

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. and Its Subsidiaries

**Consolidated financial statements as of and for
the year ended December 31, 2024 and
independent auditor's report**

**(Convenience translation of a report and consolidated financial statements
originally issued in Turkish)**

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its subsidiaries

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş.;

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey ("the CMB") and Independent Auditing Standards ("InAS") which are part of the Turkish Auditing Standards ("TAS") as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("the POA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. Code of Ethics and other requirements for ethics within the scope of legislation have also been fulfilled by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Key Audit Matters	How the key audit matter addressed in the Auditor's response
<p data-bbox="213 398 443 427"><u>Trade receivables</u></p> <p data-bbox="213 461 788 734">Trade receivables are important for the Group as they represent 21% of the consolidated financial statements. Collectability of trade receivables is an important element of the Group's working capital management. Due to the size of the amounts and the judgement required in assessing the collectability of trade receivables, the existence and collectability of trade receivables is considered a key audit matter.</p>	<p data-bbox="804 461 1412 640">We performed audit procedures on the availability of trade receivables, including, but not limited to, control testing of sales transactions and tracing back to shipping documents, performing trade receivable reconciliations and auditing subsequent bank payments.</p> <p data-bbox="804 674 1412 1010">The valuation of trade receivables requires judgement. We have performed detailed analyses of the aging of receivables, reviewing the risks of litigation relating to trade receivables from lawyers engaged by the Group, examining whether collateral received from customers covers the risk of related customer balances, assessing individual significant overdue trade receivables, comparing with legal documentation where appropriate and questioning the assumptions used to calculate the impairment amount of trade receivables.</p> <p data-bbox="804 1043 1412 1218">We also tested management's periodicity testing procedures and independently selected samples to test the verification of shipping documents and invoices, and revenue and purchase transaction segments. Details of trade receivables are disclosed in Notes 6 and 26.</p>

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a requirement of the independent audit carried out in accordance with the independent audit standards and IAS published by the CMB, we use our professional judgment and maintain our professional skepticism throughout the independent audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditor's Report on the Early Detection of Risk System and Committee issued in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC") was submitted to the Board of Directors of the Company on March 11, 2025.
- 2) In accordance with the fourth paragraph of Article 402 of the TCC, there is no significant indication that the Group's bookkeeping scheme for the accounting period of January 1 - December 31, 2024 does not comply with the provisions of the consolidated financial statements, the law and the provisions of the Company's articles of association regarding financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner on the audit resulting in this independent audit is Halil Sağlam.

NEVADOS BAĞIMSIZ DENETİM A.Ş.



Halil Sağlam, CPA
Partner

İstanbul, 11 March 2025

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

Statements of Consolidated Financial Position as at December 31, 2024

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Current year	Prior year
		Audited	Audited
	Notes	December 31,	December 31,
		2024	2023
Assets			
Current assets		7.341.338.527	11.919.890.663
Cash and cash equivalents	3	347.745.522	1.241.979.347
Financial investments	5	427.669.571	1.548.484.320
Trade receivables			
- Trade receivables from related parties	6, 26	937.604.070	1.392.883.879
- Trade receivables from third parties	6	2.234.660.906	4.220.102.595
Other receivables			
-Other receivables from related parties	7, 26	-	47.504
-Other receivables from third parties	7	65.201.389	22.134.672
Inventories	8	1.876.987.777	2.993.541.684
Prepaid expense	11	1.427.860.650	464.356.289
Current income tax assets	24	8.665.006	12.265.789
Other current assets	16	14.943.636	24.094.584
Non-current assets		8.009.751.658	8.996.237.078
Other receivables			
-Other receivables from third parties	7	162.027	-
Property, plant and equipment	9	7.504.143.812	7.593.632.269
Right of use assets	10	50.768.738	56.516.030
Intangible assets	9	33.555.282	27.727.299
Prepaid expense	11	1.662.608	187.729.106
Deferred tax assets	24	419.459.191	1.130.632.374
Total assets		15.351.090.185	20.916.127.741

The accompanying notes from an integral part of these consolidated financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

Statements of Consolidated Financial Position as at December 31, 2024

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Current year Audited December 31, 2024	Prior year Audited December 31, 2023
Liabilities			
Short-term liabilities		6.136.488.944	8.921.407.832
Short term borrowings	4	2.844.843.650	6.157.841.255
Current portion of long term borrowings	4	752.981.818	232.277.602
Other financial liabilities	4	130.498	145.001.148
Lease liabilities	4	255.714.974	256.239.444
Trade payables			
-Trade payables to related parties	6, 26	375.938.281	76.821.598
-Trade payables to third parties	6	1.238.912.499	1.580.395.862
Liabilities for employee benefits	12	47.917.370	63.207.176
Other payables			
-Other payables to related parties	7, 26	2.062.666	-
-Other payables to third parties	7	590.463	591.101
Deferred income	13	595.681.709	393.467.302
Short term provisions			
- Provisions for short term employee benefits	15	13.919.266	15.214.724
-Other provisions for short term	14	7.237.168	-
Other current liabilities	16	558.582	350.620
Long-term liabilities		983.343.413	782.195.129
Long term borrowings	4	484.823.838	114.505.027
Lease liabilities	4	344.827.385	351.793.125
Trade payables			
-Trade payables to third parties	6	78.258.998	257.084.555
Provisions for long term employee benefits	15	74.847.100	54.656.897
Deferred tax liabilities	24	586.092	4.155.525
Total liabilities		7.119.832.357	9.703.602.961
Equity holders of the parent		8.233.644.760	11.212.112.813
Share capital	17	2.640.000.000	2.640.000.000
Share capital adjustments	17	3.176.862.823	3.176.862.823
Premium for shares		1.320.102.375	1.320.102.375
Other comprehensive income not to be reclassified to profit or loss			
- Remeasurement loss arising from defined benefit plans		(53.325.086)	(43.273.911)
- Tangible asset revaluation increases		835.644.228	835.644.228
Restricted reserves		190.635.328	190.841.358
Retained earnings		3.118.409.661	2.486.363.804
Net profit for the period		(2.994.684.569)	605.572.136
Non controlling interest		(2.386.932)	411.967
Total liabilities and equity		15.351.090.185	20.916.127.741

The accompanying notes from an integral part of these consolidated financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries
Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the year ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Profit or Loss	Notes	Current year	Prior year
		Audited	Audited
		January 1- December 31, 2024	January 1- December 31, 2023
Revenue	18	8.135.908.555	11.232.573.730
Cost of sales	18	(6.803.469.253)	(8.252.725.029)
Gross profit		1.332.439.302	2.979.848.701
Marketing, selling and distribution expense	19	(625.614.137)	(734.992.707)
General administrative expense	19	(300.248.607)	(257.491.906)
Research and development expense	19	(47.894.371)	(42.523.689)
Other income from operating activities	21	723.931.772	1.403.131.492
Other expense from operating activities	21	(702.172.023)	(1.239.059.955)
Operating profit		380.441.936	2.108.911.936
Income from investing activities	22	35.864.370	232.920.463
Expense from investing activities	22	(302.968.327)	(4.864.729)
Impairment loss determined in accordance with TFRS9	6	(30.620.464)	(5.070.372)
Operating profit before financial expenses		82.717.515	2.331.897.298
Financial income	23	605.522.765	968.169.603
Financial expense	23	(2.454.349.555)	(3.394.584.315)
Monetary loss	25	(870.164.173)	(864.957.212)
Loss before tax		(2.636.273.448)	(959.474.626)
Tax income/(expense) from continuing operations			
- Current period tax expense	24	-	(8.780.367)
- Deferred tax income /(expense)	24	(362.835.853)	1.573.768.599
(Loss) / Profit for the period		(2.999.109.301)	605.513.606
Distribution of profit for the year:			
Non controlling interests		(4.424.732)	(58.530)
Equity holders of the parent		(2.994.684.569)	605.572.136
Earnings per share	25	(1,13)	0,23
Other comprehensive income / (expense)			
Not to be reclassified to profit or loss			
- Remeasurement loss from defined benefit plans	15	(13.401.567)	(22.037.953)
- Remeasurement loss from defined benefit plans, tax effect		3.350.392	5.509.488
Other comprehensive income / (expense)		(10.051.175)	(16.528.465)
Total comprehensive income		(3.009.160.476)	588.985.141
Distribution of total comprehensive income:			
Non controlling interests		(4.424.732)	(58.530)
Equity holders of the parent		(3.004.735.744)	589.043.671

The accompanying notes from an integral part of these consolidated financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

Consolidated Statements of Changes in Equity for the year ended December 31, 2024

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

					Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or loss)	Retained earnings					
	Share capital	Share capital adjustments	Premium for shares	Restricted reserves	Tangible assets revaluation increases	Remeasurement loss arising from defined benefit plans	Retained earnings	Net profit for the year	Equity attributable to owners of the company	Non controlling interests	Total Equity
Balance as of January 1, 2023	240.000.000	1.223.070.861	1.593.232.972	168.628.456	835.644.228	(26.745.446)	2.819.646.069	3.769.592.002	10.623.069.142	470.497	10.623.539.639
Transfers	-	-	-	22.212.902	-	-	3.747.379.100	(3.769.592.002)	-	-	-
Capital increase	2.400.000.000	1.953.791.962	(273.130.597)	-	-	-	(4.080.661.365)	-	-	-	-
Other comprehensive income (expense)	-	-	-	-	-	(16.528.465)	-	-	(16.528.465)	-	(16.528.465)
Net profit (loss) for the year	-	-	-	-	-	-	-	605.572.136	605.572.136	(58.530)	605.513.606
Total comprehensive income	-	-	-	-	-	(16.528.465)	-	605.572.136	589.043.671	(58.530)	588.985.141
Balance as of December 31, 2023	2.640.000.000	3.176.862.823	1.320.102.375	190.841.358	835.644.228	(43.273.911)	2.486.363.804	605.572.136	11.212.112.813	411.967	11.212.524.780
Balance as of January 1, 2024	2.640.000.000	3.176.862.823	1.320.102.375	190.841.358	835.644.228	(43.273.911)	2.486.363.804	605.572.136	11.212.112.813	411.967	11.212.524.780
Transfers	-	-	-	-	-	-	605.572.136	(605.572.136)	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-	2.037.800	2.037.800
Adjustments from the liquidation (Note 1)	-	-	-	(206.030)	-	-	26.473.721	-	26.267.691	(411.967)	25.855.724
Other comprehensive income (expense)	-	-	-	-	-	(10.051.175)	-	-	(10.051.175)	-	(10.051.175)
Net profit (loss) for the year	-	-	-	-	-	-	-	(2.994.684.569)	(2.994.684.569)	(4.424.732)	(2.999.109.301)
Total comprehensive income	-	-	-	-	-	(10.051.175)	-	(2.994.684.569)	(3.004.735.744)	(4.424.732)	(3.009.160.476)
Balance as of December 31, 2024	2.640.000.000	3.176.862.823	1.320.102.375	190.635.328	835.644.228	(53.325.086)	3.118.409.661	(2.994.684.569)	8.233.644.760	(2.386.932)	8.231.257.828

The accompanying notes from an integral part of these consolidated financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries
Consolidated Statements of Cash Flows for the year ended December 31, 2024
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)
(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Current year Audited	Prior year Audited
		January 1- December 31, 2024	January 1- December 31, 2023
	Notes		
Net profit for the year		(2.999.109.301)	605.513.606
Adjustments related to depreciation and amortization	9,10	569.029.066	526.414.195
Adjustments related to provision expenses	6,15	102.346.704	61.149.221
Adjustments related to interest income	23	(261.410.642)	(93.232.605)
Adjustments related to interest expense	23	1.588.426.282	1.918.248.007
Adjustments related to loss (gain) from disposal of tangible and intangible assets	22	(3.300.974)	109.901
Adjustments to tax (income) expense	24	362.835.853	(1.564.988.232)
Adjustments related to loss (gain) due to the disposal of financial investments	22	278.852.528	(194.461.496)
Other adjustments related to non-cash items	23	85.397.234	(235.471.245)
Adjustments related to unrealized foreign exchange differences	4	107.842.563	302.292.750
Monetary loss/gain		(1.645.870.442)	(2.959.215.967)
Adjustments related to decrease (increase) in trade receivables		2.403.465.395	(129.263.148)
Adjustments related to decrease (increase) in inventories		1.116.553.907	(364.255.169)
Decrease (increase) in other receivables from operations		(811.468.155)	(99.494.015)
Increase (decrease) in other payables from operations		189.194.591	(159.165.486)
Adjustments related to increase (decrease) in trade payables		(221.192.237)	(1.356.878.314)
Employee termination benefits paid	15	(4.367.018)	(2.592.270)
Taxes paid	24	3.600.783	(30.697.982)
A. Cash flows from operating activities		860.826.137	(3.775.988.249)
Cash outflows from purchase of property, plant and equipment and intangible assets	9	(496.484.106)	(401.268.376)
Cash inflows from sales of property, plant and equipment	9,22	32.846.802	158.347.625
Interest received		261.410.642	93.232.605
Change in financial investments		841.962.221	3.090.309.252
Other cash inflows/outflows		(57.503.710)	235.471.245
B. Cash flows from investing activities		582.231.849	3.176.092.351
Interest paid		(1.915.858.084)	(1.453.737.912)
Cash inflows from borrowings		4.872.474.205	15.946.762.509
Cash outflows related to borrowings		(5.103.379.398)	(12.325.103.172)
Cash outflows related to lease liabilities	4	(190.528.534)	(635.289.027)
C. Cash flows from financing activities		(2.337.291.811)	1.532.632.398
Net increase (decrease) in cash and cash equivalents (A+B+C)		(894.233.825)	932.736.500
D. Cash and cash equivalents at the beginning of the year	3	1.241.979.347	309.242.847
Cash and cash equivalents at the end of the year (A+B+C+D)	3	347.745.522	1.241.979.347

The accompanying notes from an integral part of these consolidated financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements as at December 31, 2024

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

1. The Group's organization and nature of operations

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş. ("Qua Granite" or "Company") has the business of producing, selling and exporting ceramics, floor tiles and tiles, granite production, selling and exporting. The production activities of the Company are carried out at production facilities in the Organized Industry Region of Aydın province Söke district.

The Company's registered address is as follows:

Cumhuriyet Mah. 1955 Sk. No:1/11 Efeler / Aydın / Türkiye.

The Group's registered capital ceiling is TL 15.000.000.000. (December 31, 2023: TL 15.000.000.000). The main field of activity and the country of operation of the subsidiaries of the Company included in the consolidation are as follows:

Subsidiaries	Country of operations	Activity area
Qua Trading Ticaret A.Ş. ("Qua Trading")	Turkey	Sale of granite, ceramic, floor tiles and tiles
Qua Home Collection Tekstil Mağazacılık Sanayi ve Ticaret A.Ş. ("Qua Home") (*)	Turkey	Wholesale and retail sale of home textile products and accessories
Trio Mimarlık Zemin ve Banyo Ürünleri Ticaret A.Ş. ("Trio Mimarlık") (**)	Turkey	Sale of granite, ceramic, floor tiles and tiles

(*) The Board of Directors, with its decision numbered 2024/02 dated January 24, 2024, has decided to establish a subsidiary to operate in the wholesale and retail sale of home textile products and accessories. The subsidiary, named "Qua Home Collection Tekstil Mağazacılık Sanayi ve Ticaret A.Ş.," was established, and its incorporation was published in the Trade Registry Gazette No. 11007 dated January 24, 2024.

(**) As of November 6, 2024, the liquidation process of the Company's subsidiary, Trio Mimarlık Zemin ve Banyo Ürünleri Ticaret A.Ş. ("Trio Mimarlık"), which was in the liquidation process, has been completed.

As of December 31, 2024 the Company's consolidated subsidiaries and effective partnership rates are as follows:

Subsidiaries	December 31, 2024 Partnership rate	December 31, 2023 Partnership rate
Qua Trading	%100	%100
Qua Home	%80	-
Trio Mimarlık	-	%75

The Company and its aforementioned subsidiaries will be together referred to as the "Group".

The number of employees of the Group by years is as follows:

Year	End of year	Average
2024	1012	1254
2023	1378	1327

Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on March 11, 2025. The General Assembly and the relevant legal institutions have the right to amend the financial statements prepared in accordance with the legal regulations and these financial statements.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

Notes to the Consolidated Financial Statements as at December 31, 2024

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated and prepared on purchasing power basis as of December 31, 2024.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

2. Presentation of the Consolidated Financial Statements

2.1 Basis of Presentation

The Group maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code (‘TCC’) and tax legislation.

The accompanying financial statements are prepared in accordance with Turkish Accounting Standards (‘TAS’) issued by Public Oversight Accounting and Auditing Standards Authority (‘POA’) in accordance with Communiqué Serial II, No:14.1 “Principles of Financial Reporting in Capital Markets” of Capital Markets Board (‘CMB’) published in the Official Gazette numbered 28676 on June 13, 2013.

