



YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.

**FOR THE PERIOD 1 JANUARY - 30 JUNE 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 Istanbul 1B Block K:23 34396 Ayazağa - Sarıyer / Istanbul - 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
Total	480.000.000	100

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 elected by the General Assembly from among the shareholders in accordance with the provisions of the Turkish Commercial Code ("TCC"). Members of the Board of Directors are elected for a maximum term of three years. Members whose term has expired may be re-elected. The General Assembly may replace the members of the Board of Directors at any time if it deems necessary.

In accordance with the provisions of the TCC and the Capital Markets Law ("CML"), at the 2021 Annual General Meeting held on April 14, 2022, six Board of Directors members, including two independent members, were elected to serve for a term of three years in accordance with Articles 9 and 10 of the Company's Articles of Association.

At the General Assembly meeting held on April 18, 2025, for the year 2024, the Board of Directors members elected to serve for a three-year term, subject to the approval of the shareholders, and their duties are as follows:

Board members on duty as of 30.06.2025

Board member	Mission	Mission time
Mustafa SÜRMEGÖZ	Chairman of the Board	18.04.2025 – 18.04.2028
Tamer SAKA	Deputy Chairman of the Board of Directors	18.04.2025 – 18.04.2028
Taha Adnan SÜRMEGÖZ	Board Member	18.04.2025 – 18.04.2028
Cem Nuri TEZEL	Board Member	18.04.2025 – 18.04.2028
Güngör KAYMAK	Independent Board Member	18.04.2025 – 18.04.2028
Başar AY	Independent Board Member	18.04.2025 – 18.04.2028

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 30.06.2025

Name and surname	Mission	Starting Date
Mustafa Sürmegöz	General manager	24.04.2020
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
Murat Doğan	Finance and Investor Relations Manager	04.02.2020

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 30.06.2025. The 27th Term Group Collective Bargaining Agreement negotiations between TTSİS and TEKSİF were concluded on August 14, 2025, and will be valid for 33 months starting from April 1, 2025.

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

	30.06.2025	31.03.2025
White Collar	197	198
Blue Collar	703	610
Total	900	808

7. Amendments to the Articles of Association

As of 30.06.2025, 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 6 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - June 30, 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 6 of the explanatory report on the Summary Consolidated Financial Statements of the Company for the accounting period of January 1 - June 30, 2025.

C. RESEARCH AND DEVELOPMENT STUDIES

Our company aims to develop its leading position in the global textile trade, increase its share in exports and social welfare by reaching new markets with high value-added, sustainable innovative products, and continuing to increase the adaptation and use of high technology. In order to achieve this goal, the most important factor is to continuously develop and use the latest information and technology in the most efficient way by placing importance on innovation. In this context, the company established the Yünsa R&D Center in 2010 and continues its activities today with the aim of coordinating its ongoing and planned R&D projects with universities and research centers, creating a culture of continuous innovation with its employees, and taking the lead in learning and developing new technologies.

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

In today's highly competitive environment, it has become essential to systematically conduct technology and innovation studies and develop high value-added innovative products in order to reach new markets and new customers. Yünsa maintains its desire to be the first to implement new topics, new designs, and original studies it works on. In line with its goal of being a leader and pioneer in the industry, it is conducting the necessary work to secure intellectual and industrial property rights.

In its fifteenth year of operation in 2025, the Yünsa R&D Center continues to be a motivating force for all stakeholders with its efforts to strengthen its competitive structure, increase brand value, and resolve chronic issues in production processes. At the Yünsa R&D Center, innovative ideas aligned with company objectives are transformed into projects through university collaborations, fostering a sustainable,

pioneering, and creative environment. The Yünsa R&D Center is signing mutual cooperation protocols with universities to strengthen and advance its communication network within the scope of university-industry cooperation, and will continue its cooperation efforts in 2025. In addition to these joint research and development projects, the center also encompasses open innovation meetings, student internships, laboratory facilities, events, publication subscriptions, and technical visits. Currently, there are ongoing projects in collaboration with six different universities and two SMEs.

