>Overseas sales</b>	234.826.982	202.362.504
<b>Domestic Sales</b>	188.172.649	284.632.974
<b>Other Sales</b>	-	1.876.808
<b>Sales Returns (-)</b>	(53.863)	(787.588)
<b>Other Discounts from Sales (-)</b>	(220.342)	(82.788)
<b>TOTAL</b>	<b>422.725.426</b>	<b>488.001.910</b>

## **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.