In accordance with Article 5 of the Communiqué, companies reporting in accordance with Capital Markets Board (‘CMB’) legislation apply Turkish Accounting Standards/Turkish Financial Reporting Standards and related appendices and interpretations (‘TAS/IFRS’) issued by the Public Oversight Accounting and Auditing Standards Authority (‘POA’). The consolidated financial statements are presented in accordance with the IFRS Taxonomy developed on the basis of the financial statement examples specified in the Financial Statement Examples and User Guide published by the POA on 3 July 2024.

The consolidated financial statements are based on the statutory records of the Group and presented in Turkish Lira (‘TL’) with adjustments and reclassifications for the purpose of fair presentation in accordance with TAS/IFRS as issued by POA.

The consolidated financial statements are prepared on the historical cost basis, except for financial investments measured at fair value and land, land improvements and buildings measured at fair value in accordance with the revaluation model of TAS 16 Property, Plant and Equipment, which are measured at fair value in accordance with TAS 29 ‘Financial Reporting in Hyperinflationary Economies’.

2.2 Functional and reporting currency

The financial results of the Company and its subsidiaries are measured in the currency of the principal economy in which it operates (‘functional currency’). The functional currency of the Company and its subsidiaries is determined as Turkish Lira (‘TL’).

The reporting currency used for the consolidated financial statements is TL, and the associated consolidated financial statements are presented in TL, including the consolidated financial statements dated December 31, 2024 and 2023 and the consolidated financial statements for the previous period to be used for comparison.

2.3 Going concern

The Group has prepared its consolidated financial statements in accordance with going concern assumption.

2.4 Financial Reporting in Hyperinflationary Economy

Businesses applying IFRS, in accordance with the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, have started applying inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for financial statements related to annual reporting periods ending on or after December 31, 2023.

TAS 29 is applied to the financial statements of businesses whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements.

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2. Presentation of the Consolidated Financial Statements (continued)

2.4 Financial Reporting in Hyperinflationary Economy (continued)

According to the relevant standard, financial statements prepared based on the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. The financial statements of previous periods are also expressed in the current measurement unit as of the end of the reporting period for comparison purposes. Therefore, the company has presented its financial statements as of December 31, 2023, based on the purchasing power principle as of December 31, 2024.

In accordance with the decision of the Capital Markets Board (CMB) dated December 28, 2023, and numbered 81/1820, issuers and capital market institutions subject to the financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting starting with their annual financial reports for the fiscal periods ending on December 31, 2023, by implementing the provisions of TAS 29.

The adjustments made in accordance with TAS 29 were carried out using the adjustment coefficient obtained from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TÜİK"). As of December 31, 2024, the indices and adjustment coefficients used in the correction of the financial statements are as follows:

Year end	Index	Adjustment coefficient	Three year cumulative inflation rates
December 31, 2024	2.684,55	1,00000	%291
December 31, 2023	1.859,38	1,44379	%268
December 31, 2022	1.128,45	2,37897	%156

The key elements of the Company's inflation adjustment process for financial reporting in hyperinflationary economies are as follows:

- The current period financial statements prepared in TL are expressed in the purchasing power as of the balance sheet date, and amounts from previous reporting periods are also adjusted to reflect the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted, as they are already expressed at the current purchasing power as of the balance sheet date. If the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 Impairment of Assets and IAS 2 Inventories have been applied, respectively.
- Non-monetary assets and liabilities, as well as equity items that were not expressed at the current purchasing power as of the balance sheet date, have been adjusted using the relevant adjustment coefficients.
- All items in the statement of comprehensive income, except for those related to the remeasurement of non-monetary items in the financial position statement, have been indexed using the coefficients calculated based on the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary position during the current period has been recorded under net monetary position gains/(losses) in the statement of profit or loss.

2.5 New and Revised Turkish Financial Reporting Standards

The following standards, amendments and interpretations to existing standards are issued by the Public Oversight Accounting and Auditing Standards Authority ('POA') and constitute part of TFRS. The Company has made the necessary changes to its financial statements and disclosures.

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2. Presentation of the Consolidated Financial Statements

2.5 New and Revised Turkish Financial Reporting Standards (continued)

i) New standards, amendments and interpretations effective from 1 January 2024

Amendments to TAS 1 – Classification of Liabilities as Current and Non-Current
Amendments to TFRS 16 – Lease Liabilities in a Sale and Leaseback Transaction
Amendments to TAS 7 and TFRS 7 – Disclosure of Supplier Finance Arrangements

These amendments have not had a significant impact on the Company's financial position and performance.

ii) Standards issued but not yet effective and not early adopted

As of the approval date of the financial statements, the following new standards, interpretations, and amendments have been issued but have not yet come into effect for the current reporting period and have not been early adopted by the Company. Unless otherwise stated, the Company will make the necessary changes to its financial statements and notes after the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28 – Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture
Amendments to TAS 21 – Lack of Exchangeability

The Company will assess the impact of these amendments after the final versions of the mentioned standards are issued.

TFRS 17 – Insurance Contracts

This standard is not applicable to the Company.

iii) Amendments effective upon issuance

Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

These amendments do not have a significant impact on the Company's financial position and performance.

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7, along with the Annual Improvements to IFRS Accounting Standards and the IFRS 18 and IFRS 19 standards, have been issued by the IASB but have not yet been adapted/published by the POA for IFRS. Therefore, they do not form part of IFRS. The Company will make the necessary changes to its financial statements and notes after these standards and amendments become effective under IFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7 – Contracts for Electricity Generated from Natural Resources
IFRS 18 – New Standard on Presentation and Disclosures in Financial Statements
IFRS 19 – New Standard on Disclosures for Subsidiaries without Public Accountability

The potential impact of these standards, amendments, and improvements on the Company's financial position and performance is being assessed.

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2. Presentation of the Consolidated Financial Statements (continued)

2.6 Amendments and Misstatements in Accounting Estimates

Changes in accounting policies resulting from the first-time adoption of a new standard are applied retrospectively or prospectively in accordance with the transition requirements, if any. Changes that do not include any transitional provisions, significant optional changes in accounting policies or identified accounting errors are applied retrospectively and prior period consolidated financial statements are restated. If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made; if they are for future periods, they are applied both in the period in which the change is made and prospectively. As at December 31, 2024, there are no changes in accounting policies and estimates.

2.7 Summary of Significant Accounting Policies

The important accounting policies followed in the preparation of the consolidated financial statements are summarized below:

Consolidation principles

The consolidated financial statements include the accounts of the parent company Qua Granite and its subsidiaries, prepared on the basis of the following principles. During the preparation of the financial statements of the subsidiaries included in the consolidation, the necessary corrections and classifications were made in terms of compliance with the TFRS, which was put into effect by the POA in accordance with the provisions of Communiqué Serial II, No:14.1 and the accounting policies applied by the Group.

Subsidiaries are businesses controlled by Qua Granite. Qua Granite controls an investee when it is exposed to its variable returns or has rights to those variable returns and has the ability to influence those returns through its power over the investee. Financial statements of subsidiaries are included in the consolidated financial statements when control begins and until the date when control ends.

Consolidation principles

- The paid-in capital of the Company (parent company) and its subsidiaries and the balance sheet items other than the equity at the date of purchase are added. In the collection process, the receivables and debts of the partnerships subject to the consolidation method from each other are mutually eliminated.
- The shares of the Company in its subsidiaries are mutually eliminated from the financial investments in the Company and the capital account in the related subsidiaries.
- The acquisition cost of the shares owned by the parent company in the capital of the subsidiaries, as of the date of the consolidation became a subsidiary and for subsequent share purchases, the offsetting of these shares from the value represented in the subsidiaries's equity in the statement of financial position valued at fair value.
- From all equity account group items including the paid / issued capital of the subsidiaries within the scope of consolidation, the amounts corresponding to the shares other than the Company and its subsidiaries are deducted and shown as "non-controlling interests" account group in the equity account group of the consolidated statement of financial position.
- The purchase and sale transactions between the Company and its subsidiaries and the profits and losses resulting from these transactions are canceled in the consolidated statement of profit or loss and other comprehensive income. The aforementioned canceled profits and losses include the securities, stocks, tangible and intangible fixed assets, financial fixed assets and other assets that are subject to purchase and sale among the partners subject to consolidation.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Consolidation principles (continued)

As of December 31, 2024 and 2023, the subsidiaries subject to consolidation and its efficiency partnership ratio are as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	Partnership rate	Partnership rate
"Qua Home Collection Tekstil Mağazacılık Sanayi ve Ticaret A.Ş. ("Qua Home")	%80	-
Qua Trading Ticaret A.Ş.	%100	%100

The financial position statement and income statement of the subsidiaries were consolidated using the full consolidation method, and the registered values and equity of the subsidiaries owned by the Company were mutually netted. Intra-group transactions and balances between the Company and the subsidiary have been offset during consolidation. The registered values of the shares owned by the Company and the dividends arising from them have been netted from the relevant equity and profit or loss statement accounts.

Income and Expenses

Accrual basis is applied in determining income and expense items. Accordingly, revenue, income and profits are recognized in comparison with costs, expenses and losses for the same period.

Revenue recognition

The Group manufactures granite, ceramics, home maintenance, and repair and construction equipment and realizes its sales to domestic and foreign markets. Sales are made with current accounts, checks and notes. Net sales are calculated by deducting estimated and realized returns and discounts from product sales.

Sales of goods and services

The Group started to use the following five-stage model in accordance with TFRS 15, which was effective in accounting of the revenue on January 1, 2018.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue.

According to this model, first of all, the goods or services promised in each contract with customers are evaluated and each commitment to transfer the goods or services in question is determined as a separate performance obligation. Afterwards, it is determined whether the performance obligations will be fulfilled over time or within a certain period of time. Revenue related to performance obligations, which are commitments to transfer goods or services, is recognized when control over the goods or services is completely transferred to the customers.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Income and expenses (continued)

The Group accounts for an agreement with their customer in the event that all of the following conditions are faced:

- a) The parties of the Agreement have ratified the agreement (in accordance with written, oral or other commercial practices) and are committed to fullment their own edits,
- b) The Group can define the rights to the goods or services each party will transfer,
- c) The Group can define payment terms for goods or services to be transferred,
- d) Commercial qualified as a matter of contract essence,
- e) The Group is likely to collect a price for goods or services to be transferred to the customer. When assessing whether a price is likely to be collected, the business considers only the customer's ability to pay the price in their maturity and their intention to do so.

Within the scope of TFRS 15, the option of failing to make corrections at the beginning of contracts with customers is to assume that there is no significant financial component in the transaction price committed in cases where the time between the date of transfer of the goods or service to the customer and the date the customer paid for this property or service is one year or less. The Group is determined by the rate of interest within the financing element of future collections if there is a significant financing element in the revenue from the futures sales contracts. Due to maturity difference income from maturity sales transactions, accrued by accrued income as "other income from operating activities" in related periods.

Interest Income

Interest income is accrued in the relevant period at the rate of effective interest rate, which reduces the remaining principal balance and the estimated cash inflows to be obtained from the relevant financial asset during its expected life to the registered value of the said asset. Interest income and foreign exchange gains related to commercial transactions are recognized as other income from operating activities.

Inventories

The Group's inventories consist of raw materials ceramics, floor tiles and operating materials. Stocks are valued at the lower of cost or net realizable value. Net realizable value is the amount obtained by deducting the estimated completion cost and estimated sales cost required to realize the sale from the estimated sales price in the normal course of business.

The cost of inventories includes all purchasing costs, conversion costs and other costs incurred in bringing the inventories to their current position and position. The inventory cost calculation system is the phase cost and the Group values its inventories according to the weighted average cost method.

Obligations arising from customer contracts

Contract liability is the obligation of the business to transfer goods or services to its customer in exchange for the price it collects (or is entitled to collect) from the customer. Before a good is transferred to the customer, a contractual obligation arises if the customer pays the price or the business has the unconditional right to receive the price. Advances received are included in contractual obligations.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Property, plant and equipment

Tangible assets are shown with net book values after deducting the accumulated depreciation from the cost value and, if any, leaving for impairment, except for land, buildings and land improvements for use that are reflected in their fair value in accordance with the revaluation model.

Cost value of tangible asset; the purchase price, the import tax, and the non-taxable taxes, are expenses incurred to make the tangible asset ready for use. Costs such as repairs and maintenance that occur after the use of the tangible asset have been recorded as expense in the period in which they are incurred. If expenditure provides an economic value increase in the future use of the related tangible asset, these expenditures are added to the cost of the asset and amortized over the remaining economic life. These assets are recognized in the income (expense) accounts of investment activities in the income statement or profit or loss income statement on the net book value of the related tangible asset when they are sold or disposed of.

Depreciation is provided using the straight-line method based on the estimated useful lives of the assets. Land is not depreciated as it is deemed to have an indefinite life. The annual depreciation rates accordingly the estimated useful lives for tangible assets are as follows:

	Duration (Year)
Land improvements	5-20
Buildings	10-50
Machinery, plant and equipment	5-25
Vehicles	4-8
Furnitures and fixtures	4-50
Other tangible assets	4-8
Leasehold improvements	5

The method of beneficial life and depreciation is regularly reviewed, accordingly, the method of depreciation applied and whether its duration are in line with the economic benefits to be obtained from the relevant asset.

Tangible assets are examined for the purpose of determining a possible impairment, and if the registered value of the tangible asset is greater than its recoverable value, the value of the asset is reduced to recoverable by leaving the corresponding value. The recoverable value is considered to be higher than the fair value of the sale cost deducted with net cash flows from the current use of the relevant tangible asset.

Where the registered values of tangible assets are higher than the recoverable value of the asset, the asset is reduced to recoverable. Profits or losses resulting from disposals of tangible assets are determined according to the value of the asset and recorded in the relevant income and expense accounts.

Maintenance and repair expenses are recorded as expenses in the comprehensive income statement of the period in which they occurred. The costs associated with major renovations are added to the cost of the asset in the future, where it is expected to provide economic benefits with a better performance than before the renovation. The Group removes its moved value from the financial statement, regardless of whether the replacement parts within the scope of the expenses after activation are depreciated independently of other sections. Post-activation expenditures added to the cost of the asset are depreciated within the framework of the economic lifespan of the relevant asset.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Except for land, land improvements and buildings, tangible assets are shown on the amount after deducting the accumulated depreciation and impairments from the cost values. As of the date of the revaluation, the accumulated depreciation of the relevant tangible assets subject to valuation using the net model is clarified by the cost of the asset and followed up on the net book value revalued in the following periods. These tangible assets are reflected on the basis of the fair values in the valuation study prepared when deemed necessary by real estate valuation companies authorized by the CMB. The Group had the TSKB Gayrimenkul Değerleme A.Ş. and Arge Gayrimenkul Değerleme ve Danışmanlık A.Ş. authorized by the CMB have a valuation done for the said tangible assets and they were reflected in the consolidated financial statements as of December 31, 2022 as explained above. Unrealized gains arising from the increase in the fair value of lands and buildings are accounted for in the "Value Increase Fund", which is a separate item in shareholders' equity.

The frequency of revaluation depends on the fluctuation in the fair value of the tangible asset subject to revaluation. If the fair value of the revalued asset differs significantly from its recorded value, the asset is revalued again. When a tangible asset is revalued, the accumulated depreciation on the revaluation date is netted against the gross book value of the asset.

If the registered value of the tangible asset has increased as a result of the revaluation, this increase is taken directly into the financial statement under the name of "revaluation fund" in the equity account group. If the registered value of the asset decreases as a result of the revaluation, this decrease is taken into the financial statements as expense. However, if a revaluation fund has already been created in relation to the asset in question, the decrease is initially deducted from that account. If the value decrease is higher than the revaluation fund, the increased portion is associated with the income statement.

Depreciation of revalued assets is in the profit or loss table. From the next sale or withdrawal of the revalued property, the attributable revaluation surplus remaining in the revaluation fund is passed directly to undistributed profits.

Intangible assets

Intangible assets are reflected in the consolidated financial statements with their accumulated amortization and net value after deducting the permanent impairment, if any, over their principal rights and the cost of acquiring computer software. Amortization is calculated using the straight-line method over their economic lives between 3 and 15 years from the date of purchase. It is estimated that the scrap value of intangible assets is not significant. In case of impairment, the registered value of intangible assets is reduced to the recoverable amount.

The useful lives of intangible assets are as follows:

	Duration (Year)
Rights	3 - 15

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Financial instruments

Financial assets

Classification

The Group accounts for its financial assets in three classes: "financial assets measured at amortized cost", "financial assets whose fair value difference is reflected in profit or loss" and "financial assets reflected at fair value through other comprehensive income". The classification is made based on the business model used by the company for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets on the date they are purchased. Financial assets are not reclassified after their initial recognition, except in cases where the business model used by the Group in the management of financial assets changes; in case of a business model change, financial assets are reclassified on the first day of the following reporting period following the change.