Yünsa R&D Center, in collaboration with universities, contributes to raising the R&D levels of SMEs by creating new job opportunities for them through projects that involve research and result in original products and methods. In addition to SMEs, it also continues its global collaboration efforts. In the first half of 2025, we have four nationally supported projects being carried out in collaboration with institutions. Under the Turkish Ministry of Energy and Natural Resources' Efficiency Enhancement Project Support Program, one of our projects has been successfully completed.

Since 2010, a total of 43 supported projects have been successfully completed, including 41 nationally supported projects and 2 European Union projects. The R&D Center continues its work with a strategy of converting the results of its own projects into scientific publications. One international academic article was published in the first half of 2025.

Yünsa R&D Center has filed one more patent application within the scope of protecting the scientific publications and intellectual property rights of project results. By the end of the second quarter of 2025, there will be seven patent registrations and five utility model registrations.

New product development projects funded by internal and external resources continue in the areas of new materials, designs, and processes. Yünsa has signed cooperation protocols to increase university-industry collaboration and continues to offer internship opportunities to undergraduate students. In this context, undergraduate students complete their thesis projects by learning the project methodology with internal co-advisors at Yünsa.

Yünsa R&D Center; In accordance with Law No. 5746 on the Support of Research, Development, and Design Activities, it carries out studies to produce technological knowledge, innovate in products and production processes, improve product quality and standards, increase efficiency, reduce production costs, and commercialize technological knowledge in order to make the country's economy internationally competitive through R&D and innovation. Development, and Design Activities. In 2025, income tax, stamp duty, SGK employer contributions, R&D personnel salaries, and R&D tax incentives are available under the relevant law. Projects conducted at the Yünsa R&D Center also receive incentives from TÜBİTAK and the Ministry of Industry and Technology of the Republic of Turkey.

D. SUSTAINABILITY STUDIES

The textile industry is one of the sectors with high energy and water consumption. Various efficiency projects are being carried out within the company to optimize the use of natural resources and reduce negative impacts on the environment, with the aim of reducing the energy and water intensity per meter of fabric produced.

Since 2016, Yünsa has been publishing sustainability reports in accordance with GRI (Global Reporting Initiative) standards, and work on the 2024 Integrated Sustainability Report has continued.

As part of our environmental responsibilities, inventory reports have been prepared and accredited institution verification has been obtained within the scope of carbon and water footprint studies for the calculation of emissions, and these have been uploaded to the Yünsa website by the end of the second quarter of 2025.

The fact that all the electricity we used in 2024 was sourced from renewable sources has been documented with the International I-REC (International Renewable Energy Certificate) Certificate. As a result, approximately 8,600 tons of CO₂ equivalent greenhouse gas emissions were neutralized in 2024. 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.

In line with our strategically important corporate sustainability goals, we continued to contribute to the circular economy by increasing and diversifying the content of recycled raw materials within the scope of material management. Within the scope of the circular economy approach and sustainable product range, throughout 2024, 270 tons of petroleum-based synthetic raw materials were replaced with raw materials obtained from the recycling of 13,540,159 plastic bottles, which were then converted into fabric. According to the Life Cycle Analysis conducted in the second quarter of 2025, thanks to the R-Pet usage rate, 580 tons of CO2 equivalent emissions were prevented, 15,200,000 MJ equivalent fossil fuel consumption savings were achieved, and 9,070,000 liters of clean water consumption were prevented.

Based on performance indicators for the prioritized areas in environmental, social, and economic dimensions, targets for 2025 and 2030 have been set, and work on the Yünsa Sustainability Roadmap continues.

Efforts are being made to combat climate change by increasing the proportion of recyclable raw materials. The Global Recycled Standard (GRS) and Recycled Claim Standard (RCS) certifications ensure that recycled materials used in the final product are tracked and verified throughout the supply chain. Additionally, priority is given to sourcing wool from farms certified under the Responsible Wool Standard (RWS) and Responsible Mohair Standard (RMS), which ensure animal welfare and proper management of the land where animals graze. By certifying our products with the RWS standard for wool, we continue to support the best practices in raising sheep in good conditions and managing and protecting the land. In the second quarter of 2025, we continued to offer products and services certified with Oeko-Tex Standard 100, Oeko-Tex Recycled, GRS, RCS, RWS, and RMS.

