



KAMUYU AYDINLATMA PLATFORMU

KARTONSAN KARTON SANAYİ VE TİCARET A.Ş. Financial Report Consolidated 2024 - 4. 3 Monthly Notification

General Information About Financial Statements

Consolidated Financial Statements and Explanatory Notes for the Accounting Period 1 January - 31 December 2024

Independent Audit Company	MGI BAĞIMSIZ DENETİM A.Ş.
Audit Type	Continuous
Audit Result	Positive

BAĞIMSIZ DENETÇİ RAPORU

Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi Genel Kurulu'na

A) Konsolide Finansal Tabloların Bağımsız Denetimi

1) Görüş

Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi'nin ("Şirket") ve Bağlı Ortaklıklarının (bundan sonra birlikte "Grup" olarak anılacaktır) 31 Aralık 2024 tarihi itibarıyla hazırlanan ve ekte yer alan konsolide finansal durum tablosu, aynı tarihte sona eren yıla ait konsolide kar veya zarar tablosu, konsolide diğer kapsamlı gelir tablosu, konsolide özkaynaklar değişim tablosu, konsolide nakit akış tablosu ile önemli muhasebe politikalarını özetleyen dipnotlar ve diğer açıklayıcı notlardan oluşan ilişikteki finansal tablolarını denetlemiş bulunuyoruz.

Görüşümüze göre, ilişikteki konsolide finansal tablolar, Grup'un 31 Aralık 2024 tarihi itibarıyla konsolide finansal durumunu ve aynı tarihte sona eren hesap dönemine ait konsolide finansal performansını ve konsolide nakit akışlarını Türkiye Finansal Raporlama Standartları'na ("TFRS'lere") uygun olarak, tüm önemli yönleriyle, gerçeğe uygun bir biçimde sunmaktadır.

2) Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Denetim Standartlarının bir parçası olan Bağımsız Denetim Standartlarına ("BDS'lere") uygun olarak yürütülmüştür. Bu Standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Konsolide Finansal Tabloların Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Bağımsızlık Standartları Dahil) (Etik Kurallar) ile Sermaye Piyasası Kurulu mevzuatında ve ilgili diğer mevzuatta konsolide finansal tabloların bağımsız denetimiyle ilgili mevzuatta yer alan etik hükümlere uygun olarak Grup'tan bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

3) Kilit Denetim Konuları

Kilit denetim konuları, mesleki muhakememize göre cari döneme ait finansal tabloların bağımsız denetiminde en çok önem arz eden konulardır. Kilit denetim konuları, bir bütün olarak finansal tabloların bağımsız denetimi çerçevesinde ve finansal tablolara ilişkin görüşümüzün oluşturulmasında ele alınmış olup, bu konular hakkında ayrı bir görüş bildirmemekteyiz.

Hasılat

Konsolide Finansal Tablolara İlişkin Dipnot 2.5 ve 19'a bakınız.

Kilit Denetim Konusu

Hasılat, mülkiyete ait önemli risklerin ve getirilerin alıcıya aktarıldığı, gelir tutarının güvenilir şekilde belirlenebilmesi ve işlemle ilgili ekonomik yararların Şirket'e akmasının muhtemel olması üzerine alınan veya alınabilecek bedelin rayiç değeri üzerinden tahakkuk esasına göre kayıtlara alınır.

Dönemsellik ilkesi gereği satışların doğru dönemde kaydedilip kaydedilmediği önem arz etmekte bu sebeple kilit denetim konusu olarak belirlenmiştir.

Şirket'in **01 Ocak – 31 Aralık 2024** hesap dönemine ait kar veya zarar ve diğer kapsamlı gelir tablosunda "hasılat" kalemi altında muhasebeleştirilmiş olduğu toplam **3.870.718.964** tutarında satışları bulunmaktadır.

Denetimimizde Konunun Nasıl Ele Alındığı

Denetim prosedürlerimiz Hasılatların kaydedilmesinin doğruluğunu sorgulamak üzerine tasarlanmıştır.

Tasarladığımız denetim prosedürlerimizin bir parçası olarak;

- Hasılat sürecine ilişkin grubun satış ve teslimat prosedürleri incelenerek ve gözlemlenerek,

- Prosedürlerimiz risk ve mülkiyetin devredilmemiş olduğu durumları da kapsayacak şekilde genişletilmiş olup örneklem olarak bazı satış işlemlerinin fatura ve irsaliye tarihi, ambar çıkış ve teslim evrakları kontrol edilerek fiili teslimin bilanço tarihi öncesi yapılıp yapılmadığı,

- Sene sonunu takip eden dönemde gerçekleşen iadelere maddi doğrulama prosedürleri uygulanarak, yıl içerisinde hasılatın uygun şekilde kayıtlara alınıp alınmadığı,

değerlendirilmiştir.

TMS 29 "Yüksek Enflasyonlu Ekonomilerde Finansal Raporlama" Standardının Uygulanması

Konsolide Finansal Tablolara İlişkin Dipnot 2.01'e bakınız.

Kilit Denetim Konusu

Denetimimizde Konunun Nasıl Ele Alındığı

2.01 numaralı dipnotta açıklandığı üzere, Grup'un fonksiyonel para biriminin (Türk Lirası) 31 Aralık 2024 tarihi itibari ile yüksek enflasyonlu ekonomi para birimi olarak değerlendirilmesi sebebi ile Grup, "TMS 29 Yüksek Enflasyonlu Ekonomilerde Finansal Raporlama" standardını uygulamaya devam etmektedir.