Recognition and measurement

"Financial assets measured at amortized cost" are financial assets held under a business model aimed at collecting contractual cash flows, which include only principal and interest payments arising from the principal balance, and are non-derivative financial assets. The financial assets measured at amortized cost by the Group include items such as "cash and cash equivalents," "trade receivables," and "other receivables." These assets are initially recognized in the consolidated financial statements at their fair value, and subsequently measured using the effective interest rate method, with discounted amounts. Gains and losses resulting from the valuation of financial assets measured at amortized cost and non-derivative are recognized in the profit or loss statement.

"Financial assets measured at fair value through profit or loss" are financial assets held under a business model aimed at collecting contractual cash flows and selling the financial asset, which include only principal and interest payments arising from the principal balance at certain dates specified in the contract, and are non-derivative financial assets. Gains or losses arising from these financial assets, excluding impairment gains or losses and foreign exchange income or expenses, are reflected in other comprehensive income.

The Group may irrevocably choose to reflect changes in the fair value of equity-based financial asset investments in other comprehensive income when first recognized in the consolidated financial statements. In case this choice is made, dividends earned from such investments are recognized in the profit or loss statement.

"Financial assets measured at fair value through profit or loss" are financial assets held under a business model aimed at collecting contractual cash flows and selling the financial asset, which include only principal and interest payments arising from the principal balance at certain dates specified in the contract, and are non-derivative financial assets. Gains or losses arising from these financial assets, excluding impairment gains or losses and foreign exchange income or expenses, are reflected in other comprehensive income.

"Financial assets measured at fair value through profit or loss" consist of financial assets other than those measured at amortized cost and those for which changes in fair value are reflected in other comprehensive income. Gains and losses resulting from the valuation of these assets are recognized in the profit or loss statement.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets. Provision for loss measured as below;

- 12-month ECLs: These are ECLs arising from possible default events within the 12 months following the reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument Lifetime ECL measurement is applied if the credit risk associated with a financial asset has increased significantly after the initial recognition at the reporting date. In all other cases where the relevant increase did not occur, 12-month ECL calculation was applied.

A financial instrument is both a contract that establishes the financial asset of a business and another entity's financial liability or equity instrument.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Cash and cash equivalents

Cash and cash equivalents are cash, demand deposits and other short-term investments with high liquidity that have a maturity of 3 months or less than 3 months from the date of purchase, can be immediately converted to cash and do not have a significant risk of value change.

Trade receivables and provision for impairment

Trade receivables consist of current account receivables, deferred notes and checks. Trade receivables are reflected from the invoiced amount with their carried values after the provision for impairment allocated in accordance with the ECL model, and when the effect is significant, they are measured at their discounted cost using the effective interest method.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

In consolidated financial statements, the "simplified approach" is implemented as part of the calculation of the low value of commercial receivables accounting for the cost of the expense paid. In accordance with the simplified approach, the Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason. The Group recognized the provision for impairment considering letter of guarantee from its customers in accordance ECL model under simplified approach.

Following the allocation of a provision for impairment, if all or a portion of the impaired receivable amount is collected, the amount collected is deducted from the provision for the impairment allocated and is accounted for under "other income (expenses) from operating activities" accounts.

Foreign exchange gains (losses) related to commercial transactions are recognized in the "other income (expenses) from operating activities" account in the statement of profit or loss.

It is assumed that the amortized cost of trade receivables after the provision for impairment is close to the fair value of the assets.

Financial liabilities

Financial liabilities are measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value.

Financial liabilities are classified as equity instruments and other financial liabilities.

Other financial liabilities

Other financial liabilities (short and long term bank loans) are accounted at amortized cost using the effective interest method together with the interest expense calculated over the effective interest rate in the following periods.

Derecognition of financial liabilities, the Group derecognizes financial liabilities only when the liabilities of the Group are eliminated, canceled or expired. The difference between the book value of the financial liability derecognised and the amount paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Trade payables

Trade payables refer to the payments to be made for goods and services provided from suppliers in ordinary activities. Trade payables are first measured from their fair value and amortized cost calculated using the effective interest method in the following periods.

Effective interest method

It is a method of valuing the financial asset with the amortized cost and distributing the relevant interest income to the related period. Effective interest rate; It is the rate that exactly discounts the estimated cash to be collected in the future during the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the relevant financial asset.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Derivative financial instruments

The Group enters into forward foreign exchange contracts in the foreign currency market. According to the Group's risk management policies, these forward contracts entered for hedging purposes do not meet the necessary conditions for hedge accounting under IFRS 9 Financial Instruments. Therefore, they are considered as financial instruments measured at fair value through profit or loss. In the financial statements, as of the reporting date, these instruments are reflected in the other short/long-term financial assets/liabilities at their fair values, depending on the remaining maturity dates from the transaction date. Gains or losses arising from the fair value measurement of these derivative financial instruments as of the reporting date, as well as profits or losses resulting from derivative transactions carried out during the period, are recognized in the consolidated profit or loss statement as "other income (expenses) from operating activities" if the derivative transactions are related to operating activities, or as "finance income (expenses)" if they are related to financing activities.

Transactions in foreign currency

Transactions made in foreign currency have been converted to TL from the exchange rates on the day of the transaction. Monetary assets and liabilities on the foreign currency-based currency in the financial statement have been converted to TL using exchange rates on the date of the financial statement. The currency differences resulting from these transactions are included in comprehensive income statement.

Earnings per share

Earnings / (loss) per share is calculated by dividing the net profit or loss of the period by the weighted average of the number of ordinary shares in the current period.

In Turkey, companies can increase their capital by distributing shares (bonus shares) to their existing shareholders in proportion to their shares from retained earnings and equity inflation adjustment differences. When calculating earnings / (loss) per share, these bonus shares are considered as issued shares. Therefore, the weighted average of shares used in the calculation of earnings / (loss) per share is obtained through retrospective application in terms of bonus shares.

Events after the reporting

Events after the reporting period cover all events between the date of the statement of financial position and the date of authorization for issue of the statement of financial position, even if they occurred after any announcement regarding the profit or the public disclosure of other selected financial information.

In the case that events requiring a correction to be made occur subsequent to the statement of financial position date, the Group makes the necessary corrections to the consolidated financial statements. If non-adjusting events after the statement of financial position date have material influences on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

Offsetting

All items that are significant in terms of content and amount, even with similar characteristics, are presented separately in the consolidated financial statements. Insignificant amounts are shown aggregated by items that are similar in terms of principles or functions. If the nature of the transaction and event necessitates offsetting, showing this transaction and event over their net amounts or monitoring the assets after deducting the impairment will not be considered a violation of the rule of non-offsetting. As a result of the operations carried out by the Group in its normal business flow, the revenues that are earned, other than the revenues defined in the section titled "Revenue", are shown over their net values, provided that it is in accordance with the essence of the transaction or event.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Provisions, contingent liabilities and contingent assets

In order for any provision amount to be included in the consolidated financial statements; the Group has to have an existing legal or founding obligation arising from past events, it is highly likely that the resources containing economic benefits will exit the business in order to fulfill this obligation, and the amount of the obligation must be estimated reliably.

In cases where the effect of the time value of money is material, the amount of provision; it is determined as the present value of expenses expected to be required to fulfill the obligation. In determining the discount rate to be used in reducing the provisions to their present values, the interest rate in the relevant markets and the risk related to the liability in question are taken into account. This discount rate must be a pre-tax rate. This discount rate does not include the risk associated with predicting future cash flows.

Liabilities and assets arising from past events and whose existence can be confirmed by the realization of one or more uncertain future events, the existence of which is not fully under the control of the Group, are considered as contingent liabilities and assets and are not included in the consolidated financial statements.

Related parties

A related party is the person or business associated with the enterprise ("reporting enterprise") that prepares its consolidated financial statements.

- (a) A person or a member of their immediate family is deemed to be associated with the reporting entity if:

The person in question,

- (i) has control or joint control over the reporting entity,
- (ii) has a significant influence on the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or a parent company of the reporting entity.

- (b) An entity is deemed to be related to the reporting entity if any of the following conditions exist:

- (i) If the entity and the reporting entity are members of the same group (i.e. each parent company, subsidiary and other subsidiary is associated with the others).
- (ii) In case the business is the affiliate or business partnership of the other business (or a member of a group to which the other business is a member).
- (iii) If both businesses are joint ventures of the same third party.
- (iv) If one of the businesses is a third business partner and the other business is a subsidiary of that third business.
- (v) In the event that there are benefit plans for the employees of the company, the reporting enterprise or an enterprise associated with the reporting enterprise after they leave their employment. If the reporting enterprise itself has such a plan, the sponsoring employers are also related to the reporting enterprise.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) If a person defined in subparagraph (i) of article (a) has a significant influence on the enterprise or is a member of the key management personnel of the enterprise (or the parent company of this enterprise).

Key management personnel are composed of members of the board.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Taxes calculated on corporate income

The Company and its subsidiaries, affiliates and joint ventures within the scope of consolidation are subject to the tax legislation and practices in force in the countries in which they operate.

Income tax expense is the sum of current tax and deferred tax expense. Tax is included in the income statement, provided it is not directly related to a transaction accounted for under equity. Otherwise, tax is accounted for under equity with the relevant transaction.

Current year tax liability is calculated on the taxable portion of the current year profit. Tax-subject profit differs from the profit in the income statement as it excludes taxable or tax-deductible items and items that cannot be taxed or deducted from tax in other years. The current tax liability of the Group has been calculated using a tax rate that is legalized or substantially legalized as of the date of the statement of financial position.

The corporate tax rate is applied to the taxable corporate income, which is determined by adding non deductible expenses, as per tax laws, to the taxable income after considering the exemptions and deductions provided in the tax laws. In Turkey, the corporate tax rate for 2024 is 25% (as of December 31, 2023: 25%).

According to Article 298 of the Tax Procedure Law, the necessary conditions for inflation adjustment of financial statements as of December 31, 2021, have been met. However, with the publication of Law No. 7352 on January 29, 2022, in the Official Gazette No. 31734, and based on the temporary Article 33 of the Tax Procedure Law No. 213:

- Regardless of whether the conditions for inflation adjustment under Article 298 are met, the financial statements for the fiscal years 2021, 2022, and 2023, including temporary tax periods, will not be subject to inflation adjustment.

- The financial statements as of December 31, 2023, will be adjusted for inflation in a manner that will not affect the corporate tax base.

In the Official Gazette dated December 30, 2023, and numbered 32415, the "General Communiqué on the Tax Procedure Law No. 555" was published. According to the repeated Article 298 of the Tax Procedure Law No. 213, it is essential for businesses operating in Turkey to apply inflation adjustments to their financial statements for the 2023 accounting period. The inflation-adjusted financial statements will form an opening balance for the tax returns to be prepared starting from January 1, 2024, and the effects of inflation will not be considered in the calculation of the period tax for the year 2023.

Temporary taxes paid during the year are considered for the current year and offset against the corporate tax calculated on the corporate tax return for the following year. If any temporary tax remains after the offset, it may either be refunded in cash or offset against other financial obligations to the government.

There is no practice in Turkey for reaching an agreement with the tax authority regarding payable taxes. Corporate tax returns must be submitted to the relevant tax office by the evening of the 25th day of the fourth month following the close of the fiscal period.

Authorized tax authorities can examine accounting records within five years, and if any errors are detected, the tax amounts may be adjusted as a result of a tax assessment.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Taxes calculated on corporate income (continued)

In the Turkish tax system, financial losses can be offset with financial profits in the following five years, and it is not possible to offset (retrospectively) from previous years' earnings.

Deferred tax

Deferred tax liability or asset is determined by calculating the temporary differences between the amounts of assets and liabilities shown in the consolidated financial statements and the amounts taken into account in the legal tax base calculation according to the statement of financial position method, taking into account the legalized tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than business combinations) of other assets and liabilities in a transaction that does not affect commercial or financial profit / loss.

Deferred tax liabilities are recognized for all taxable temporary differences associated with the Group's subsidiaries, except in cases where the Group controls the reversal of the temporary differences and it is unlikely that these differences will reverse in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are recognized under the condition that it is highly probable that sufficient taxable profits will be available in the near future to utilize these differences, and that it is probable that the related differences will reverse in the future.

The carrying value of the deferred tax asset is reviewed as of each statement of financial position date. The registered value of the deferred tax asset is reduced to the extent that it is not possible to obtain a financial profit sufficient to allow the benefit of some or all of it to be obtained.

Deferred tax assets and liabilities are calculated based on tax rates (tax regulations) that are expected to be valid in the period in which the assets will be realized or liabilities will be fulfilled and that have been legalized or substantially legalized as of the statement of financial position date. During the calculation of deferred tax assets and liabilities, the tax consequences of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the statement of financial position date are taken into account.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to offset current tax assets and liabilities.

Current tax expense and deferred tax

Tax expense covers current period tax expense and deferred tax expense. The tax is included in the income statement, provided it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under equity with the relevant transaction.

The period tax expense is calculated considering the tax laws in effect in the countries where the Group's subsidiaries and investments accounted for using the equity method operate, as of the date of the statement of financial position. According to Turkish tax legislation, institutions with legal or business centers located in Turkey are subject to corporate tax.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Taxes calculated on corporate income (continued)

In the Turkish tax system, financial losses can be offset with financial profits in the following five years, and it is not possible to offset (retrospectively) from previous years' earnings.

Right of use assets

The Group recognizes right-of-use assets at the commencement of the financial lease agreement (for example, as of the date the asset is available for use). Right-of-use assets are calculated by deducting accumulated depreciation and impairment losses from their cost value. This figure is also corrected in case of remeasurement of financial lease liabilities.

The cost of the right of use asset includes:

- (a) the initial measurement amount of the lease liability,
- (b) all lease payments made on or before the actual commencement date less any lease incentives received, and
- (c) all initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right of use asset from the actual commencement of the lease to the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment assessment.

Lease Liabilities (Financial borrowings)

The Group measures the lease liability over the present value of the unpaid lease payments when the lease actually commences.

The lease payments included in the measurement of the lease liability at the actual commencement date consist of the following payments to be made for the right to use the underlying asset during the lease term and not paid at the actual commencement date:

- (a) fixed payments,
- (b) Variable lease payments based on an index or rate, whose first measurement is made using an index or rate on the actual commencement date,
- (c) Amounts expected to be paid by the Group under residual value commitments
- (d) If the Group is reasonably sure that it will use the purchase option, the exercise price of this option and
- (e) the lease term indicates that the Group will use an option to terminate the lease, penalty payments regarding the termination of the lease.

Variable lease payments that are not dependent on an index or rate are recorded as an expense in the period in which the event or condition that triggered the payment occurs.

The Group uses the revised discount rate for the remaining part of the lease term as the interest rate implicit in the lease if it can be easily determined; if it cannot be determined easily, it is determined as the Group's alternative borrowing interest rate on the date of re-evaluation.

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2. Presentation of the Consolidated Financial Statements (continued)

2.7 Summary of Significant Accounting Policies (continued)

Lease Liabilities (Financial borrowings) (continued)

The Group measures the lease liability as follows, after the date the lease actually commences:

- (a) Increases the book value to reflect the interest on the rental liability, and
- (b) Reduces the book value to reflect the lease payments made.

In addition, the value of the lease obligations is remeasured in the event of a change in the lease term, in substance a change in fixed lease payments, or in the assessment of the option to purchase the underlying asset.

Short-term leases and leases where the underlying asset is of low value

The Group applies the short-term lease registration exemption to short-term machinery and equipment lease contracts (i.e. assets with a lease term of 12 months or less from the start date and without a call option). It also applies the exemption from accounting for low value assets to office equipment whose rental is considered to be of low value. Short-term lease contracts and lease contracts of low value assets are recorded as expense according to the linear method during the lease term.

Employee benefits

Retirement pay liability

According to the laws in force, the Group is liable to make a certain lump sum payment to employees whose employment is terminated due to retirement or for reasons other than resignation and behaviors specified in the Labor Law. Provision for severance pay has been reduced according to the net present value of the future liability amounts due to the retirement of all employees in accordance with the actuarial assumptions and reflected in the consolidated financial statements.

Unused vacation

Unused vacation rights accrued in the consolidated financial statements represent the estimated total provision for possible future liabilities related to employees' unused earned vacation days as of the statement of financial position date.

Cash flow statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities. Cash flows from operating activities show the cash flows generated by the Group's operations. Cash flows related to investing activities show the cash inflows and outflows related to the Group's investment activities (investments in fixed assets). Cash flows related to financing activities show the sources used by the Group in financing activities and the repayments of these sources. Cash and cash equivalents include cash, bank deposits, and short-term, highly liquid investments with maturities of three months or less, which are readily convertible to known amounts of cash.

To identify financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. For consistency with the presentation of the current period's consolidated financial statements, comparative information is reclassified when necessary, and significant differences are disclosed.