In the second quarter of 2025, Yünsa continued to use its certification guaranteeing the traceability of first-class flax fiber grown in Europe.

Yünsa utilizes the Higg Index Facility Environment Module (FEM) and Higg Index Facility Social and Labor Management (FSLM) modules, a platform established for sustainable production where member brands, retailers, and manufacturers in the industry share best practices transparently.

Since 2010, Yünsa has been transparently disclosing its greenhouse gas emissions and water management to the public through the Carbon Disclosure Project (CDP) reporting. In this context, it has been included in the scoring for the water and climate change categories in the CDP Program for 2024. In the climate change category, it achieved a C score above the global level, and in the water category, it achieved a B score at the global level.

The Borsa Istanbul Sustainability Index is calculated with the aim of creating a platform that guides companies on environmental, social, and corporate governance issues and communicates information about companies' sustainability policies to responsible investors. Under the agreement between Borsa Istanbul and Refinitiv Information Limited Company (Refinitiv), "publicly available" information has been taken into account since 2021, and sustainability assessment results have been utilized. To be included in the BIST Sustainability Index, companies must have an overall sustainability score of 50 or above. In this process, Yünsa achieved 79 points in the environmental field, 85 points in the social field, and 83 points in the governance field in the evaluation conducted as of December 23, 2024, reaching a total score of 83 points. With a performance well above the required score, Yünsa has been included in the BIST Sustainability Index as of the first quarter of 2025. The relevant scoring is updated weekly based on data entries from companies worldwide, and the current status can be tracked via the link <https://www.lseg.com/en/data-analytics/sustainable-finance/esg-scores>.

As a sign of its commitment to sustainability, Yünsa joined the UN Global Compact initiative on December 9, 2024, joining the ranks of signatories to the United Nations Global Compact, which comprises 10 principles related to human rights, labor standards, the environment, and anti-corruption ([YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş. | UN Global Compact](#)).

Yünsa has been recognized by international organizations for its work in the field of sustainability and has been included in the list of the top 500 companies in this field, which was compiled by TIME Magazine in collaboration with the international data analysis company Statista, evaluating global brands in three dimensions: revenue growth, financial stability, and environmental impact. Yünsa is one of only three

companies from Turkey to be included in this list. The related news article and list can be accessed via the shared link (<https://time.com/collection/worlds-best-companies-sustainable-growth-2025/>).

E. COMPANY ACTIVITIES AND IMPORTANT DEVELOPMENTS REGARDING ACTIVITIES

1. Investment Activities

Yünsa Yünlü Sanayi ve Ticaret A.Ş. As of 30.06.2025, the total investment expenditure amount is 67.616.184 TL (30.06.2024 amount calculated according to June 30, 2025 purchasing power is TL 35.923.858).

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	one hundred
Yunsa Italia Srl	Italy	Design Office	one hundred
Yunsa USA Inc.	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 – 30.06.2025	01.01.2024 – 31.12.2024
Current Assets	1.921.640.633	1.735.216.509
Non-current Assets	3.525.576.353	3.529.377.065
Total Assets	5.447.216.986	5.264.593.574

LIABILITIES&SHAREHOLDERS' EQUITY		
(TL)	01.01.2025 – 30.06.2025	01.01.2024 – 31.12.2024
Short-Term Liabilities	828.135.004	772.666.117
Long Term Liabilities	517.738.622	528.269.413
Equity	4.101.343.360	3.963.658.044
Total Liabilities& Sh. Equity	5.447.216.986	5.264.593.574

Summary Profit/ (Loss) Statement

(TL)	01.01.2025 – 30.06.2025	01.01.2024 – 30.06.2024
Revenues	1.101.690.617	1.054.004.638
Gross profit	146.325.189	160.200.483
Main Operating Profit	54.092.503	-44.191.299
EBITDA	121.770.029	46.610.653
Net Period Profit/Loss	142.722.694	9.290.634