TMS 29'a uygun olarak, konsolide finansal tablolar ve önceki dönemlere ait finansal bilgiler, Türk Lirası'nın genel satın alma gücündeki değişikliklerin yansıtılması için yeniden düzeltilmiş ve sonuç olarak raporlama tarihine göre Türk Lirası'nın satın alma gücü cinsinden sunulmuştur.

TMS 29'un yönergelerine uygun olarak, Grup, enflasyona duyarlı finansal tabloları hazırlamak için Türkiye tüketici fiyat endekslerini kullanmıştır. Enflasyon düzeltilmesi için uygulanan prensipler, 2.01 numaralı dipnotta açıklanmıştır.

TMS 29'nun Grup'un raporlanan sonuçları ve finansal durumu üzerindeki önemli etkisi göz önüne alındığında, yüksek enflasyon muhasebesi bir kilit denetim konusu olarak değerlendirilmiştir.

Uygulanan denetim prosedürleri aşağıda açıklanmıştır;

- Finansal raporlamadan sorumlu yönetimle görüşüp, TMS 29'un uygulanması sırasında dikkate alınan prensipler, parasal olmayan hesapların belirlenmesi ve tasarlanan TMS 29 modelleri üzerinde yapılan testler hakkında incelemeler yapılmıştır,

- Hesaplamaların tamlığı ve doğruluğunu sağlamak amacıyla kullanılan girişler ve endeksler test edilmiştir,

- TMS 29 uyarınca yeniden düzenlenen finansal tablo ve ilgili finansal bilgiler kontrol edilmiştir,

- Enflasyon muhasebesi uygulanmış finansal tablolarda ve ilgili dipnot açıklamalarında verilen bilgilerin TMS 29 açısından yeterliliği değerlendirilmiştir.

4) Diğer Husus

Grup'un 1 Ocak - 31 Aralık 2023 hesap dönemine ait konsolide finansal tablolarının denetimi başka bir bağımsız denetim firması tarafından yapılmış olup, söz konusu bağımsız denetim firması tarafından hazırlanan 4 Haziran 2024 tarihli bağımsız denetim raporunda olumlu görüş verilmiştir.

5) Yönetimin ve Üst Yönetimden Sorumlu Olanların Konsolide Finansal Tablolara İlişkin Sorumlulukları

Grup yönetimi; konsolide finansal tabloların TFRS'lere uygun olarak hazırlanmasından, gerçeğe uygun bir biçimde sunumundan ve hata veya hile kaynaklı önemli yanlışlık içermeyecek şekilde hazırlanması için gerekli gördüğü iç kontrolden sorumludur. Konsolide finansal tabloları hazırlarken yönetim; Grup'un sürekliliğini devam ettirme kabiliyetinin değerlendirilmesinden, gerektiğinde süreklilikle ilgili hususları açıklamaktan ve Grup'u tasfiye etme ya da ticari faaliyetini sona erdirmeye niyeti ya da mecburiyeti bulunmadığı sürece işletmenin sürekliliği esasını kullanmaktan sorumludur. Üst yönetimden sorumlu olanlar, Grup'un finansal raporlama sürecinin gözetiminden sorumludur.

6) Bağımsız Denetçinin Konsolide Finansal Tabloların Bağımsız Denetimine İlişkin Sorumlulukları

Bir bağımsız denetimde, biz bağımsız denetçilerin sorumlulukları şunlardır: Amacımız, bir bütün olarak konsolide finansal tabloların hata veya hile kaynaklı önemli yanlışlık içerip içermediğine ilişkin makul güvence elde etmek ve görüşümüzü içeren bir bağımsız denetçi raporu düzenlemektir. BDS'lere uygun olarak yürütülen bir bağımsız denetim sonucunda verilen makul güvence; yüksek bir güvence seviyesidir ancak, var

olan önemli bir yanlışlığın her zaman tespit edileceğini garanti etmez. Yanlışlıklar hata veya hile kaynaklı olabilir. Yanlışlıkların, tek başına veya toplu olarak, finansal tablo kullanıcılarının bu konsolide tablolara istinaden alacakları ekonomik kararları etkilemesi makul ölçüde bekleniyorsa bu yanlışlıklar önemli olarak kabul edilir. BDS'lere uygun olarak yürütülen bağımsız denetimin gereği olarak, bağımsız denetim boyunca mesleki muhakememizi kullanmakta ve mesleki şüpheciliğimizi sürdürmekteyiz.

Tarafımızca ayrıca:

· Konsolide finansal tablolardaki hata veya hile kaynaklı "önemli yanlışlık" riskleri belirlenmekte ve değerlendirilmekte; bu risklere karşılık veren denetim prosedürleri tasarlanmakta ve uygulanmakta ve görüşümüze dayanak teşkil edecek yeterli ve uygun denetim kanıtı elde edilmektedir. Hile; muvazaa, sahtekârlık, kasıtlı ihmal, gerçeğe aykırı beyan veya iç kontrol ihlali fiillerini içerebildiğinden, hile kaynaklı önemli bir yanlışlığı tespit edememe riski, hata kaynaklı önemli bir yanlışlığı tespit edememe riskinden yüksektir.

· Grup'un iç kontrolünün etkinliğine ilişkin bir görüş bildirmek amacıyla değil ama duruma uygun denetim prosedürlerini tasarlamak amacıyla denetimle ilgili iç kontrol değerlendirilmektedir.