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2. Presentation of the Consolidated Financial Statements (continued)

2.9 Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities reported as of the date of the financial statement, the disclosure of conditional assets and liabilities, and the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the best information of the Group management regarding current events and transactions, actual results may differ from assumptions. The Group's key accounting forecast is as follows:

- a) The Group made important assumptions in line with the experience of its technical team and independent appraisers in determining the beneficial economic lifespans of tangible and intangible assets.
- b) In the real estate valuation reports used to determine the fair values of the real estates that the Group measures according to the revaluation model, the values evaluated by independent and CMB licensed appraisers are determined mainly according to the comparable comparison model for land and the cost approach model for buildings intended for use.
- c) The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its tax financial statements and its financial statements prepared in accordance with TFRS. Differences between the Group's tax-based financial statements and its financial statements prepared in accordance with TFRS are generally due to investment tax incentives. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit forecasts were taken into account.
- d) Provision for doubtful receivables present the amounts that the management believes to cover the future losses belonging to the receivables, which exist as of the balance sheet date, with uncollectibility risk in the current economic conditions. In the evaluation of the impairment of receivables, the debtors' (apart from related parties) past performances, the credibility within the market, the payment performances until the approval date of the consolidated financial statements are taken into consideration on company basis.
- e) In the calculation of the severance obligation, the Group makes various assumptions such as discount rate, inflation rate, real wage growth rate, possibility of leaving voluntarily. The effect arising from changes in the current period is accounted for in the comprehensive income statement in the current period. The assumptions used in the calculation of the liability are detailed in Note 15.
- f) When calculating impairment, the Group uses data on the list prices of stocks after discount. For stocks whose sales price cannot be measured, the waiting period and physical condition of the goods in stock are evaluated by taking the opinions of technical personnel. In cases where the projected net realizable value is below the cost, a stock impairment provision is made.

2.10 Segment reporting

Since the main field of activity of the Group is single, there are no reportable segments other than the geographical group. The geographical grouping is determined by considering the geographies where the sales are made. The Group management does not follow the operating results separately for the geographical sections, whose details are specified in Note 18. For this reason, performance criteria other than income cannot be explained for geographical segments.

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3. Cash and cash equivalents**a) Cash and cash equivalents**

	December 31, 2024	December 31, 2023
Cash	287.194	78.110
Banks		
- Demand deposits	233.644.206	1.240.688.451
- Time deposits	113.814.122	1.212.786
Total cash and cash equivalents	347.745.522	1.241.979.347

As of December 31, 2024 and 2023, the details of the Group's time deposits, maturity dates and interest rates are as follows:

	Maturity	Interest rate	December 31, 2024
TL	January 2025	47,50%	113.814.122
			113.814.122

	Maturity	Interest rate	December 31, 2023
TL	January 2024	42,00%	1.212.786
			1.212.786

4. Financial liabilities

	December 31, 2024	December 31, 2023
Short term liabilities:		
Short term bank loans	2.836.026.824	5.159.491.181
Short term portion of long term bank loans	752.981.818	232.277.602
Debt securities issued	-	978.370.658
Factoring payables	8.816.826	19.979.416
Short term lease liabilities	255.714.974	256.239.444
Other financial liabilities	130.498	145.001.148
	3.853.670.940	6.791.359.449
Long term liabilities:		
Long term bank loans	484.823.838	114.505.027
Long term lease liabilities	344.827.385	351.793.125
	829.651.223	466.298.152
Total financial liabilities	4.683.322.163	7.257.657.601

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4. Financial liabilities (continued)

As of December 31, 2023, the details of the debt securities issued are as follows:

ISIN code	Amount	Maturity start	Redemption date	December 31, 2023	
				Type	Interest rate (%)
TRFQAGRE2412	314.580.184	11.10.2023	9.10.2024	Fixed	46,5
TRFQAGR12412	196.752.482	18.09.2023	15.01.2024	Fixed	37
TRFQAGR22411	157.585.668	4.10.2023	1.02.2024	Fixed	40
TRDEMVK22452	158.496.058	5.10.2023	8.02.2024	Fixed	40
TRFQAGR22429	150.956.266	21.11.2023	19.02.2024	Fixed	40
978.370.658					

As of December 31, 2024 and 2023 the net bank loans reconciliation is as follows:

	2024	2023
Opening, January 1	5.506.273.810	4.493.735.948
Cash inflows from loans	4.863.526.881	14.803.411.287
Cash outflows on loan repayments (principal and interest)	(4.311.469.756)	(11.782.923.073)
Unrealized foreign currency translation differences	68.116.660	31.940.773
Interest accruals	(340.931.017)	418.069.183
Monetary gain/ loss	(1.711.684.098)	(2.457.960.308)
Closing, December 31	4.073.832.480	5.506.273.810

The repayment schedule for long-term loans as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
In 1-2 years	484.823.838	114.505.027
Total	484.823.838	114.505.027

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4. Financial liabilities (continued)

December 31, 2024				
	Interest type	Weighted effective interest rate	Original currency	TL
Short term bank loans				
Turkish Lira	Floating	57,6%	9.348.606	9.348.606
Turkish Lira	Fixed	43,9%	2.071.652.956	2.071.652.956
Euro	Fixed	7,88%	20.515.653	755.025.262
Total				2.836.026.824
Short term portion of long term loans				
Turkish Lira	Fixed	31,1%	308.427.838	308.427.838
Euro	Fixed	9,42%	10.556.875	388.518.353
USD	Fixed	8,8%	1.585.444	56.035.627
Total				752.981.818
Long term bank loans				
Turkish Lira	Fixed	31,1%	15.166.511	15.166.511
Euro	Fixed	9%	12.761.595	469.657.327
Total				484.823.838
The overall total				4.073.832.480
December 31, 2023				
	Type	Weighted effective interest rate	Original Currency	TL
Short term bank loans				
Turkish Lira	Fixed	8,5% - 37%	4.971.329.164	4.971.329.164
Euro	Fixed	8%	5.776.466	188.162.017
Total				5.159.491.181
Short term portion of long term loans				
Turkish Lira	Fixed	8,5% - 37%	114.031.893	114.031.893
Euro	Fixed	8%	1.534.779	49.993.732
USD	Fixed	3,4% - 8%	2.318.483	68.251.977
Total				232.277.602
Long term bank loans				
Turkish Lira	Fixed	8,5% - 30%	7.244.094	7.244.094
Euro	Fixed	8%	1.391.679	45.332.425
USD	Fixed	3,4% - 8%	2.103.678	61.928.508
Total				114.505.027
The overall total				5.506.273.810

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4. Financial liabilities (continued)**Lease liabilities**

The details of lease liabilities as of December 31, 2024, and 2023 are presented below:

	December 31, 2024		December 31, 2023	
	Effective interest rate	Equivalent in TL	Effective interest rate	Equivalent in TL
Short-term lease liabilities				
USD	1,8%	39.091.486	1,7%	45.977.262
Euro	4,68%	202.239.147	1,39% - 4%	183.023.454
Turkish Lira	36,47%	14.384.341	35%	27.238.728
Total		255.714.974		256.239.444
Long-term lease liabilities				
USD	1,8%	45.869.217	1,7%	100.468.769
Euro	4,68%	281.278.537	1,39% - 4%	235.484.544
Turkish Lira	36,47%	17.679.631	35%	15.839.812
Toplam		344.827.385		351.793.125
The overall total		600.542.359		608.032.569

The movement of lease liabilities as of December 31, 2024 and 2023 is shown below:

	2024	2023
Opening, January 1	608.032.569	996.229.437
Additions	11.184.717	23.938.422
Disposals	(3.394.813)	(5.022.637)
Payments	(190.528.534)	(635.289.027)
Remasurement effect	4.893.118	4.904.878
Interest cost	13.499.215	46.440.912
Unrealized foreign currency translation differences	39.725.903	270.351.977
Monetary gain/ loss	117.130.184	(93.521.393)
Closing, December 31	600.542.359	608.032.569

The repayment schedule for lease liabilities as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
In 1 - 2 years	172.742.412	220.267.577
In 2 - 3 years	71.389.107	122.202.952
In 3 - 4 years	57.224.954	9.322.596
In 4 - 5 years	42.273.119	-
5+ years	1.197.793	-
Total	344.827.385	351.793.125

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5. Financial investments

As of December 31, 2024 and 2023, the detail of financial investments is shown below:

	December 31, 2024	December 31, 2023
Financial investments measured at fair value through profit or loss (*)	286.539.105	1.148.879.800
Exchange rate protected deposit	137.603.148	399.604.520
Blocked deposit account	3.527.318	-
	427.669.571	1.548.484.320

(*) It consists of the Group's investments in money market TL funds and equity-intensive funds.

6. Trade receivables and payables**a) Short term trade receivables**

	December 31, 2024	December 31, 2023
Trade receivables	1.174.864.508	548.547.203
Checks and notes receivables	1.028.831.846	3.540.763.686
Credit card receivables	107.197.783	169.768.834
Receivables from related parties (Note 26)	937.604.070	1.392.883.879
Provision for doubtful trade receivables (-)	(76.233.231)	(38.977.128)
	3.172.264.976	5.612.986.474

As of December 31, 2024, the weighted average maturity of short-term trade receivables is 3 months (December 31, 2023: 3 months). The discount rates used in discounting post-dated checks and notes receivables are 49,92% for TL and 7,5% for USD and 6,52% for Euro. (December 31, 2023 – TL: 40,73%, USD: 5,12%, EUR: 5%).

As of December 31, 2024 and December 31, 2023 maturities of trade receivables are as follows:

	December 31, 2024	December 31, 2023
Overdue receivables	1.978.559.938	4.133.617.835
Receivables that are overdue but not impaired		
0 – 30 days overdue	194.314.212	498.043.350
31 – 60 days overdue	424.668.244	91.665.092
61 – 90 days overdue	129.560.849	109.679.214
91 – 120 days overdue	50.836.181	178.225.794
121 – 150 days overdue	4.497.406	23.609.634
151 days or more overdue	389.828.146	578.145.555
Total	3.172.264.976	5.612.986.474

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6. Trade receivables and payables (continued)

The Group's domestic market trade receivables amounting to 172.231.719 TL (December 31, 2023: 116.964.190 TL) are collected through a direct collection system, and all export receivables are secured under the Turkish Eximbank short-term export general insurance policy. The guarantees received for the Group's trade receivables amount to 4.073.900.000 TL (December 31, 2023: 4.995.125.887 TL).

As of December 31, 2024 and 2023, movement table for provision for doubtful trade receivables is as follows:

	2024	2023
Opening, January 1	38.977.128	27.424.224
Provisions during the period (Note 21)	25.386.885	26.602.704
TFRS 9 effect	30.620.464	5.070.372
Monetary gain/ loss	(18.751.246)	(20.120.172)
Closing, December 31	76.233.231	38.977.128

b) Short term trade payables

	December 31, 2024	December 31, 2023
Trade payables	844.215.866	1.029.659.625
Notes payables	394.696.633	550.736.237
Payables to related parties (Note 26)	375.938.281	76.821.598
	1.614.850.780	1.657.217.460

c) Long term trade payables

	December 31, 2024	December 31, 2023
Notes payables	78.258.998	257.084.555
	78.258.998	257.084.555

As of December 31, 2024, the weighted average maturity of short-term trade receivables is 3 months (December 31, 2023: 3 months). The discount rates used in discounting post-dated checks and notes receivables are 49,92% for TL and 7,5% for USD and 6,52% for Euro. (December 31, 2023 – TL: 40,73%, USD: 5,12%, EUR: 5%).

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7. Other receivables and payables**Other receivables**

	December 31, 2024	December 31, 2023
Short-Term		
VAT refund receivables	57.359.697	11.907.355
Deposits and guarantees given	6.999.409	10.180.557
Other miscellaneous receivables	842.283	46.760
Receivables from related parties (Note 26)	-	47.504
	65.201.389	22.182.176
Long-Term		
Deposits and guarantees given	162.027	-
	162.027	-

Other short term payables

	December 31, 2024	December 31, 2023
Other payables to related parties (Note 26)	2.062.666	-
Other	590.463	591.101
	2.653.129	591.101

8. Inventories

	December 31, 2024	December 31, 2023
Raw materials	582.619.015	1.127.298.554
Work in progress	68.659.348	91.710.810
Finished goods	858.780.466	1.441.252.839
Trade goods	352.747.351	327.489.294
Other inventories	14.181.597	5.790.187
	1.876.987.777	2.993.541.684

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9. Property, plant and equipment and Intangible assets

a) Property, plant and equipment

	January 1, 2024	Additions	Disposals	Transfers	December 31, 2024
Land	922.426.600	39.738.392	-	-	962.164.992
Land improvements	56.785.757	-	-	-	56.785.757
Buildings	2.653.463.092	-	-	62.190.313	2.715.653.405
Machinery, plant and equipment	4.686.598.365	526.529	-	262.996.531	4.950.121.425
Vehicles	196.124.633	2.390.843	(7.459.856)	-	191.055.620
Furniture and fixtures	113.086.579	27.298.281	(31.672)	-	140.353.188
Other tangible assets	12.699.720	107.877	-	-	12.807.597
Construction in progress	151.977.134	417.245.419	(23.705.268)	(325.186.844)	220.330.441
Leasehold improvements	37.098.948	55.922	-	-	37.154.870
Total cost	8.830.260.828	487.363.263	(31.196.796)	-	9.286.427.295
Land improvements	(4.056.135)	(4.056.127)	-	-	(8.112.262)
Buildings	(79.625.742)	(84.150.118)	-	-	(163.775.860)
Machinery, plant and equipment	(1.020.135.255)	(396.048.035)	-	-	(1.416.183.290)
Vehicles	(70.401.096)	(35.419.246)	1.650.968	-	(104.169.374)
Furniture and fixtures	(46.699.720)	(19.506.164)	-	-	(66.205.884)
Other tangible assets	(6.937.044)	(1.296.324)	-	-	(8.233.368)
Leasehold improvements	(8.773.567)	(6.829.878)	-	-	(15.603.445)
Total accumulated depreciation	(1.236.628.559)	(547.305.892)	1.650.968	-	(1.782.283.483)
Net book value	7.593.632.269				7.504.143.812
	January 1, 2023	Additions	Disposals	Transfers	December 31, 2023
Land	898.049.280	24.377.320	-	-	922.426.600
Land improvements	56.785.757	-	-	-	56.785.757
Buildings	2.436.386.698	77.795.801	-	139.280.593	2.653.463.092
Machinery, plant and equipment	4.249.248.930	191.707.603	(170.313.946)	415.955.778	4.686.598.365
Vehicles	131.515.423	33.266.578	(1.435.794)	32.778.426	196.124.633
Furniture and fixtures	77.800.274	35.286.305	-	-	113.086.579
Other tangible assets	12.369.029	330.691	-	-	12.699.720
Construction in progress	730.524.087	29.335.774	-	(607.882.727)	151.977.134
Leasehold improvements	17.231.018	-	-	19.867.930	37.098.948
Total cost	8.609.910.496	392.100.072	(171.749.740)	-	8.830.260.828
Land improvements	-	(4.056.135)	-	-	(4.056.135)
Buildings	-	(79.625.742)	-	-	(79.625.742)
Machinery, plant and equipment	(657.340.648)	(375.506.996)	12.712.389	-	(1.020.135.255)
Vehicles	(44.628.625)	(26.352.296)	579.825	-	(70.401.096)
Furniture and fixtures	(33.470.864)	(13.228.856)	-	-	(46.699.720)
Other tangible assets	(5.377.498)	(1.559.546)	-	-	(6.937.044)
Leasehold improvements	(5.319.725)	(3.453.842)	-	-	(8.773.567)
Total accumulated depreciation	(746.137.360)	(503.783.413)	13.292.214	-	(1.236.628.559)
Net book value	7.863.773.136				7.593.632.269

As of December 31, 2024, the total amount of insurance on property, plant and equipment is TL 1.720.971.586 (December 31, 2023: TL 1.749.015.551).