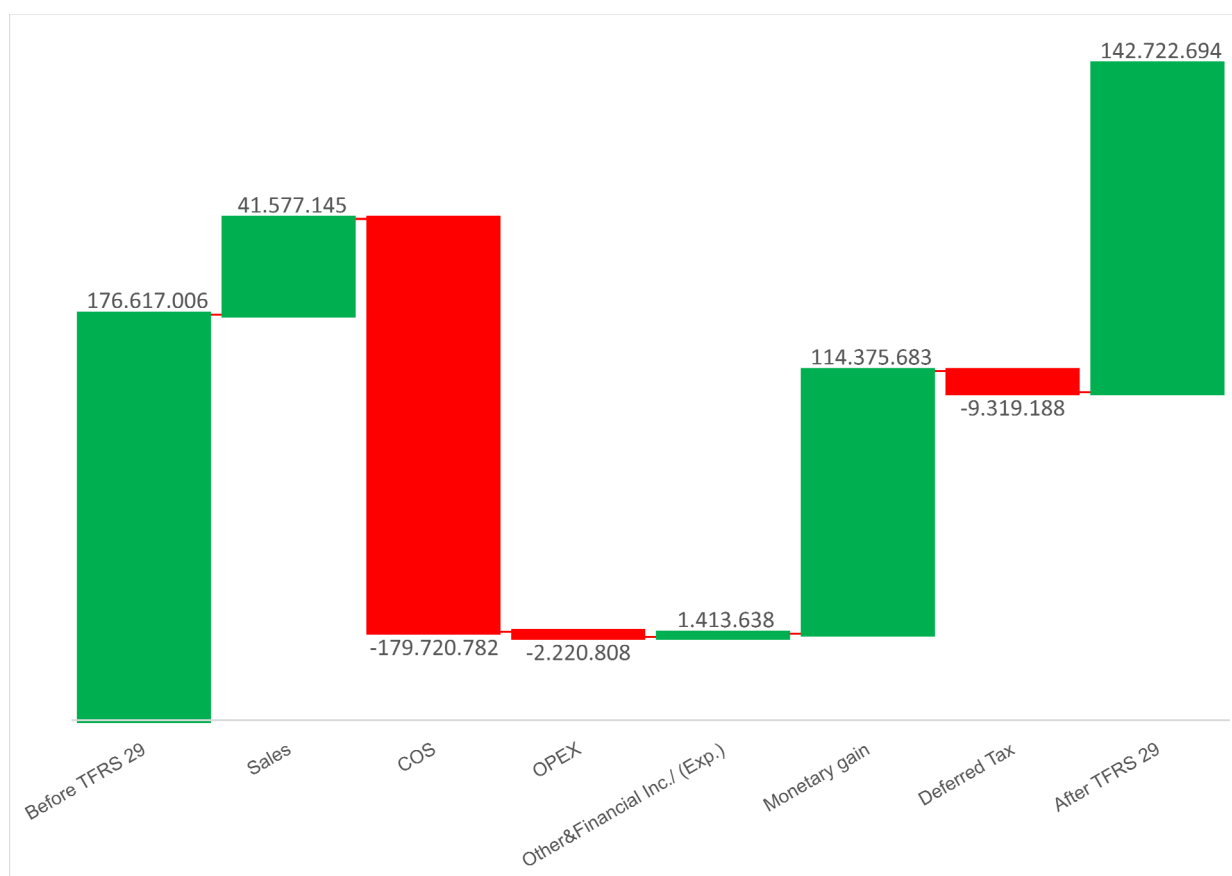
2. Important Ratios

(%)	01.01.2025 – 30.06.2025	01.01.2024 – 30.06.2024
Gross Profit Margin	13,28	15,20
Operating Profit Margin	4,91	-4,19
EBITDA Margin	11,05	4,42
Net Profit Margin	12,95	0,88
Profit/Loss Per Share	0,0238	0,0015

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 30.06.2025 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.

- 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.

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 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.

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 – 30.06.2025	01.01.2024– 30.06.2024
Overseas sales	583.060.185	597.426.049
Domestic Sales	538.374.490	455.819.859
Other Sales	203.424	2.004.951
Sales Returns (-)	(122.132)	(1.139.083)
Other Discounts from Sales (-)	(19.825.350)	(117.619)
TOTAL	1.101.690.617	1.053.994.158

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.