· Yönetim tarafından kullanılan muhasebe politikalarının uygunluğu ile yapılan muhasebe tahminlerinin ve ilgili açıklamaların makul olup olmadığı değerlendirilmektedir.

· Elde edilen denetim kanıtlarına dayanarak, Grup'un sürekliliğini devam ettirme kabiliyetine ilişkin ciddi şüphe oluşturabilecek olay veya şartlarla ilgili önemli bir belirsizliğin mevcut olup olmadığı hakkında ve yönetimin işletmenin sürekliliği esasını kullanmasının uygunluğu hakkında sonuca varılmaktadır. Önemli bir belirsizliğin mevcut olduğu sonucuna varmamız hâlinde, raporumuzda, konsolide finansal tablolardaki ilgili açıklamalara dikkat çekmemiz ya da bu açıklamaların yetersiz olması durumunda olumlu görüş dışında bir görüş vermemiz gerekmektedir. Vardığımız sonuçlar, bağımsız denetçi raporu tarihine kadar elde edilen denetim kanıtlarına dayanmaktadır. Bununla birlikte, gelecekteki olay veya şartlar Grup'un sürekliliğini sona erdirebilir.

· Konsolide finansal tabloların, açıklamalar dâhil olmak üzere, genel sunumu, yapısı ve içeriği ile bu tabloların, temelini oluşturan işlem ve olayları gerçeğe uygun sunumu sağlayacak şekilde yansıtıp yansıtmadığı değerlendirilmektedir.

· Konsolide finansal tablolar hakkında görüş vermek amacıyla, Grup içerisindeki işletmelere veya faaliyet bölümlerine ilişkin finansal bilgiler hakkında yeterli ve uygun denetim kanıtı elde edilmektedir. Grup denetiminin yönlendirilmesinden, gözetiminden ve yürütülmesinden sorumluyuz. Verdiğimiz denetim görüşünden de tek başımıza sorumluyuz.

Diğer hususların yanı sıra, denetim sırasında tespit ettiğimiz önemli iç kontrol eksiklikleri dâhil olmak üzere, bağımsız denetimin planlanan kapsamı ve zamanlaması ile önemli denetim bulgularını üst yönetimden sorumlu olanlara bildirmekteyiz. Bağımsızlığa ilişkin etik hükümlere uygunluk sağladığımızı üst yönetimden sorumlu olanlara bildirmiş bulunmaktayız. Ayrıca bağımsızlık üzerinde etkisi olduğu düşünülebilecek tüm ilişkiler ve diğer hususlar ile varsa, tehditleri ortadan kaldırmak amacıyla atılan adımlar ile alınan önlemleri üst yönetimden sorumlu olanlara iletmış bulunmaktayız.

Üst yönetimden sorumlu olanlara bildirilen konular arasından, cari döneme ait konsolide finansal tabloların bağımsız denetiminde en çok önem arz eden konuları yani kilit denetim konularını belirlemekteyiz. Mevzuatın konunun kamuya açıklanmasına izin vermediği durumlarda veya konuyu kamuya açıklamanın doğuracağı olumsuz sonuçların, kamuya açıklamanın doğuracağı kamu yararını aşacağına makul şekilde beklendiği oldukça istisnai durumlarda, ilgili hususun bağımsız denetçi raporumuzda bildirilmemesine karar verebiliriz.

B) Mevzuattan Kaynaklanan Diğer Yükümlülüklerle İlişkin Rapor

1) 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 398'inci maddesinin dördüncü fıkrası uyarınca düzenlenen Riskin Erken Saptanması Sistemi ve Komitesi Hakkında Denetçi Raporu 4 Mart 2025 tarihinde Şirket'in Yönetim Kurulu'na sunulmuştur.

2) TTK'nın 402'nci maddesinin dördüncü fıkrası uyarınca Grup'un 1 Ocak - 31 Aralık 2024 hesap döneminde defter tutma düzeninin, finansal tabloların, kanun ile Şirket esas sözleşmesinin finansal raporlamaya ilişkin hükümlerine uygun olmadığına dair önemli bir hususa rastlanmamıştır.

3) TTK'nın 402'nci maddesinin dördüncü fıkrası uyarınca Yönetim Kurulu tarafımıza denetim kapsamında istenen açıklamaları yapmış ve talep edilen belgeleri vermiştir.

Bu bağımsız denetimi yürütüp sonuçlandıran sorumlu denetçi Özcan Aksu'dur.

MGI BAĞIMSIZ DENETİM A.Ş.

A Member of MGI WORLDWIDE

ÖZCAN AKSU

Sorumlu Ortak Başdenetçi

(İstanbul, 4 Mart 2025)