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9. Property, plant and equipment and Intangible assets (continued)**a) Property, plant and equipment (continued)**

As of December 31, 2024 and 2023, the details of the tangible assets that have been fully depreciated but are still in use are as follows:

	December 31, 2024	December 31, 2023
Machinery, plant and equipment	79.066.028	1.672.017
Vehicles	27.162.889	24.325.110
Furniture and fixtures	25.352.717	20.512.512
Other tangible assets	5.103.355	2.160.396
Leasehold improvements	3.130.205	2.971.186
Rights	983.520	983.521
Total	140.798.714	52.624.742

As of December 31, 2024 and 2023, the cost and accumulated depreciation detail in accordance with the cost model of tangible assets measured according to the revaluation model is as follows:

	December 31, 2024	December 31, 2023
Cost		
Land	962.164.992	922.426.600
Land improvements	56.785.757	56.785.757
Buildings	2.715.653.405	2.653.463.092
Accumulated depreciation		
Land improvements	(8.112.262)	(4.056.135)
Buildings	(163.775.860)	(79.625.742)
Net book value	3.562.716.032	3.548.993.572

The reflection of depreciation expenses arising from tangible and intangible assets and right-of-use assets for the years ended December 31, 2024 and 2023 in the statement of profit or loss are shown in the tables below:

	January 1– December 31, 2024	January 1– December 31, 2023
Depreciation and amortization expenses		
Tangible assets (Note 9)	(547.305.892)	(503.783.413)
Intangible assets (Note 9)	(3.292.860)	(1.777.745)
Right of use assets (Note 10)	(18.430.314)	(20.853.037)
Total	(569.029.066)	(526.414.195)
Cost of sales (Note 18)	505.524.370	472.828.024
Marketing, selling and distribution expenses (Note 19)	17.223.258	11.432.930
General administrative expenses (Note 19)	36.023.340	29.453.589
Research and development expenses (Note 19)	10.258.098	12.699.652
Total	569.029.066	526.414.195

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9. Property, plant and equipment and Intangible assets (continued)**b) Intangible assets**

Movements of intangible assets between January 1- December 31, 2024 are as follows:

	January 1, 2024	Additions	December 31, 2024
Rights	32.975.116	9.120.843	42.095.959
Total cost	32.975.116	9.120.843	42.095.959
Rights	(5.247.817)	(3.292.860)	(8.540.677)
Total accumulated depreciation	(5.247.817)	(3.292.860)	(8.540.677)
Net book value	27.727.299		33.555.282

Movements of intangible assets between January 1- December 31, 2023 are as follows:

	January 1, 2023	Additions	December 31, 2023
Rights	23.806.812	9.168.304	32.975.116
Total cost	23.806.812	9.168.304	32.975.116
Rights	(3.470.072)	(1.777.745)	(5.247.817)
Total accumulated depreciation	(3.470.072)	(1.777.745)	(5.247.817)
Net book value	20.336.740		27.727.299

As of December 31, 2024 and 2023, there are no guarantees, pledges or mortgages on the intangible assets of the Group.

10. Right of use assets

The movement tables of right-of-use assets for the years ended December 31, 2024, and 2023 are as follows:

	January 1, 2024	Additions	Disposals	Modification	December 31, 2024
Buildings	28.898.785	11.184.717	-	7.492.262	47.575.764
Machinery, plant and equipment	121.326.349	-	-	-	121.326.349
Vehicles	23.938.422	-	(4.955.351)	-	18.983.071
Total cost	174.163.556	11.184.717	(4.955.351)	7.492.262	187.885.184
Buildings	(5.790.139)	(5.479.283)	-	(2.599.144)	(13.868.566)
Machinery, plant and equipment	(105.701.065)	(9.286.871)	-	-	(114.987.936)
Vehicles	(6.156.322)	(3.664.160)	1.560.538	-	(8.259.944)
Total accumulated depreciation	(117.647.526)	(18.430.314)	1.560.538	(2.599.144)	(137.116.446)
Net book value	56.516.030				50.768.738

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10. Right of use assets (continued)

	January 1, 2023	Additions	Disposals	Modification	December 31, 2023
Buildings	24.649.334	-	(4.127.130)	8.376.581	28.898.785
Machinery, plant and equipment	139.777.545	-	(18.451.196)	-	121.326.349
Vehicles	-	23.938.422	-	-	23.938.422
Total cost	164.426.879	23.938.422	(22.578.326)	8.376.581	174.163.556
Buildings	(4.657.105)	(2.833.505)	2.875.637	(1.175.166)	(5.790.139)
Machinery, plant and equipment	(106.221.370)	(14.159.747)	14.680.052	-	(105.701.065)
Vehicles	-	(3.859.785)	-	(2.296.537)	(6.156.322)
Total accumulated depreciation	(110.878.475)	(20.853.037)	17.555.689	(3.471.703)	(117.647.526)
Net book value	53.548.404				56.516.030

11. Prepaid expenses**Short term prepaid expenses:**

	December 31, 2024	December 31, 2023
Advances given (*)	1.412.375.414	455.753.323
Prepaid expenses	15.485.236	8.602.966
	1.427.860.650	464.356.289

Long term prepaid expenses:

	December 31, 2024	December 31, 2023
Prepaid expenses	1.104.588	187.276.393
Advances given (*)	558.020	452.713
	1.662.608	187.729.106

(*)These are the advances paid by the Group for the purchase of raw materials and supplies.

12. Liabilities for employee benefits

	December 31, 2024	December 31, 2023
Taxes and funds payables	32.017.143	46.993.033
Payables to personnel	11.352.403	8.827.676
Social security contributions	4.547.824	7.386.467
	47.917.370	63.207.176

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13. Obligations arising from customer contracts and deferred income**Short term deferred income**

	December 31, 2024	December 31, 2023
Advances received from third parties(*)	517.312.482	393.467.302
Deferred income	78.369.227	-
	595.681.709	393.467.302

(*) Advances received arise from cash, check and credit card advances received by the Group from dealers and export customers during the period.

14. Guarantees, pledges and mortgages, commitments, contingent assets and liabilities, other provisions

The tables of the Group regarding the guarantee, pledge and mortgage (GPM) positions as of December 31, 2024 and 2023 are as follows:

	December 31, 2024			
	TL Equivalent	USD	Euro	TL
A. Total amount of GPMs given on behalf of its own legal entity	383.175.093	-	-	383.175.093
B. Total amount of GPMs in favor of partnerships involved in full consolidation	-	-	-	-
C. Total amount of GPMs that other third parties have paid to ensure the execution of their ordinary commercial activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
i) Total amount of GPMs given in favor of the main partner	-	-	-	-
ii) Total amount of GPMs given on behalf of other group companies not included within the scope of articles B and C	-	-	-	-
iii) Total amount of GPMs in favor of third parties not covered by article C	-	-	-	-
Total	383.175.093	-	-	383.175.093

	December 31, 2023			
	TL Equivalent	USD	Euro	TL
A. Total amount of GPMs given on behalf of its own legal entity	248.226.182	-	-	248.226.182
B. Total amount of GPMs in favor of partnerships involved in full consolidation	-	-	-	-
C. Total amount of GPMs that other third parties have paid to ensure the execution of their ordinary commercial activities	-	-	-	-
D. Total amount of other GPMs given	-	-	-	-
i) Total amount of GPMs given in favor of the main partner	-	-	-	-
ii) Total amount of GPMs given on behalf of other group companies not included within the scope of articles B and C	-	-	-	-
iii) Total amount of GPMs in favor of third parties not covered by article C	-	-	-	-
Total	248.226.182	-	-	248.226.182

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14. Guarantees, pledges and mortgages, commitments, contingent assets and liabilities, other provisions (continued)

As of December 31, 2024 and 2023, the ratio of other GPM's to the Company's equity is 7% and 4%, respectively.

The details of the mortgage, bail and collateral letters issued by the Group as of December 31, 2024 and 2023 are as follows:

Guarantees given

	December 31, 2024	December 31, 2023
Letters of guarantee given		
Letters of guarantee given to public institutions	206.565.965	806.768
Letters of guarantee given to suppliers	175.862.113	244.614.908
Letters of guarantee given to the enforcement office	439.140	488.762
Letters of guarantee given to the tax office	307.875	2.315.744
Total	383.175.093	248.226.182

As of December 31, 2024, there are no check advances and guarantee checks given to third parties and excluded from the statement of financial position regarding stock purchases (December 31, 2023: None).

Guarantees received

The breakdown of the guarantees, insurances and sureties received by the Group as of December 31, 2024 and 2023 in their original currencies are as follows:

	December 31, 2024	December 31, 2023
Letters of guarantee received from customers	4.284.731.600	4.995.125.887
Receivable insurance (*)	652.982.924	462.042.704
Letters of guarantee received from suppliers	24.114.913	473.651.470
Total	4.961.829.437	5.930.820.061

(*) It refers to the trade receivables insurances provided in order to guarantee the trade receivables of the Group in order to protect the cash flow.

Other short-term provisions

Movement of litigation provision is as follows:

	2024	2023
Opening, January 1	-	-
Increase during the period	8.232.345	-
Monetary loss/gain	(995.177)	-
Closing balance, December 31	7.237.168	-

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15. Provisions for employee benefits

Short term provisions for employee benefits

	December 31, 2024	December 31, 2023
Unused vacation provision	13.919.266	15.214.724
Total	13.919.266	15.214.724

Long term provisions for employee benefits

	December 31, 2024	December 31, 2023
Retirement pay liability	74.847.100	54.656.897
Total	74.847.100	54.656.897

Retirement pay liability

There are no pension plan agreements made other than the legal requirement described below.

According to the current Labor Law, the Company is obliged to pay severance pay for those who have completed one year of service and whose relationship with the Company has been terminated or have retired, who have completed 25 years of service (20 for women) and earned their retirement (58 for women, 60 for men), who have been called up for military service or who have passed away.

Employees who meet the following conditions are entitled to receive severance pay if they leave the job:

- The first insurance date should be before 08.09.1999 and at least 3600 days of premium
- The first insurance date is on or after 08.09.1999, insured for 25 years and at least 4500 days of premium days
- The first insurance date is on or after 08.09.1999 and at least 7000 days of premium.

The severance pay to be paid is 1 month gross salary for each year of service; as of December 31, 2024, the severance ceiling is limited to TL 41.828 (December 31, 2023: TL 23.490).

The provision for severance pay is not legally subject to any funding and there is no funding requirement. Provision for severance pay is calculated by estimating the present value of the probable obligation to be paid in case of retirement of employees.

TAS 19 stipulates the development of actuarial valuation methods to estimate the severance pay provision of the Group. Accordingly, the following actuary predictions were used in the calculation of the total liability:

	December 31, 2024	December 31, 2023
Net discount rate %	2,10	2,91

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15. Provisions for employee benefits (continued)

Movement of retirement pay liability is as follows:

	2024	2023
Opening, January 1	54.656.897	43.399.716
Interest cost	10.991.665	4.791.393
Service cost	23.269.172	11.654.100
Actuarial loss	13.401.567	22.037.953
Paid during the year	(4.367.018)	(2.592.270)
Monetary gain/ loss	(23.105.183)	(24.633.995)
Closing, December 31	74.847.100	54.656.897

The basic assumption is that the cap set for each year of service increases in proportion to inflation. Thus, the discount rate applied represents the real rate free of the expected effects of inflation.

Unused vacation provision

The movements of unused vacation allowance during the period are as follows:

	2024	2023
Opening, January 1	15.214.724	7.866.393
Increase (decrease) during the period, net	3.846.173	13.030.652
Monetary gain/ loss	(5.141.631)	(5.682.321)
Closing, December 31	13.919.266	15.214.724

16. Other current assets and short term liabilities**a) Other current assets**

	December 31, 2024	December 31, 2023
Deferred and other VAT	11.745.870	19.424.632
Advances given	2.938.848	3.981.405
Employee advances	258.918	688.547
	14.943.636	24.094.584

b) Other short term liabilities

	December 31, 2024	December 31, 2023
Taxes and funds payable	558.582	350.620
	558.582	350.620

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17. Equity

The Group's shareholders and shares in the capital on December 31, 2024 and December 31, 2023 are as follows with historical values:

Shareholders	December 31, 2024		December 31, 2023	
	Amounts of Shares (TL)	Share rate (%)	Amounts of Shares (TL)	Share rate (%)
Ali Ercan	785.443.276	29,75	785.443.276	29,75
Q Yatırım Holding A.Ş.	1.000.646.251	37,90	1.000.646.251	37,90
Halka Arz - Diğer Kişiler	853.910.473	32,35	853.910.473	32,35
Nominal capital	2.640.000.000	100	2.640.000.000	100
Capital adjustment differences	3.176.862.823		3.176.862.823	
Capital	5.816.862.823		5.816.862.823	

According to the Turkish Commercial Code, legal reserves are divided into the first and second order legal reserves. According to the Turkish Commercial Code, the first order of legal reserves is allocated as 5% of the statutory net profit until 20% of the Company's paid-in capital is reached. The second order legal reserves is 10% of the distributed profit exceeding 5% of the paid capital. According to the Turkish Commercial Code, legal reserves can only be used to clarify losses unless they exceed 50% of the paid capital, other than that they cannot be used in any way.

Premiums on shares

It is the item that tracks the amounts arising from capital movements such as premiums on shares, premiums arising from the resale of repurchased shares, canceled partnership shares, share sales profits of partnerships with continuing control, and are considered a part of the capital.

Tangible assets revaluation increases

It consists of accumulated tangible assets valuation increases which are not associated with profit or loss but accounted for as other comprehensive income (Note 9).

Defined benefit plans remeasurement gains/losses

Defined benefit plans remeasurement gains/losses consist of actuarial gains or losses recognized as other comprehensive income regarding the severance pay provision in the amount of TL 53.325.086 as of December 31, 2024 (December 31, 2023: TL 43.273.911).

In accordance with the Tax Procedure Law and the related Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Repeated), the balance sheet as at December 31, 2023 prepared in accordance with the 'Law' has been adjusted for the application of inflation accounting by using the Producer Price Index ('PPI') published by the Turkish Statistical Institute. The accompanying financial statements are restated for the effects of inflation in accordance with TAS 29 using the CPI announced by the Turkish Statistical Institute and consequently the amounts for the current and prior reporting period are expressed in terms of the purchasing power at December 31, 2024. Due to the use of different indices in the application of Tax Procedural Law and TAS 29 inflation accounting and the application of TAS 29 to the purchasing power of December 31, 2024, the amounts of 'Capital Adjustment Differences', 'Share Premium', 'Restricted Reserves' in the balance sheet prepared in accordance with the Tax Procedural Law and the amounts in the financial statements prepared in accordance with TAS/IFRS have been adjusted. These differences are reflected to 'Retained Earnings or Losses' in the TAS/IFRS financial statements and these differences are detailed below:

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17. Equity (continued)

December 31, 2024	Share capital	Share premiums	Legal reserves	Retained earnings
According to TAS/IFRS financial statements	5.816.862.823	1.320.102.375	190.635.328	3.118.409.661
According to the Tax Procedure Law	4.686.514.930	474.930.185	141.026.493	2.969.089.240
Difference	1.130.347.893	845.172.190	49.608.835	149.320.421
December 31, 2023	Share capital	Share premiums	Legal reserves	Retained earnings
According to TAS/IFRS financial statements	5.816.862.823	1.320.102.375	190.841.358	2.486.363.804
According to the Tax Procedure Law	5.264.639.271	533.518.407	158.460.285	3.300.437.854
Difference	552.223.552	786.583.968	32.381.073	(814.074.050)

18. Revenue and cost of sales

	January 1 - December 31, 2024	January 1 - December 31, 2023
Domestic sales	5.309.174.164	10.094.678.049
Export sales	3.245.581.966	1.710.522.475
Discounts from sales (-)	(418.847.575)	(572.626.794)
Net sales	8.135.908.555	11.232.573.730
Cost of goods sold	(4.054.202.918)	(5.971.585.424)
Cost of trade goods sold	(1.983.253.826)	(2.214.728.657)
Other cost of sales	(766.012.509)	(66.410.948)
Gross profit	1.332.439.302	2.979.848.701

The detail of net sales disaggregated by geographical divisions is as follows:

Geographic divisions	January 1 - December 31, 2024	January 1 - December 31, 2023
Turkey	4.890.326.589	9.651.705.477
Europe	2.606.638.100	1.151.967.398
United States of America	236.720.039	84.415.699
Other	402.223.827	344.485.156
Net sales	8.135.908.555	11.232.573.730

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18. Revenue and cost of sales (continued)

Costs of sales

	January 1 – December 31, 2024	January 1 – December 31, 2024
Cost of trade goods sold	1.983.253.826	2.214.728.657
Raw material expenses and semi-finished and finished product changes	1.490.057.109	2.239.409.545
Electricity and natural gas expenses	1.420.454.865	2.372.805.657
Other cost of sales	766.012.509	66.410.948
Depreciation expenses and amortization	505.524.370	472.828.024
Personnel expenses	440.252.200	373.086.512
Other	197.914.374	513.455.686
Total	6.803.469.253	8.252.725.029

19. Operating expenses

a) Marketing, selling and distribution expenses

	January 1 – December 31, 2024	January 1 – December 31, 2023
Outside benefits and services	210.371.011	150.196.024
Advertising and fair expenses	161.649.089	179.377.950
Personnel expenses	150.179.368	141.806.894
Travel and transportation expenses	39.613.078	42.030.610
Office expenses	18.607.967	21.904.670
Depreciation expenses	17.223.258	11.432.930
Representation hospitality expenses	8.254.741	16.691.977
Tax and fee expenses	5.924.893	8.017.176
Rent expenses	5.274.155	154.734.912
Commission expenses	3.926.894	3.958.291
Insurance expenses	901.515	1.755.540
Other	3.688.168	3.085.733
	625.614.137	734.992.707

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19. Operating expenses (continued)**b) General administrative expenses**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Personnel expenses	143.910.372	115.581.777
Depreciation expenses	36.023.340	29.453.589
Insurance expenses	17.570.134	14.183.533
Consultancy expenses	14.526.909	15.849.180
Rent expenses	12.036.355	6.304.273
Travel and transportation expenses	11.361.954	6.237.441
Maintenance and repair expenses	10.904.846	4.250.349
Outside benefits and services	10.691.519	12.806.313
Donation expenses	9.686.448	13.492.078
Tax and fee expenses	7.880.219	9.070.916
Energy expenses	5.431.470	8.341.635
Office expenses	4.344.227	9.135.059
Communication expenses	2.229.942	1.969.145
Other	13.650.872	10.816.618
	300.248.607	257.491.906

c) Research and development expenses

	January 1 – December 31, 2024	January 1 – December 31, 2023
Personnel expenses	33.138.411	23.342.804
Depreciation expenses	10.258.098	12.699.652
Outside benefits and services	3.574.666	4.616.256
Other	923.196	1.864.977
	47.894.371	42.523.689

20. Expenses by nature

The expenses of the Group by nature are explained in the relevant expense sections.