Statement of Financial Position (Balance Sheet)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 31.12.2024	Previous Period 31.12.2023
Statement of Financial Position (Balance Sheet)			
Assets [abstract]			
CURRENT ASSETS			
Cash and cash equivalents	4	202.187.567	137.324.746
Financial Investments		0	0
Financial Assets at Fair Value Through Profit or Loss		0	0
Financial Assets at Fair Value Through Other Comprehensive Income		0	0
Trade Receivables	5-6	210.392.568	340.152.478
Trade Receivables Due From Related Parties	5	0	15.529.633
Trade Receivables Due From Unrelated Parties	6	210.392.568	324.622.845
Receivables From Financial Sector Operations		0	0
Other Receivables	8	22.873.039	42.381.620
Other Receivables Due From Unrelated Parties	8	22.873.039	42.381.620
Contract Assets		0	0
Contract Assets from Ongoing Construction Contracts		0	0
Derivative Financial Assets		0	0
Inventories	9	951.433.814	805.914.153
Prepayments	5-17	12.297.881	55.093.411
Prepayments to Related Parties	5	0	21.094.706
Prepayments to Unrelated Parties	17	12.297.881	33.998.705
Other current assets	17	130.677.553	98.281.867
Other Current Assets Due From Unrelated Parties	17	130.677.553	98.281.867
SUB-TOTAL		1.529.862.422	1.479.148.275
Total current assets		1.529.862.422	1.479.148.275
NON-CURRENT ASSETS			
Financial Investments		0	0
Restricted Bank Balances		0	0
Time Deposits		0	0
Financial Assets Available-for-Sale		0	0
Financial Investments Held To Maturity		0	0
Financial Assets at Fair Value Through Profit or Loss		0	0
Financial Assets Held For Trading		0	0
Other Financial Assets Measured at Fair Value Through Profit or Loss		0	0
Financial Assets Designated As at Fair Value Through Profit or Loss		0	0
Financial Investments with Risks on Policyholders		0	0
Financial Assets at Fair Value Through Other Comprehensive Income		0	0
Financial Assets Measured At Fair Value Through Other Comprehensive Income		0	0
Investments in Equity Instruments		0	0
Financial Assets Measured at Amortised Cost		0	0
Other Financial Investments		0	0
Investments in subsidiaries, joint ventures and associates		0	0
Trade Receivables		0	0
Trade Receivables Due From Related Parties		0	0
Trade Receivables Due From Unrelated Parties		0	0
Receivables From Financial Sector Operations		0	0
Receivables From Financial Sector Operations Due From Related Parties		0	0
Receivables From Financial Sector Operations Due From Unrelated Parties		0	0
Other Receivables	8	584.282	584.282
Other Receivables Due From Unrelated Parties	8	584.282	584.282
Contract Assets		0	0
Contract Assets from Ongoing Construction Contracts		0	0
Derivative Financial Assets		0	0
Investment property	10	0	5.405.641
Property, plant and equipment	11	1.915.580.811	2.415.540.304
Land and Premises		104.297.642	307.646.557

Land Improvements		39.347.024	50.150.840
Buildings		527.190.334	584.507.777
Machinery And Equipments		1.185.326.665	1.391.720.815
Vehicles		5.136.063	6.390.448
Fixtures and fittings		48.107.278	65.311.556
Leasehold Improvements		160.453	201.514
Construction in Progress		106.477	75.383
Other property, plant and equipment		5.908.875	9.535.414
Right of Use Assets	12	26.636.110	25.693.113
Intangible assets and goodwill	12	22.620.385	25.108.968
Other intangible assets	12	22.620.385	25.108.968
Prepayments	17	28.719.524	51.957.629
Prepayments to Unrelated Parties	17	28.719.524	51.957.629
Deferred Tax Asset	25	400.985.670	350.513.596
Other Non-current Assets		0	0
Total non-current assets		2.395.126.782	2.874.803.533
Total assets		3.924.989.204	4.353.951.808
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current Borrowings	5-7	441.692.929	1.087.094
Current Borrowings From Related Parties		201.320.906	1.087.094
Bank Loans		0	
Lease Liabilities	5-7	1.320.906	1.087.094
Other short-term borrowings	5-7	200.000.000	0
Current Borrowings From Unrelated Parties	7	240.372.023	0
Bank Loans	7	240.372.023	0
Lease Liabilities	7	0	0
Current Portion of Non-current Borrowings		0	0
Current Portion of Non-current Borrowings from Related Parties		0	0
Current Portion of Non-current Borrowings from Unrelated Parties		0	0
Other Financial Liabilities		0	0
Trade Payables	5-6	512.707.054	663.786.998
Trade Payables to Related Parties	5	4.994.948	220.196
Trade Payables to Unrelated Parties	6	507.712.106	663.566.802
Payables on Financial Sector Operations		0	0
Employee Benefit Obligations	16	18.098.641	30.695.335
Other Payables	5-8	61.420.596	42.395.298
Other Payables to Related Parties	5	179.931	214.724
Other Payables to Unrelated Parties	8	61.240.665	42.180.574
Contract Liabilities		0	0
Contract Liabilities from Ongoing Construction Contracts		0	0
Derivative Financial Liabilities		0	0
Deferred Income Other Than Contract Liabilities		0	0
Current tax liabilities, current	25	3.652.267	5.663.862
Current provisions	14-16	39.725.373	21.197.353
Current provisions for employee benefits	16	26.814.243	8.853.348
Other current provisions	14	12.911.130	12.344.005
Other Current Liabilities	14	0	0
Other Current Liabilities to Unrelated Parties		0	0
SUB-TOTAL		1.077.296.860	764.825.940
Total current liabilities		1.077.296.860	764.825.940
NON-CURRENT LIABILITIES			
Long Term Borrowings	5-7	9.291.382	9.958.308
Long Term Borrowings From Related Parties	5-7	9.291.382	9.958.308
Bank Loans		0	
Lease Liabilities	5-7	9.291.382	9.958.308
Long Term Borrowings From Unrelated Parties		0	0
Lease Liabilities	7	0	0
Other Financial Liabilities		0	0
Trade Payables		0	0
Payables on Financial Sector Operations		0	0
Other Payables		0	0
Contract Liabilities		0	0
Contract Liabilities from Ongoing Construction Contracts		0	0
Derivative Financial Liabilities		0	0
Deferred Income Other Than Contract Liabilities		0	0
Non-current provisions	16	56.195.573	87.651.377
Non-current provisions for employee benefits	16	56.195.573	87.651.377
Other non-current provisions		0	0
Deferred Tax Liabilities	25	5.467.982	47.574.058

Other non-current liabilities		0	0
Total non-current liabilities		70.954.937	145.183.743
Total liabilities		1.148.251.797	910.009.683
EQUITY			
Equity attributable to owners of parent		2.775.318.527	3.442.225.288
Issued capital	18	75.000.000	75.000.000
Inflation Adjustments on Capital	18	871.038.781	871.038.781
Balancing Account for Merger Capital		0	0
Additional Capital Contribution of Shareholders		0	0
Capital Advance		0	0
Treasury Shares (-)		0	0
Capital Adjustments due to Cross-Ownership (-)		0	0
Share Premium (Discount)		10.942.662	10.942.662
Effects of Business Combinations Under Common Control		0	0
Put Option Revaluation Fund Related with Non-controlling Interests		0	0
Share Based payments (-)		0	0
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss	18	-82.367.941	-67.939.876
Gains (Losses) from investments in equity instruments		0	0
Gains (Losses) on Revaluation and Remeasurement	18	-82.367.941	-67.939.876
Increases (Decreases) on Revaluation of Property, Plant and Equipment		0	0
Increases (Decreases) on Revaluation of Intangible assets		0	0
Increases (Decreases) on Revaluation of Right-of-use assets		0	0
Gains (Losses) on Remeasurements of Defined Benefit Plans	18	-82.367.941	-67.939.876
Other Revaluation Increases (Decreases)		0	0
Gains (Losses) Due to Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability		0	0
Gains (Losses) on Hedging Instruments that Hedge Investments in Equity Instruments		0	0
Share of Other Comprehensive Income of Investments Accounted for Using Equity Method that will not be Reclassified to Profit or Loss		0	0
Exchange Differences on Translation		0	0
Other Gains (Losses)		0	0
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		0	0
Exchange Differences on Translation		0	0
Gains (Losses) on Hedge		0	0
Gains (Losses) on Cash Flow Hedges		0	0
Gains (Losses) on Hedges of Net Investment in Foreign Operations		0	0
Other Gains (Losses) on Hedge		0	0
Gains (Losses) on Revaluation and Reclassification		0	0
Gains (Losses) on Remeasuring and/or Reclassification of Available-for-sale Financial Assets		0	0
Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income		0	0
Other Gains (Losses) on Revaluation and Reclassification		0	0
Change in Value of Time Value of Options		0	0
Change in Value of Forward Elements of Forward Contracts		0	0
Change in Value of Foreign Currency Basis Spreads		0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		0	0
Other Gains (Losses)		0	0
Restricted Reserves Appropriated From Profits	18	817.496.766	814.849.537
Profit from Sales of Participation Shares or Property that will be Added to Share Capital	18	43.786.576	43.786.576
Legal Reserves	18	773.710.190	771.062.961
Treasury Share Reserves			0
Venture Capital Fund			0
Other Restricted Profit Reserves			0
Other equity interest			0
Other reserves			0
Advance Dividend Payments (Net) (-)			0
Prior Years' Profits or Losses		1.734.560.620	2.633.983.209
Current Period Net Profit Or Loss		-651.352.361	-895.649.025

Non-controlling interests		1.418.880	1.716.837
Total equity		2.776.737.407	3.443.942.125
Total Liabilities and Equity		3.924.989.204	4.353.951.808

Statement of Profit or Loss and Other Comprehensive Income

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2024 - 31.12.2024	Previous Period 01.01.2023 - 31.12.2023
Statement of Profit or Loss and Other Comprehensive Income			
PROFIT (LOSS)			
Revenue	19	3.870.718.964	3.581.180.417
Cost of sales	19	-4.267.588.507	-4.247.452.441
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		-396.869.543	-666.272.024
GROSS PROFIT (LOSS)		-396.869.543	-666.272.024
General Administrative Expenses	20	-168.954.568	-165.057.103
Marketing Expenses	20	-206.581.812	-146.708.360
Other Income from Operating Activities	22	97.821.136	168.388.384
Other Expenses from Operating Activities	22	-162.919.730	-364.717.542
PROFIT (LOSS) FROM OPERATING ACTIVITIES		-837.504.517	-1.174.366.645
Investment Activity Income	23	274.836.279	246.997.643
Investment Activity Expenses	23	-9.485.571	-22.159.063
Share of Profit (Loss) from Investments Accounted for Using Equity Method		0	0
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		-572.153.809	-949.528.065
Finance costs	24	-317.897.628	-77.494.182
Gains (losses) on net monetary position		70.680.209	-275.459.381
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		-819.371.228	-1.302.481.628
Tax (Expense) Income, Continuing Operations	25	167.720.910	406.083.648
Current Period Tax (Expense) Income	25	-13.164.653	-17.753.878
Deferred Tax (Expense) Income	25	180.885.563	423.837.526
PROFIT (LOSS) FROM CONTINUING OPERATIONS		-651.650.318	-896.397.980
PROFIT (LOSS)		-651.650.318	-896.397.980
Profit (loss), attributable to [abstract]			
Non-controlling Interests		-297.957	-748.955
Owners of Parent		-651.352.361	-895.649.025
Earnings per share [abstract]			
Earnings per share [line items]			
Basic earnings per share			
Basic Earnings (Loss) Per Share from Continuing Operations			
<i>Sürdürülen Faaliyetlerden Pay Başına Kazanç (Zarar)</i>	26	-8,68469815	-11,94198700
Diluted Earnings Per Share			
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss	18	-14.428.065	-17.087.072
Gains (Losses) on Remeasurements of Defined Benefit Plans	18	-14.428.065	-17.087.072
Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss		0	0
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		0	0
OTHER COMPREHENSIVE INCOME (LOSS)		-14.428.065	-17.087.072
TOTAL COMPREHENSIVE INCOME (LOSS)		-666.078.383	-913.485.052
Total Comprehensive Income Attributable to			
Non-controlling Interests		-297.957	-748.955
Owners of Parent		-665.780.426	-912.736.097