21. Other income / expenses from operating activities**a) Other income from operating activities**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Foreign exchange gains from trading activities	311.309.880	624.610.613
Income from maturity difference	204.186.151	611.083.888
Purchase return income	103.690.975	116.845.385
Service reflection income	87.299.767	29.438.045
Other	17.444.999	21.153.561
	723.931.772	1.403.131.492

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21. Other income / expenses from operating activities (continued)**b) Other expenses from operating activities**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Foreign exchange losses from trading activities	286.718.162	452.662.708
Deferred financial expense	210.185.129	443.222.176
Vehicle expenses	121.425.516	103.711.637
Commission expense	31.446.318	9.827.497
Allowance for doubtful receivables (Note 6)	25.386.885	26.602.704
Provision for litigation	8.232.345	-
Earthquake tax	-	196.240.729
Other	18.777.668	6.792.504
	702.172.023	1.239.059.955

22. Income and expenses from investing activities**a) Income from investing activities**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Gain on sale of financial assets	23.935.664	199.216.324
Rental income	8.447.597	3.422.903
Gain on sale of fixed assets	3.481.109	-
Exchange rate protected deposit valuation income	-	30.281.236
	35.864.370	232.920.463

b) Expense from investing activities

	January 1 – December 31, 2024	January 1 – December 31, 2023
Loss on sale of financial assets	302.788.192	4.754.828
Loss on sale of fixed assets	180.135	109.901
	302.968.327	4.864.729

23. Financial income and expenses**Financial income**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Foreign exchange gains	344.112.123	639.465.753
Interest income	261.410.642	93.232.605
Income from derivative transactions	-	235.471.245
	605.522.765	968.169.603

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23. Financial income and expenses (continued)**Financial expenses**

	January 1 – December 31, 2024	January 1 – December 31, 2023
Interest expenses	1.588.426.282	1.918.248.007
Foreign exchange losses from loans	640.281.052	1.196.370.902
Commission expenses	140.244.987	279.965.406
Expense from derivative transactions	85.397.234	-
	2.454.349.555	3.394.584.315

24. Tax assets and liabilities**Corporation tax**

	December 31, 2024	December 31, 2023
Current period corporate tax expense	-	8.780.367
Minus: Prepaid taxes and funds	(8.665.006)	(21.046.156)
Current tax liabilities	(8.665.006)	(12.265.789)

The total tax income and expenses in the profit or loss statement are summarized below:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Current tax expense	-	(8.780.367)
Deferred tax (expense) / income	(362.835.853)	1.573.768.599
Total tax (expense) / income reported in the consolidated statement of profit or loss	(362.835.853)	1.564.988.232

The issue of transfer pricing has been regulated by Article 13 of the Corporate Tax Law titled "Disguised Profit Distribution Through Transfer Pricing", and detailed explanations regarding the application are included in the "General Communiqué on Disguised Profit Distribution Through Transfer Pricing".

In accordance with these regulations, in the event of the purchase or sale of goods or services at a price determined in violation of the principle of compliance with peers with related organizations/persons, the gain is considered implicitly distributed through transfer pricing and profit distributions of this nature are not subject to a reduction in corporate tax.

There is no withholding tax on dividends paid to institutions that generate income through a workplace or permanent representative in Turkey and institutions resident in Turkey. Dividend payments made to those other than these are subject to 15% withholding tax, without prejudice to the provisions of bilateral agreements. Addition of profit to capital is not considered as profit distribution and does not apply to withholding tax.

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period's corporate income, provided that they do not exceed 5 years. However financial losses cannot be offsetted from previous year's profits.

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24. Tax assets and liabilities (continued)

An application, there is no agreement with the tax authorities about the tax payable in Turkey. Corporate tax returns are submitted to the affiliated tax office until the evening of the 25th day of the fourth month following the end of the accounting period. However, the authorities competent for tax inspection can examine the accounting records within five years, and the tax amounts to be paid may change if erroneous transactions are detected.

As of the reporting date, the reconciliation of the tax income / (expense) found by applying the pre-tax profit legal tax rate and the total tax income / (expense) reported in the statement of profit or loss is as follows:

	2024	2023
Profit before tax	(2.636.273.448)	(959.474.626)
Tax rate	%25	%25
Tax expense calculated over the current tax rate	659.068.362	239.868.657
Disallowable expenses	(228.717.718)	(45.414.941)
Financing expense restriction	-	(25.426.450)
Exemptions	36.575.681	97.391.099
Offsettable prior year losses / Tax losses not recognized as deferred tax assets	(571.363.842)	(58.362.840)
Tax impact of investment discounts, net	72.206.332	1.129.635.776
Monetary gain/ loss and other adjustments	(330.604.668)	227.296.931
Total tax (expense) / income reported in the statement of profit or loss	(362.835.853)	1.564.988.232

Deferred tax

The Group calculates deferred tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations between the consolidated financial statements of the statement of financial position items prepared in accordance with TFRS and the statutory consolidated financial statements. These temporary differences generally arise from the recognition of income and expenses in different reporting periods according to TFRS and Tax Laws. The rate applied for deferred tax assets and liabilities is 25% for 2024 (2023: 25%).

The Group holds an investment incentive certificate numbered 121645, amounting to 187.895.038 TL, for use in fixed asset investments. The contribution rate for this investment is 40%. As of December 31, 2024, a total of 187.895.038 TL has been spent under the investment incentive (December 31, 2023: 187.895.038 TL). Additionally, the Group holds an investment incentive certificate numbered 518403, amounting to 911.752.225 TL. The discount rate for this investment is 60%, and the contribution rate is 40%. As of December 31, 2023, a total of 2.811.371.568 TL has been spent under the investment incentive (December 31, 2023: 3.975.416.125 TL). Furthermore, the Group holds an investment incentive certificate numbered 572452, dated November 10, 2024, amounting to 97.800.000 TL. The discount rate for this investment is 70%, and the contribution rate is 30%. As of December 31, 2024, a total of 201.213.986 TL has been spent under the investment incentive.

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24. Tax assets and liabilities (continued)

The breakdown of the calculations of the accumulated temporary differences and deferred tax assets and liabilities as of December 31, 2024 and December 31, 2023, using the current tax rates as of the statement of financial position is as follows:

	Deferred tax asset / (liability)	
	December 31, 2024	December 31, 2023
Investment incentive discounts	859.031.079	1.148.612.250
The difference between the registered values of tangible and intangible assets and tax bases	(409.771.777)	15.939.097
Retirement pay liability	18.711.775	13.661.560
Receivables/(payables) rediscounts, net	(25.810.708)	(99.272.413)
Financial borrowings	26.997.537	81.774.481
Provision for unused vacation	3.479.817	3.803.681
Other	(53.764.624)	(38.041.807)
Deferred tax assets (liabilities) net	418.873.099	1.126.476.849

25. Disclosures on net monetary position gains/losses

	January 1 – December 31, 2024	January 1 – December 31, 2023
Balance sheet items		
Inventories	(430.505.952)	568.674.701
Tangible and intangible assets	803.186.274	1.934.902.384
Share capital	(1.118.020.001)	(1.144.480.868)
Premium for shares	(114.217.181)	(325.743.657)
Restricted reserves	(21.132.474)	(44.912.929)
Tangible asset revaluation increases	(349.928.656)	(737.394.456)
Retained earnings	(405.157.985)	(1.325.765.426)
Other	161.069.321	36.741.200
Income statement items		
Revenue	(1.194.508.446)	(2.436.346.694)
Cost of sales	1.295.475.167	2.011.714.168
Marketing, sales and distribution expenses	13.720.893	13.067.984
General administrative expenses	89.813.245	147.813.180
Research and development expenses	58.872.498	63.276.023
Other income/expense from operating activities	29.996.342	(113.321.076)
Income/Expenses from Investing activities	76.359.043	(27.894.190)
Financial Income/Expenses	234.782.730	505.938.098
Tax income/expense	31.009	8.774.346
	(870.164.173)	(864.957.212)

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26. Related party disclosures**Key management compensation:**

The total benefits provided by the Group to the Members of the Board of Directors for the period ended December 31, 2024 is TL 4.309.684 (December 31, 2023 – TL 3.820.268).

Related party balances

	December 31, 2024			
	Receivables		Payables	
Balances with related parties	Trading (*)	Non trading(**)	Trading (*)	Non trading(**)
Bien Yapı Ürünleri Turizm Sanayi ve Ticaret A.Ş. (2)	346.627	-	90.866.479	-
Demireks Gmbh(2)	134.307.980	-	-	-
Alena Granit Ve Seramik Sanayi Ticaret A.Ş. (2)	10.438.334	-	-	-
Tile Space Inc. (2)	117.068.264	-	-	-
Evim E - Ticaret Anonim Şirketi(2)	37.109.745	-	-	-
Tile Space Limited(2)	65.614.358	-	-	-
Tiffany Ceramica Granit Dış Ticaret A.Ş. (2)	57.000.000	-	-	-
Trio Seramik Ve Yapı Ürünleri Tic. A.Ş. (2)	13.819.753	-	-	-
Evim Mağazacılık Ve Yapı Ürünleri Ticaret A.Ş. (2)	32.741.231	-	-	-
Quadrotech Makina Ve Yedek Parça San. Tic.A.Ş. (2)	20.786.210	-	-	-
Bien Trading Dış Ticaret A.Ş. (2)	292.394.738	-	-	-
Gruppo Majorca S. R. L. (2)	33.547.614	-	-	-
Qart Yapı Mimarlık Dekorasyon San. Tic. A.Ş. (2)	21.691.187	-	6.427.121	-
T Yapı Ürünleri Pazarlama A.Ş. (2)	169.875	-	-	-
Demireks Yapı Ürünleri San. Ve Tic. A.Ş. (2)	19.717	-	-	-
Bien Banyo Ürünleri San. Ve Tic. A.Ş.	3.091.570	-	21.022.593	-
Mako Dış Ticaret Anonim Şirketi (2)	345.520	-	7.187.412	-
Chemical Kimya Sanayi Ve Ticaret A.Ş. (2)	-	-	165.766.583	-
Qbuild Yapı Ve Ürünleri A.Ş. (2)	-	-	-	-
Allbatross Global Lojistik San. A.Ş. (2)	-	-	16.763.882	-
Bien Sigorta Aracılık Hizmetleri A.Ş. (2)	-	-	16.667.406	-
Bien Dekorasyon Ve Yapı Ürünleri Ticaret A.Ş. (2)	-	-	12.145	-
Bizzcar Filo Kiralama Hizmetleri A.Ş. (2)	-	-	6.348.490	-
Gq Demiryolu Taşımacılığı Loj. San. Ve Tic. A.Ş. (2)	-	-	1.810.069	-
Gezinomi Seyahat Turizm Ticaret A.Ş. (2)	-	-	7.105.544	-
Majorca Tiffany Yapı Ürünleri Tic. A.Ş. (2)	72.517.864	-	-	-
Trio Seramik Ve Yapı Ürün. Tic. A.Ş. (2)	6.751.211	-	-	-
Qua Concept Seramik Ticaret A.Ş. (2)	10.584.447	-	-	-
Qtech Bilgi Teknolojileri A.Ş. (2)	-	-	3.213.198	-
Bq Lojistik Hizmetleri Ticaret A.Ş. (2)	-	-	28.806.070	-
Mako Madencilik Sanayi Ve Ticaret A.Ş. (2)	-	-	2.384.467	-
Other(2)	7.257.825	-	1.556.822	2.062.666
	937.604.070	-	375.938.281	2.062.666

(1) Parent of the Company

(2) Related party of the Company parent

(*) Within the scope of the operational activities of the Company, it consists of receivables and payables for products such as products and raw materials given and purchased to related party companies.

(**) It consists of purchases and receivables arising from products and services purchased from related parties within the scope of non-operational activities of the Company.

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26. Related party balances (continued)

Balances with related parties	December 31, 2023			
	Receivables		Payables	
	Trading (*)	Non trading(**)	Trading (*)	Non trading(**)
Bien Yapı Ürünleri Turizm Sanayi ve Ticaret A.Ş. (2)	366.642.930	-	4.329.353	-
Demireks Gmbh(2)	206.770.313	-	-	-
Alena Granit Ve Seramik Sanayi Ticaret A.Ş. (2)	200.050.078	-	-	-
Tile Space Inc. (2)	165.409.238	-	-	-
Evim E - Ticaret Anonim Şirketi(2)	81.022.570	-	-	-
Tile Space Limited(2)	74.619.323	-	-	-
Tiiffany Ceramica Granit Dış Ticaret A.Ş. (2)	70.700.067	-	-	-
Trio Seramik Ve Yapı Ürünleri Tic. A.Ş. (2)	68.969.461	-	-	-
Evim Mağazacılık Ve Yapı Ürünleri Ticaret A.Ş. (2)	57.090.670	-	-	-
Quadrotech Makina Ve Yedek Parça San. Tic.A.Ş. (2)	31.943.021	-	-	-
Bien Trading Dış Ticaret A.Ş. (2)	26.877.792	-	-	-
Gruppo Majorca S. R. L. (2)	23.110.419	-	-	-
Qart Yapı Mimarlık Dekorasyon San. Tic. A.Ş. (2)	5.728.859	-	-	-
T Yapı Ürünleri Pazarlama A.Ş. (2)	4.769.952	-	-	-
Demireks Yapı Ürünleri San. Ve Tic. A.Ş. (2)	4.646.964	-	-	-
Bien Banyo Ürünleri San. Ve Tic. A.Ş.	276.216	-	2.610.447	-
Mako Dış Ticaret Anonim Şirketi (2)	-	-	17.717.820	-
Chemical Kimya Sanayi Ve Ticaret A.Ş. (2)	-	-	11.557.649	-
Qbuild Yapı Ve Ürünleri A.Ş. (2)	-	-	9.684.343	-
Allbatross Global Lojistik San. A.Ş. (2)	-	-	7.505.226	-
Bien Sigorta Aracılık Hizmetleri A.Ş. (2)	-	-	6.461.519	-
Bien Dekorasyon Ve Yapı Ürünleri Ticaret A.Ş. (2)	-	-	5.118.032	-
Bizzcar Filo Kiralama Hizmetleri A.Ş. (2)	-	-	4.139.912	-
Gq Demiryolu Taşımacılığı Loj. San. Ve Tic. A.Ş. (2)	-	-	3.339.948	-
Gezinomi Seyahat Turizm Ticaret A.Ş. (2)	-	-	3.307.482	-
Other(2)	4.256.006	47.504	1.049.867	-
	1.392.883.879	47.504	76.821.598	-

İlişkili taraflarla olan bakiyeler	December 31, 2024		December 31, 2023	
	Advances given	Advances received	Advances given	Advances received
Bien Dekorasyon Ve Yapı Ürünleri Ticaret A.Ş. (2)	910.484.278	-	-	-
Allbatross Yatırım Menkul Değerler A.Ş.(2)	104.993.199	-	-	-
Mako Dış Ticaret Anonim Şirketi (2)	82.124.827	-	-	-
Qbuild Yapı Ve Ürünleri A.Ş. (2)	68.526.746	-	-	-
Orsa Palet ve Ambalaj San. Tic. A.Ş. (2)	68.440.639	-	129.526.489	-
Evim E - Ticaret Anonim Şirketi(2)	11.648.664	-	-	-
Allbatross Global Lojistik San. A.Ş. (2)	9.668.729	-	18.302	-
Q Tile Yapı Ürünleri Ticaret A.Ş. (2)	7.101.544	-	-	-
Qttech Bilgi Teknolojileri A.Ş. (2)	7.095.960	-	-	-
Alena Granit Ve Seramik Sanayi Ticaret A.Ş. (2)	-	5.822.158	-	-
Qart Yapı Mimarlık Dekorasyon San. Tic. A.Ş. (2)	1.947.453	-	256.092	-
Atlasstone Parlatma Ürünleri Sanayi Ticaret A.Ş. (2)	1.697.000	-	-	-
Mako Trading Lojistik San. Ve Tic. A.Ş. (2)	-	-	-	-
Allbatross Sigorta Anonim Şirketi (2)	685.943	-	59.199	-
Evim Mağazacılık Ve Yapı Ürünleri Ticaret A.Ş. (2)	342.756	30.660	6.405.292	-
Mako Geri Dönüşüm San. Tic. A.Ş. (2)	1.463.940	-	-	-
Tile Space Yapı Ürünleri Tic. A.Ş. (2)	345.720	-	-	-
Marble By Demireks Madencilik San. Ve Tic. A.Ş. (2)	-	-	2.973.800	-
Qua Concept Seramik Ticaret A.Ş. (2)	-	-	42.442	-
Bizzcar Filo Kiralama Hizmetleri A.Ş. (2)	-	26.937.452	-	52.589.046
Majorca Tiffany Yapı Ürünleri Tic. A.Ş. (2)	-	-	-	52.371.786
Demireks Seramik Ticaret Anonim Şirketi (2)	-	-	144.379	-
	1.276.567.398	32.790.270	139.425.995	104.960.832