Statement of cash flows (Indirect Method)

Presentation Currency	TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2024 - 31.12.2024	Previous Period 01.01.2023 - 31.12.2023
Statement of cash flows (Indirect Method)			
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit (Loss)		-651.650.318	-896.397.983
Profit (Loss) from Continuing Operations		-651.650.318	-896.397.983
Adjustments to Reconcile Profit (Loss)			
Adjustments for depreciation and amortisation expense	11,12,21	419.001.584	406.894.260
Adjustments for Impairment Loss (Reversal of Impairment Loss)		-28.241.769	48.091.126
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables		79.152	120.933
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Other Financial Assets or Investments		0	0
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories		-28.320.921	47.970.193
Adjustments for provisions		10.103.902	-15.676.886
Adjustments for (Reversal of) Provisions Related with Employee Benefits		5.742.509	-8.605.726
Adjustments for (Reversal of) General Provisions		0	0
Adjustments for (Reversal of) Free Provisions for Probable Risks		0	0
Adjustments for (Reversal of) Warranty Provisions		0	
Adjustments for (Reversal of) Provisions Arised From Sectoral Requirements		0	
Adjustments for (Reversal of) Other Provisions		4.361.393	-7.071.160
Adjustments for Dividend (Income) Expenses		0	
Adjustments for Profit Share or Other Financial Instruments (Income) Expenses		0	
Adjustments for Bargain Purchase Gain		0	
Adjustments for Interest (Income) Expenses		336.010.340	47.948.803
Adjustments for Interest Income		-21.241.677	-41.765.672
Adjustments for interest expense	24	317.897.628	77.494.182
Deferred Financial Expense from Credit Purchases	22	73.688.298	45.153.847
Unearned Financial Income from Credit Sales	22	-34.333.909	-32.933.554
Adjustments for fair value losses (gains)		0	0
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method		0	0
Adjustments for Tax (Income) Expenses	25	-167.720.910	-406.083.649
Adjustments for losses (gains) on disposal of non-current assets		-246.705.235	-1.877.497
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets		-246.705.235	-1.877.497
Adjustments Related to Gain and Losses on Net Monetary Position		-73.949.111	0
Other adjustments to reconcile profit (loss)		-1.501.200	-1.113.566
Changes in Working Capital			
Adjustments for decrease (increase) in trade accounts receivable		22.011.190	148.056.253
Decrease (Increase) in Trade Accounts Receivables from Related Parties		10.756.175	29.539.772
Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties		11.255.015	118.516.481
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		6.301.834	11.944.974
Decrease (Increase) in Other Related Party Receivables Related with Operations		0	0
Decrease (Increase) in Other Unrelated Party Receivables Related with Operations		6.301.834	11.944.974
Adjustments for Decrease (Increase) in Contract Assets		0	0
Adjustments for decrease (increase) in inventories		-117.198.740	714.731.272
Decrease (Increase) in Prepaid Expenses		42.795.530	70.849.172
Adjustments for increase (decrease) in trade accounts payable		53.618.689	-10.268.940
Increase (Decrease) in Trade Accounts Payables to Related Parties		4.842.436	22.683
Increase (Decrease) in Trade Accounts Payables to Unrelated Parties		48.776.253	-10.291.623

Increase (decrease) in Payables due to Finance Sector Operations		0	
Increase (Decrease) in Employee Benefit Liabilities		-3.161.642	9.746.303
Adjustments for Increase (Decrease) in Contract Liabilities		0	0
Adjustments for increase (decrease) in other operating payables		32.056.654	-23.613.808
Increase (Decrease) in Other Operating Payables to Related Parties		31.208	969
Increase (Decrease) in Other Operating Payables to Unrelated Parties		32.025.446	-23.614.777
Other Adjustments for Other Increase (Decrease) in Working Capital		22.246.244	-122.524.809
Decrease (Increase) in Other Assets Related with Operations		22.246.244	-122.524.809
Cash Flows from (used in) Operations		-345.982.958	-19.294.975
Interest paid		-390.837.637	-123.101.881
Interest received		41.507.815	32.915.881
Income taxes refund (paid)	25	-14.288.416	-16.572.747
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		380.164.228	-217.019.497
Proceeds from sales of property, plant, equipment and intangible assets		494.871.351	3.127.121
Proceeds from sales of property, plant and equipment		494.871.351	3.127.121
Purchase of Property, Plant, Equipment and Intangible Assets		-154.681.609	-301.682.364
Purchase of property, plant and equipment	11	-153.981.291	-301.677.820
Purchase of intangible assets	12	-700.318	-4.544
Cash advances and loans made to other parties		0	0
Cash receipts from repayment of advances and loans made to other parties		23.238.105	39.509.485
Paybacks from Other Cash Advances and Loans Made to Other Parties		23.238.105	39.509.485
Interest received		16.736.381	42.026.261
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		436.632.318	-421.885.828
Proceeds from Issuing Shares or Other Equity Instruments		0	0
Payments to Acquire Entity's Shares or Other Equity Instruments		0	0
Cash Inflows from Sale of Acquired Entity's Shares or Other Equity Instruments		0	0
Proceeds from borrowings		440.372.023	0
Proceeds from Loans		440.372.023	0
Proceeds from Other Financial Borrowings		0	0
Repayments of borrowings		0	0
Loan Repayments		0	0
Payments of Lease Liabilities		-2.613.370	-9.911.897
Dividends Paid		-1.126.335	-411.973.931
Interest paid		0	0
INFLATION EFFECT		-42.210.523	0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		64.984.827	-764.959.047
Effect of exchange rate changes on cash and cash equivalents			0
Net increase (decrease) in cash and cash equivalents		64.984.827	-764.959.047
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	137.218.553	902.177.600
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	202.203.380	137.218.553

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE
INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITORS'
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE INDEPENDENT AUDITOR'S
REPORT ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi (the "Company" or "Kartonsan") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement 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 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRSs").

1) Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements regarding independent audit in regulations issued by POA; the regulations of the Capital Markets Board; and other relevant legislation that are relevant to our audit of the consolidated financial statements in Türkiye, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2) 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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Revenue	
Please refer to notes 2.5 and 19 to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>Revenue is recognized when the control of the products sold is transferred to the customers, therefore when the performance obligation is satisfied and it is probable that any future economic benefit associated with the item of revenue will flow to the entity, or the amount of revenue can be measured reliably and accounted for an accrual basis.</p> <p>Based on the aforementioned disclosure, it has been determined as a key audit matter whether the revenue is recognized to the correct period in accordance with the periodicity and matching principle of sales.</p> <p>The consolidated financial statements as at and for the year ended 31 December 2024 include revenue with the carrying value of TL 3.870.718.964 which is recognised in “revenue” item under consolidated statement of profit or loss and other comprehensive income.</p>	<p>We performed the following procedures for testing the revenue recognition:</p> <p>As a part of our audit procedures,</p> <ul style="list-style-type: none"> -Evaluating the revenue as a process is evaluated by observing the sales and delivery procedures of the Group, - Our audit procedures are focused on the assessment of invoices issued but risk and ownership have not been transferred. In this context, invoice, delivery note, warehouse exit and delivery documents are analyzed by sampling method and the actual delivery is made before the balance sheet date is evaluated. -Evaluating the revenue recognition during the period by applying the material verification procedures and substantive tests to the sales returns during the period following the end of the year.

Application of TAS 29 – “Financial Reporting in Hyperinflationary Economies”	
Please refer to note 2.01 to the consolidated financial statements.	
Key audit matter	How our audit addressed the key audit matter
<p>As stated in Note 2.01, the Group continues to apply TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in the consolidated financial statements as of and for the year ended 31 December 2024 due to the functional currency (“TL”) being determined as currency of a hyperinflationary economy.</p> <p>In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements.</p> <p>The principles applied for inflation adjustment is explained in Note 2.01.</p>	<p>We performed the following audit procedures in relation to the application of TAS 29:</p> <p>As a part of our audit procedures,</p> <ul style="list-style-type: none"> - We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested models designed, - We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, - We have audited the restatements of consolidated financial statements and corresponding figures as required by TAS 29, - We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	
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3) Other Matter

The consolidated financial statements of the Group for the period 1 January - 31 December 2023 have been audited by another auditors whose report on 4 June 2024 expressed an unqualified opinion.

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

The Group 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

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with ISAs is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 part of an independent audit conducted in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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) In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC"), the auditor's report on the early risk identification system and committee was submitted to the Group's Board of Directors on 4 March 2025.
- 2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Group's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Group's articles of association related to financial reporting.
- 3) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner on the audit resulting in this independent auditor's report is Özcan Aksu.

MGI BAĞIMSIZ DENETİM A.Ş.
A Member of MGI WORLDWIDE

ÖZCAN AKSU
Partner
(İstanbul, 4 March 2025)

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

	Notes	(Audited) 31 December 2024	(Audited) 31 December 2023
ASSETS			
Current Assets			
Cash and cash equivalents	4	202.187.567	137.324.746
Trade receivables	5-6	210.392.568	340.152.478
- <i>Related parties</i>	5	-	15.529.633
- <i>Third parties</i>	6	210.392.568	324.622.845
Other receivables	8	22.873.039	42.381.620
- <i>Third parties</i>	8	22.873.039	42.381.620
Inventories	9	951.433.814	805.914.153
Prepaid expenses	5-17	12.297.881	55.093.411
- <i>Related parties</i>	5	-	21.094.706
- <i>Third parties</i>	17	12.297.881	33.998.705
Other current assets	17	130.677.553	98.281.867
- <i>Third parties</i>	17	130.677.553	98.281.867
Total current assets		1.529.862.422	1.479.148.275
Non-current assets			
Other receivables	8	584.282	584.282
- <i>Third parties</i>	8	584.282	584.282
Investment properties	10	-	5.405.641
Property, plant and equipment	11	1.915.580.811	2.415.540.304
Right of use assets	12	26.636.110	25.693.113
Intangible assets	12	22.620.385	25.108.968
- <i>Other intangible assets</i>		22.620.385	25.108.968
Prepaid expenses	17	28.719.524	51.957.629
- <i>Third parties</i>		28.719.524	51.957.629
Deferred tax assets	25	400.985.670	350.513.596
Total non-current assets		2.395.126.782	2.874.803.533
TOTAL ASSETS		3.924.989.204	4.353.951.808