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26. Related party balances (continued)

Transactions with related parties

January 1 – December 31, 2024														
Transactions with related parties (*)	Purchases (Service)	Purchases (Trade)	Rent Purchase	Assets Purchase	Other (Service) Purchase	Exchange rate Purchase	Price difference Purchase	Insurance Purchase	Sales (Trade)	Sales (Service)	Rent Income	Assets Income	Price difference Income	Foreign Exchange Gain
Bien Yapı Ürünleri Turizm Sanayi Ve Ticaret A.Ş.	15.048.718	1.257.286.916	5.824.834	1.124.232	-	840.263	2.386.215	-	989.058.814	26.160.276	2.492.837	147.850	41.444	-
Bien Trading Dış Ticaret A.Ş.	45.308	-	-	-	-	-	12.326	-	260.006.569	470.273	126.069	-	53.113	10.169.311
Alena Granit Ve Seramik Sanayi Ticaret A.Ş.	636.312	314.500	2.880.000	-	-	-	1.315.687	-	225.987.451	71.962	894.281	-	880	5.955
Tile Space Limited	5.917.911	38.657.585	-	-	-	-	-	-	149.673.115	160.330	-	-	-	-
Bien Dekorasyon Ve Yapı Ürünleri Ticaret A.Ş.	183.043.947	-	-	-	-	-	1.809.195	-	940	9.515.654	8.537	-	25.086	-
Demireks Gmbh	217.538	28.655.176	-	-	-	-	-	-	132.228.084	32.248	-	-	-	-
Orsa Palet Ve Ambalaj Sanayi Ticaret A.Ş.	666.685	138.502.894	27.779	-	-	145.500	-	-	2.274.108	2.391.122	71.421	63.782	-	1.073
Allbatross Global Lojistik San. A.Ş.	36.543.870	-	675	-	-	-	99.594.917	-	-	65.520	271.149	-	286.521	-
Chemical Kimya Sanayi Ve Ticaret A.Ş.	-	7.764	-	-	-	-	135.626.035	-	-	-	-	-	-	-
Majorca Tiffany Yapı Ürünleri Tic. A.Ş.	431.111	3.121.474	-	-	-	-	23.892.036	-	100.605.159	1.256.759	1.072.712	-	19.380	-
Trio Seramik Ve Yapı Ürün. Tic. A.Ş.	126.887	440.833	823.840	-	-	-	258.392	-	110.945.219	132.360	2.429.272	-	797.333	-
Bq Lojistik Hizmetleri Ticaret Anonim Şirketi	47.729	-	-	-	-	-	87.877.606	-	-	44.444	218.914	-	5.330.381	-
Mako Dış Ticaret Anonim Şirketi	14.492	85.828.603	398.662	-	-	-	-	-	215.373	1.782.623	42.165	-	207.215	-
Atlasstone Parlatma Ürünleri Sanayi Ticaret A.Ş.	2.465.399	11.500.125	-	-	-	-	54.764.004	-	-	264.491	20.502	-	160.573	-
Tile Space Inc.	311.412	-	-	-	-	-	-	-	53.254.424	1.911.044	-	-	-	-
Bien Finans Faktoring A.Ş.	518.042	13.907	-	-	-	-	-	-	-	49.452.444	1.090.057	-	-	-
Gruppo Majorca S. R. L.	6.159.786	8.727.602	-	-	-	-	-	-	25.585.536	993.953	-	-	-	-
Demireks Yapı Ürünleri San. Ve Tic. A.Ş.	-	-	-	-	-	-	986.269	-	-	75.500	-	-	33.969.096	-
Gezinomi Seyahat Turizm Ticaret A.Ş.	14.448.952	-	175.805	-	-	-	18.713.102	-	-	155.843	432.245	-	21.457	-
Bien Banyo Ürünleri San. Ve Tic. A.Ş.	53.946	-	-	-	-	-	25.588.121	-	-	1.011.257	1.465.035	-	421.389	-
Qart Yapı Mimarlık Dekorasyon San.Tic.A.Ş.	22.775.750	23.273	-	663.400	-	-	46.764	-	264.954	677.504	182.267	-	7.052	-
Tiffany Ceramica Granit Dış Ticaret A.Ş.	-	-	-	-	-	-	11.413.984	-	9.933.416	-	-	-	-	214.427
Bizzcar Filo Kiralama Hizmetleri A.Ş.	2.981.829	-	1.235.754	-	-	-	13.739.627	-	-	3.998	1.250.000	-	1.363.086	-
Bien Sigorta Aracılık Hizmetleri A.Ş.	-	-	-	-	-	-	-	20.291.182	-	-	-	-	-	-
Gq Demiryolu Taşımacılığı Loj. San. Ve Tic. A.Ş.	18.853.919	-	-	-	-	-	-	-	-	-	-	-	-	-
Qua Concept Seramik Ticaret A.Ş.	554.737	193.043	-	-	-	-	4.733.317	-	9.601.895	-	-	-	-	-
Other	7.140.046	393.347	1.350.535	1.674.052	1.594.611	-	3.605.887	-	27.240.060	3.517.620	8.016.920	-	1.806.823	2.976
	319.004.326	1.573.667.042	12.717.884	3.461.684	1.594.611	985.763	486.363.484	20.291.182	2.096.875.117	100.147.225	20.084.383	211.632	44.510.829	10.393.742

(1) Parent of the Company

(2) Related party of the Company parent

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26. Related party balances (continued)

Transactions with related parties (continued)

İlişkili taraflarla olan işlemler (*)	January 1 – December 31, 2023												
	Purchases (Service)	Purchases (Trade)	Rent Purchase	Assets Purchase	Other (Service) Purchase	Exchange rate Purchase	Price difference Purchase	Insurance Purchase	Sales (Trade)	Sales (Service)	Rent Income	Assets Income	Price difference Income
Bien Yapı Ürünleri Turizm Sanayi Ve Ticaret A.Ş. (2)	1.597.825	1.455.712.870	-	-	1.190.665	-	1.104.358	-	2.118.290.982	18.645.192	1.471.023	1.058.619	24.699
Chemical Kimya Sanayi Ve Ticaret A.Ş. (2)	-	157.882.725	-	-	-	-	-	-	4.458.383	1.085.183	-	-	430.580
Orsa Palet Ve Ambalaj Sanayi Ticaret A.Ş. (2)	-	151.268.699	-	-	-	-	-	-	5.443.608	3.343.730	1.075.317	4.191	-
Bien Dekorasyon Ve Yapı Ürünleri Ticaret A.Ş. (2)	638.330	134.612.764	-	-	-	-	-	-	92.521	315.833	-	-	-
Bien Banyo Ürünleri San. Ve Tic. A.Ş. (2)	7.285	114.687.125	-	-	11.231	-	-	-	28.876	1.117.068	880.094	-	-
Mako Dış Ticaret Anonim Şirketi (2)	2.888	83.503.401	-	-	10.944	-	-	-	25.968	2.274.863	-	-	69.807
Allbatross Global Lojistik San. A.Ş. (2)	70.059.784	-	-	-	-	2.081.961	-	-	-	595.543	305.261	-	-
Bq Lojistik Hizmetleri Ticaret Anonim Şirketi (2)	63.100.113	-	-	-	-	-	-	-	-	173.863	4.282	-	-
Qbuild Yapı Ve Ürünleri A.Ş. (2)	3.609.475	-	-	-	49.448.332	-	-	-	-	2.335	-	-	-
Gezinomi Seyahat Turizm Ticaret A.Ş. (2)	40.680.350	-	-	-	-	-	-	-	-	339.090	-	-	-
Qart Yapı Mimarlık Dekorasyon San.Tic.A.Ş. (2)	38.545.119	82.159	-	-	-	-	-	-	105.395	1.163.829	453.789	-	9.897
Gq Demiryolu Taşımacılığı Loj. San. Ve Tic. A.Ş. (2)	25.318.369	1.610	-	-	-	-	-	-	-	27.116	-	-	-
Demireks Gmbh (2)	188.739	3.431.701	-	-	-	-	17.858.058	-	154.271.800	275.703	-	-	-
Quadrotech Makina Ve Yedek Parça San. Tic. A.Ş. (2)	5.367.317	-	-	8.821.788	-	-	-	-	-	996.621	130.945	361.397	-
Atlasstone Parlatma Ürünleri Sanayi Ticaret A.Ş. (2)	-	13.635.902	-	-	-	-	-	-	-	177.950	-	-	-
Allbatross Lojistik Ve Akaryakıt San. Tic. A.Ş. (2)	10.865.216	-	-	-	-	-	-	-	-	728.557	-	-	-
Demireks Seramik Ticaret Anonim Şirketi (2)	-	10.438.607	-	-	-	-	-	-	-	14.979	-	-	-
Fly Express Turizm Ticaret Anonim Şirketi (2)	8.362.901	-	-	-	-	-	-	-	-	316.041	132.020	-	-
Bien Sigorta Aracılık Hizmetleri A.Ş. (2)	-	-	-	-	-	-	-	6.966.356	-	-	-	-	-
Alena Granit Ve Seramik Sanayi Ticaret A.Ş. (2)	4.036.737	-	2.411.129	-	-	-	6.900.880	-	374.678.939	1.032.583	-	30.463	-
Majorca Tiffany Yapı Ürünleri Tic. A.Ş. (2)	4.543.958	-	-	-	-	-	1.060.516	-	22.223.591	6.258.944	359.043	-	-
Trio Seramik Ve Yapı Ürünleri Tic. A.Ş. Antalya Şube	354.914	314.291	-	-	-	-	-	-	226.074.961	67.201	-	-	-
Tile Space Limited	224.664	-	-	-	-	-	-	-	113.607.227	104.582	-	-	-
Tile Space Inc.	131.601	-	-	-	-	-	-	-	31.619.075	329.128	-	-	-
Bien Trading Dış Ticaret A.Ş.	87.446	-	-	-	-	-	-	-	158.671.789	193.465	-	-	-
Evim Mağazacılık Ve Yapı Ürünleri Ticaret A.Ş.	-	-	-	-	-	-	-	-	65.516.116	1.113.091	1.560.090	-	-
Trio Seramik Ve Yapı Ürün. Tic. A.Ş. İstanbul Mağaza	471.894	-	-	-	-	-	989.795	-	23.391.001	-	142.102	-	-
Gruppo Majorca S. R. L.	-	-	-	-	-	-	-	-	21.508.843	-	-	-	-
Other	6.742.761	-	3.507.155	-	25.620	-	3.168.244	-	3.298.940	9.346.497	3.626.388	491.713	-
	284.937.686	2.125.571.854	5.918.284	8.821.788	50.686.792	2.081.961	31.081.851	6.966.356	3.323.308.015	50.038.987	10.140.354	1.946.383	534.983

(1) Parent of the Company

(2) Related party of the Company parent

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27. Nature and level of risks arising from financial instruments

The Group is exposed to market risk, capital risk, credit risk and liquidity risk, which consists of currency, cash flow and interest rate risks. The Group's risk management policy has focused on unexpected changes in the financial markets.

The management policy of financial risks is made by the senior management and finance department of the Group in line with the policies and strategies approved by the Board of Directors. The Board of Directors prepares general principles and policies for the management of currency, interest and capital risks, and closely monitors financial and operational risks.

a) Credit risk:

Holding financial instruments also carries the risk of failure of the counterparty to fulfill the requirements of the agreement. The Group management covers these risks by limiting the average risk for the counterparty (excluding related parties) in each agreement and by obtaining guarantees if necessary. The collection risk of the Group may mainly arise from its trade receivables. The Group manages this risk, which may arise from its customers, with the specified credit limits through bank letters of guarantee and receivable insurance. The use of credit limits is constantly monitored by the Group, and the customer's credit quality is constantly evaluated by taking into account the customer's financial position, past experiences and other factors.

Trade receivables are evaluated by the management of the Group, taking into account the past experiences and current economic situation, and are clearly shown in the statement of financial position after making an appropriate amount of doubtful receivable provision.

The Group tries to manage credit risk by spreading its sales activities over a wide area, avoiding undesirable concentrations on individuals or groups in a certain sector or region. The Group also receives collateral from customers when it deems necessary.

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27. Nature and level of risks arising from financial instruments (continued)

a) Credit risk (continued):

As of December 31, 2024 and December 31, 2023 the analysis of credit risk by types of financial instruments is as follows:

December 31, 2024	Receivables				
	Trade Receivables		Other Receivables		Deposits in banks
	Related party	Third party	Related party	Third party	
Maximum credit risk exposed as of reporting date (A+B+C+D+E) (1)	937.604.070	2.234.660.906	-	65.363.416	347.458.328
- Portion of maximum risk assured with guarantee etc. (2)	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	937.604.070	1.040.955.868	-	65.363.416	347.458.328
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired					
- Portion assured with guarantee etc.	-	1.193.705.038	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	76.233.231	-	-	-
- Impairment (-)	-	(76.233.231)	-	-	-
- Portion of net value assured with guarantee etc	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Portion of net value assured with guarantee etc.	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-

(1) These are the amounts showing the maximum credit risk exposed as of the date of the balance sheet, regardless of the collaterals held and other factors that increase the credit reliability.

(2) Letters of guarantee received from customers refer to receivable insurance and all other types of guarantees.

Qua Granite Hayat Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

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27. Nature and level of risks arising from financial instruments (continued)

a) Credit risk (continued):

December 31, 2023	Receivables				
	Trade Receivables		Trade Receivables		Deposits in banks
	Related party	Third party	Related party	Third party	
Maximum credit risk exposed as of reporting date (A+B+C+D+E) (1)	1.392.883.879	4.220.102.595	47.504	22.134.672	1.241.901.237
- Portion of maximum risk assured with guarantee etc. (2)	-	-	-	-	-
A. Net book value of financial assets neither overdue nor impaired	1.392.883.879	2.740.733.956	47.504	22.134.672	1.241.901.237
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-	-
C. Net book value of assets overdue but not impaired	-	1.479.368.639	-	-	-
- Portion assured with guarantee etc.	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	38.977.128	-	-	-
- Impairment (-)	-	(38.977.128)	-	-	-
- Portion of net value assured with guarantee etc	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Portion of net value assured with guarantee etc.	-	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-	-

(1) These are the amounts showing the maximum credit risk exposed as of the date of the balance sheet, regardless of the collaterals held and other factors that increase the credit reliability.

(2) Letters of guarantee received from customers refer to receivable insurance and all other types of guarantees.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries**Notes to the Consolidated Financial Statements as at December 31, 2024**

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27. Nature and level of risks arising from financial instruments (continued)**b) Liquidity risk:**

Prudent liquidity risk management means holding sufficient cash and securities, availability of funds with sufficient credit transactions and the power to close market positions.

The risk of funding existing and future potential debt requirements is managed by ensuring that the Group's sufficient number of credit providers are accessible and that the funds generated from operations are sufficient. Group management follows on the collection of customer receivables at maturity in order to ensure uninterrupted liquidation, works to ensure that the delay in collections does not impose any financial burden on the Group, and determines ready-to-use cash and non-cash credit limits if the Group needs them as a result of the work done with the banks. As of December 31, 2024 and 2023, the distributions of the Group's non-derivative financial liabilities according to maturities are as follows:

December 31, 2024

	Book value	Total contractual cash outflow (=I+II+III)	Less than 3 months (I)	Between 3 - 12 months (II)	Between 1 - 5 years (III)
Maturities under contracts					
Non derivative financial liabilities					
Bank loans	4.082.649.306	4.426.304.553	1.660.766.907	2.189.362.389	576.175.257
Lease liabilities	600.542.359	676.500.018	77.215.222	190.616.076	408.668.720
Other financial liabilities	130.498	130.498	130.498	-	-
Trade payables	1.693.109.778	1.700.727.093	1.621.665.724	-	79.061.369
Other payables	2.653.129	2.653.129	2.653.129	-	-
Liabilities for employee benefits	47.917.370	43.778.649	43.778.649	-	-
Total financial liabilities	6.427.002.440	6.850.093.940	3.406.210.129	2.379.978.465	1.063.905.346

December 31, 2023

	Book value	Total contractual cash outflow (=I+II+III)	Less than 3 months (I)	Between 3 - 12 months (II)	Between 1 - 5 years (III)
Maturities under contracts					
Non derivative financial liabilities					
Bank loans	6.504.623.884	6.795.286.090	2.308.019.484	4.357.025.499	130.241.107
Lease liabilities	608.032.569	647.075.989	64.188.608	192.926.251	389.961.130
Other financial liabilities	145.001.148	145.001.148	145.001.148	-	-
Trade payables	1.914.302.015	1.931.736.832	1.668.865.509	-	262.871.323
Other payables	591.101	591.101	591.101	-	-
Liabilities for employee benefits	63.207.176	63.207.176	63.207.176	-	-
Total financial liabilities	9.235.757.893	9.582.898.336	4.249.873.026	4.549.951.750	783.073.560

c) Market risk:**i) Exchange rate risk**

The Group is exposed to the exchange rate risk arising from exchange rate changes due to the conversion of its monetary assets and liabilities in foreign currency to TL. The Group follows a policy aimed at balancing the foreign exchange position in order to reduce the exchange rate risk. Existing risks are monitored at regular meetings held by the Group's Board of Directors and the Group's foreign currency position is closely monitored.

Qua Granite Hayal Yapı ve Ürünleri Sanayi Ticaret A.Ş and Its Subsidiaries

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(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

27. Nature and level of risks arising from financial instruments (continued)

c) Market risk (continued):

Foreign currency position table

	December 31, 2024	December 31, 2023
A. Foreign currency assets	1.112.825.903	712.432.134
B. Foreign currency liabilities	(3.654.313.348)	(2.113.072.037)
Net foreign currency liability position(A+B)	(2.541.487.445)	(1.400.639.903)

The details of the Group's foreign currency position as of December 31, 2024 and 2023 are as follows:

December 31, 2024	TL Equivalent	USD	EUR	Other
1. Trade receivables	795.321.024	282.033.131	448.409.185	64.878.708
2a. Monetary financial assets (including cash, bank accounts)	212.391.614	32.085.376	171.001.952	9.304.286
2b. Non-monetary financial assets	-	-	-	-
3. Other	104.240.254	36.148.053	66.083.649	2.008.552
4. Current assets (1+2+3)	1.111.952.892	350.266.560	685.494.786	76.191.546
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	873.011	-	873.011	-
8. Non-Current Assets (5+6+7)	873.011	-	873.011	-
9. Total assets (4+8)	1.112.825.903	350.266.560	686.367.797	76.191.546
10. Trade payables	(941.204.726)	(157.895.889)	(778.155.056)	(5.153.781)
11. Financial liabilities	(1.440.909.875)	(95.127.113)	(1.345.782.762)	-
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	(397.401.349)	(18.260.992)	(25.173.957)	(353.966.400)
13. Short term liabilities (10+11+12)	(2.779.515.950)	(271.283.994)	(2.149.111.775)	(359.120.181)
14. Trade payables	(77.992.317)	(7.678.679)	(70.313.638)	-
15. Financial liabilities	(796.805.081)	(45.869.217)	(750.935.864)	-
16 a. Other monetary liabilities	-	-	-	-
16 b. Other non-monetary liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	(874.797.398)	(53.547.896)	(821.249.502)	-
18. Total liabilities (13+17)	(3.654.313.348)	(324.831.890)	(2.970.361.277)	(359.120.181)
19. Net asset / (liability) position of off-balance sheet foreign currency derivatives (19a-19b)	-	-	-	-
19a. Amount of active character off-balance sheet foreign currency derivatives	-	-	-	-
19b. Amount of passive character off-balance sheet foreign currency derivatives	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(2.541.487.445)	25.434.670	(2.283.993.480)	(282.928.635)
21. Monetary items net foreign currency asset / (liability) position (IFRS 7.B23) (=1+2a+3+5+6a+8+10+11+12a+14+15+16a)*	(2.249.199.361)	7.547.609	(2.325.776.183)	69.029.213
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-
23. Total export amount	3.245.581.966	236.720.039	1.760.827.841	1.248.034.086
24. Total import amount	158.081.621	31.594.267	126.487.354	-

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27. Nature and level of risks arising from financial instruments (continued)

December 31, 2023	TL Equivalent	USD	EUR	Other
1. Trade receivables	429.534.937	250.741.981	99.795.660	78.997.296
2a. Monetary financial assets (including cash, bank accounts)	282.897.197	10.250.571	269.497.553	3.149.073
2b. Non-monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	712.432.134	260.992.552	369.293.213	82.146.369
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	712.432.134	260.992.552	369.293.213	82.146.369
10. Trade payables	(549.446.082)	(204.470.410)	(343.174.610)	(1.801.062)
11. Financial liabilities	(535.408.442)	(114.229.239)	(421.179.203)	-
12a. Other monetary liabilities	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-
13. Short term liabilities (10+11+12)	(1.084.854.524)	(318.699.649)	(764.353.813)	(1.801.062)
14. Trade payables	(585.003.267)	(291.121.626)	(293.881.641)	-
15. Financial liabilities	(443.214.246)	(162.397.277)	(280.816.969)	-
16 a. Other monetary liabilities	-	-	-	-
16 b. Other non-monetary liabilities	-	-	-	-
17. Long term liabilities (14+15+16)	(1.028.217.513)	(453.518.903)	(574.698.610)	-
18. Total liabilities (13+17)	(2.113.072.037)	(772.218.552)	(1.339.052.423)	(1.801.062)
19. Net asset / (liability) position of off-balance sheet foreign currency derivatives (19a-19b)	-	-	-	-
19a. Amount of active character off-balance sheet foreign currency derivatives	-	-	-	-
19b. Amount of passive character off-balance sheet foreign currency derivatives	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(1.400.639.903)	(511.226.000)	(969.759.210)	80.345.307
21. Monetary items net foreign currency asset / (liability) position (IFRS 7.B23) (=1+2a+3+5+6a+8+10+11+12a+14+15+16a)*	(1.400.639.903)	(511.226.000)	(969.759.210)	80.345.307
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-
23. Total export amount	1.580.868.253	84.415.699	993.025.744	503.426.810
24. Total import amount	383.908.089	58.174.119	325.733.970	-

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27. Nature and level of risks arising from financial instruments (continued)

As of December 31, 2024 and 2023 when other variables are kept constant, the sensitivity analysis of the Group's profit before tax against a 10% change in USD, Euro and other foreign currency liabilities (excluding foreign currency-based inventory and tangible asset advances given) is as follows:

Exchange rate sensitivity analysis chart				
December 31, 2024				
	Profit / loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<i>In case 10% appreciation of US Dollar against TL:</i>				
1- USD net asset / liability	2.543.467	(2.543.467)	-	-
2- The part protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	2.543.467	(2.543.467)	-	-
<i>In case of 10% appreciation of Euro against TL:</i>				
4- EUR net asset / liability	(228.399.348)	228.399.348	-	-
5- Part protected from euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(228.399.348)	228.399.348	-	-
<i>In case of 10% appreciation of Other against TL:</i>				
7- Other net asset/liability	(28.292.864)	28.292.864	-	-
8- Part protected from other risk (-)	-	-	-	-
9- Other net effect (7+8)	(28.292.864)	28.292.864	-	-
Total (3+6+9)	(254.148.745)	254.148.745	-	-

Exchange rate sensitivity analysis chart				
December 31, 2023				
	Profit / loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<i>In case 10% appreciation of US Dollar against TL:</i>				
1- USD net asset / liability	(51.122.600)	51.122.600	-	-
2- The part protected from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(51.122.600)	51.122.600	-	-
<i>In case of 10% appreciation of Euro against TL:</i>				
4- EUR net asset / liability	(96.975.921)	96.975.921	-	-
5- Part protected from euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(96.975.921)	96.975.921	-	-
<i>In case of 10% appreciation of Other against TL:</i>				
7- Other net asset/liability	8.034.531	(8.034.531)	-	-
8- Part protected from other risk (-)	-	-	-	-
9- Other net effect (7+8)	8.034.531	(8.034.531)	-	-
Total (3+6+9)	(140.063.990)	140.063.990	-	-

ii) Interest rate risk

Changes in interest rates pose a significant risk in terms of financial results with their impact on interest sensitive assets and liabilities. In order to minimize the effects of interest rate fluctuations, on the one hand, the interest change periods of financial debts and receivables are harmonized, on the other hand, "fixed interest / variable interest" and "short term / long term" balances are observed within these debts. The company is not exposed to this risk since it does not have variable rate liabilities. The Group's fixed and variable interest-bearing liabilities are disclosed in Note 4.

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27. Nature and level of risks arising from financial instruments (continued)

iii) Capital management

In capital management, while trying to ensure the continuity of its activities, it also aims to increase its profit by using the debt and equity balance in the most efficient way.

The Group monitors the capital using the debt / equity ratio. This ratio is found by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (including short-term borrowings, short-term portions of long-term borrowings, other financial liabilities, long-term borrowings, lease payables as shown in the balance sheet).

	December 31, 2024	December 31, 2023
Total liabilities	4.683.322.163	7.257.657.601
Cash and cash equivalents (-) (Note 3)	(347.745.522)	(1.241.979.347)
Net debt	4.335.576.641	6.015.678.254
Total equity	8.231.257.828	11.212.524.780
Net debt / equity ratio	53%	54%

28. Fair value disclosures

Financial instruments

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date.

The Group has calculated the fair values of financial instruments using available market information and appropriate valuation methods. However, as it is necessary to use judgment to find fair value, fair value measurements may not reflect the values that may occur in current market conditions. The fair values of financial assets and debts, which are shown by the Group management at cost discounted with effective interest, including receivables from cash and banks, other financial assets and short-term financial debts, are close to their book values, considering that they are short-term and that possible losses may be insignificant.. On the other hand, the carried values of short-term loans are assumed to reflect their fair value due to their short maturities.

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28. Fair value disclosures (continued)

December 31, 2024	Financial assets shown at amortized value	Financial instruments at fair value through profit or loss	Financial liabilities shown at amortized value	Book value	Note
<u>Financial assets</u>					
Cash and cash equivalents	347.745.522	-	-	347.745.522	3
Financial investments	141.130.466	286.539.105	-	427.669.571	5
Trade receivables	3.172.264.976	-	-	3.172.264.976	6
Other receivables	65.363.416	-	-	65.363.416	7
<u>Financial liabilities</u>					
Bank loans	-	-	4.082.649.306	4.082.649.306	4
Lease liabilities	-	-	600.542.359	600.542.359	4
Other financial liabilities	-	-	130.498	130.498	4
Trade payables	-	-	1.693.109.778	1.693.109.778	6
Other payables	-	-	2.653.129	2.653.129	7
December 31, 2023					
<u>Financial assets</u>					
Cash and cash equivalents	1.241.979.347	-	-	1.241.979.347	3
Financial investments	399.604.520	1.148.879.800	-	1.548.484.320	5
Trade receivables	5.612.986.474	-	-	5.612.986.474	6
Other receivables	22.182.176	-	-	22.182.176	7
<u>Financial liabilities</u>					
Bank loans	-	-	6.504.623.884	6.504.623.884	4
Lease liabilities	-	-	608.032.569	608.032.569	4
Other financial liabilities	-	-	145.001.148	145.001.148	4
Trade payables	-	-	1.914.302.015	1.914.302.015	6
Other payables	-	-	591.101	591.101	7

Fair value levels

The classifications of the company's financial assets and liabilities with respect to fair value are as follows:

- Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

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28. Fair value disclosures (continued)

The fair values and levels of financial assets and liabilities measured at their fair value in the statement of financial position as of December 31, 2024 are as follows:

December 31, 2024	As of reporting date fair value level		
	Level 1	Level 2	Level 3
	TL	TL	TL
Assets shown at fair value			
- Land	- 962.164.992		-
- Land improvements	- 48.673.495		-
- Buildings	- 2.551.877.545		-
	- 3.562.716.032		-

The fair values and levels of financial assets and liabilities measured at their fair value in the statement of financial position as of December 31, 2023 are as follows:

December 31, 2023	As of reporting date fair value level		
	Level 1	Level 2	Level 3
	TL	TL	TL
Assets shown at fair value			
- Land	- 922.426.600		-
- Land improvements	- 52.729.622		-
- Buildings	- 2.573.837.350		-
	- 3.548.993.572		-

(*) The fair value is calculated by reference to the market interest rates prevailing for the remainder of the contract for the relevant currency for the original forward rate.

Non-financial assets

Real estate valuation reports prepared by the real estate appraisal company authorized by the CMB are taken as basis in determining the fair values of lands, lands and buildings in accordance with revaluation in the consolidated financial statements. The tangible fixed assets measured at fair value are based on the reports prepared by the real estate appraisal company.

The Group's real estate appraisal reports, which are used to determine the fair value of the real estates measured according to the revaluation model, are determined by the independent and the CMB licensed appraisal experts, mainly based on the precedent comparison model for the lands and lands, and the cost approach model for the buildings for use.

Comparison of market method

Using the appropriate comparison criteria of the real estate to be valued, it is defined as the determination of the value of the property which is sold recently and will be evaluated with the application of the necessary corrections according to these criteria on the sales prices of the similar properties. Those that are comparable to the tangible property are analyzed by comparing them in terms of property rights, financing, sales conditions, after-sales expenses, market conditions, location and physical characteristics. Quantitative and qualitative techniques are applied for corrections. In case of sufficient and reliable data, it is considered as the most appropriate approach to determine the value in case of data and can be applied in the valuation of all types of immovable.

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28. Fair value disclosures (continued)

Cost approach method

In this approach, the cost of rebuilding an existing structure is used for the valuation of real estate. In this approach, the cost of rebuilding an existing structure is used for the valuation of real estate. With this method, the value of the land can be determined separately, or used for new or very little worn structures, and for the valuation of new or tender construction or projects. In this method it is assumed that the value of an existing structure cannot be higher than the cost of reconstruction. In this method it is assumed that the value of an existing structure cannot be higher than the cost of reconstruction.

According to the valuation reports prepared by the CMB licensed independent real estate appraisal company, it is common practice in public / private finance institutions in the legal status value, in the appraisal, the project / license / housing documents are compatible with the actual use, in cases where it is not compatible with the use of the site. The basis of the construction license and housing documents is to take into account if it is available later. In this respect, the Group management has been legally recognized in the real estate appraisal report for the buildings' revaluation and has taken into account the fair values of the buildings with the cost approach considering the closed areas included in the approved architectural project, which is the basis of the building permit.

29. Events after the reporting period

Our company's issuance document for debt securities, to be issued abroad in the amount of up to 200.000.000 Euros and/or the equivalent amount in Euros and/or Turkish Lira at the time of issuance, in US Dollars, Euros, and/or Turkish Lira without a public offering, has been approved by the Capital Markets Board with its decision numbered 2/9 dated January 9, 2025.

The sale of the financing bond issued abroad with a nominal value of 5 Million Euros, a maturity of 364 days, a redemption date of February 13, 2026, and an annual interest rate of 4% has been completed.

Our company's application for inclusion of the 'Qua Granite' brand in the Turquality@/Brand Support Program has been reviewed, and as a result of the Preliminary Examination, it has been deemed appropriate for the Qua Granite brand to be included in the program.

30. Audit fees

Fees for services received from the independent auditor/independent audit firm, the Group's statement regarding the fees for services provided by independent audit firms, prepared pursuant to the Board Decision of the POA published in the Official Gazette on March 30, 2021, and whose preparation principles are based on the POA letter dated August 19, 2021 is as follows:

	December 31, 2024	December 31, 2023
Independent audit fee for the reporting period	2.537.450	1.220.060
Fee for other assurance services	102.370	56.875
	2.639.820	1.276.935

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31. Earnings per Share

Earnings per share reported in the statement of comprehensive income is determined by dividing net profit by the weighted average number of shares outstanding during the relevant year.

Companies can increase their capital by distributing shares to existing shareholders in proportion to their accumulated earnings ("Bonus Shares"). When calculating earnings per share, these bonus shares are considered as issued shares. Therefore, the weighted average number of shares used in the earnings per share calculation is obtained by retrospectively applying the issuance of bonus shares.

Basic earnings per share is calculated by dividing the net earnings attributable to shareholders by the weighted average number of outstanding common shares during the period.

For profit distribution, first, the legal reserve must be set aside in accordance with the Turkish Commercial Code regulations. The entire amount to be distributed from the net distributable profit in the corrected consolidated financial statements, as per the Communiqué, is covered from the legal net distributable profit. If this amount can be fully covered from the legal net distributable profit, then the entire amount should be distributed; if not, the entire amount of net distributable profit in the legal records should be distributed.

	January 1 – December 31, 2024	January 1 – December 31, 2023
Weighted average number of shares outstanding during the year	2.640.000.000	2.640.000.000
Net period (loss)/profit	(2.994.684.569)	605.572.136
Earnings per share (TL)	(1,13)	0,23