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

	Notes	(Audited) 31 December 2024	(Audited) 31 December 2023
LIABILITIES			
Current liabilities			
Short-term borrowings	5-7	441.692.929	1.087.094
- Related parties	5-7	201.320.906	1.087.094
- Lease liabilities	5-7	1.320.906	1.087.094
- Other short-term borrowings	5-7	200.000.000	-
- Third parties	7	240.372.023	-
- Bank borrowings	7	240.372.023	-
- Lease liabilities	7	-	-
Trade payables	5-6	512.707.054	663.786.998
- Related parties	5	4.994.948	220.196
- Third parties	6	507.712.106	663.566.802
Employee benefits	16	18.098.641	30.695.335
Other payables	5-8	61.420.596	42.395.298
- Related parties	5	179.931	214.724
- Third parties	8	61.240.665	42.180.574
Current income tax liabilities	25	3.652.267	5.663.862
Short-term provisions	14-16	39.725.373	21.197.353
- Short-term provisions for employee benefits	16	26.814.243	8.853.348
- Other short-term provisions	14	12.911.130	12.344.005
Total current liabilities		1.077.296.860	764.825.940
Non-current liabilities			
Long-term borrowings	5-7	9.291.382	9.958.308
- Related parties	5-7	9.291.382	9.958.308
- Lease liabilities	5-7	9.291.382	9.958.308
- Third parties	7	-	-
- Lease liabilities	7	-	-
Long-term provisions	16	56.195.573	87.651.377
- Long-term provisions for employee benefits	16	56.195.573	87.651.377
Deferred tax liabilities	25	5.467.982	47.574.058
Total non-current liabilities		70.954.937	145.183.743
EQUITY			
		2.776.737.407	3.443.942.125
Equity holders of the parent			
		2.775.318.527	3.442.225.288
Paid-in share capital	18	75.000.000	75.000.000
Adjustment to share capital	18	871.038.781	871.038.781
Share premium		10.942.662	10.942.662
Other comprehensive income or expenses not to be reclassified to profit or loss	18	(82.367.941)	(67.939.876)
-Gains/(losses) on remeasurements of defined benefit plans	18	(82.367.941)	(67.939.876)
Restricted reserves	18	817.496.766	814.849.537
- Gains on disposal of subsidiaries or property, plant and equipment and intangible assets	18	43.786.576	43.786.576
-Legal reserves	18	773.710.190	771.062.961
Retained earnings		1.734.560.620	2.633.983.209
Profit of the period		(651.352.361)	(895.649.025)
Non-controlling interests		1.418.880	1.716.837
Total equity		2.776.737.407	3.443.942.125
TOTAL LIABILITIES AND EQUITY		3.924.989.204	4.353.951.808

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

	Notes	Audited 1 January- 31 December 2024	Audited 1 January- 31 December 2023
Revenue	19	3.870.718.964	3.581.180.417
Cost of sales (-)	19	(4.267.588.507)	(4.247.452.441)
Gross profit from non-finance sector operations		(396.869.543)	(666.272.024)
Gross Profit		(396.869.543)	(666.272.024)
General administrative expenses (-)	20	(168.954.568)	(165.057.103)
Marketing expenses (-)	20	(206.581.812)	(146.708.360)
Other operating income	22	97.821.136	168.388.384
Other operating expenses (-)	22	(162.919.730)	(364.717.542)
OPERATING PROFIT		(837.504.517)	(1.174.366.645)
Gains from investment activities	23	274.836.279	246.997.643
Losses from investment activities (-)	23	(9.485.571)	(22.159.063)
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		(572.153.809)	(949.528.065)
Financial expenses (-)	24	(317.897.628)	(77.494.182)
Net monetary position gains/(losses)		70.680.209	(275.459.381)
PROFIT BEFORE TAX		(819.371.228)	(1.302.481.628)
Tax income/(expense)	25	167.720.910	406.083.648
- Current period tax expense	25	(13.164.653)	(17.753.878)
- Deferred income tax	25	180.885.563	423.837.526
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(651.650.318)	(896.397.980)
PROFIT FOR THE PERIOD		(651.650.318)	(896.397.980)
Attributable to		(651.650.318)	(896.397.980)
-Non-controlling interests		(297.957)	(748.955)
-Equity holders of the parent		(651.352.361)	(895.649.025)
Earnings per share	26		
Earnings per share from continuing operations	26	(8,68469815)	(11,94198700)
Other comprehensive income			
Items not to be reclassified to profit or loss	18	(14.428.065)	(17.087.072)
-Gains/(losses) on remeasurements of defined benefit plans	18	(14.428.065)	(17.087.072)
Other comprehensive income		(14.428.065)	(17.087.072)
Total comprehensive income		(666.078.383)	(913.485.052)
Attributable to		(666.078.383)	(913.485.052)
-Non-controlling interests		(297.957)	(748.955)
-Equity holders of the parent		(665.780.426)	(912.736.097)

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

Prior period - 31 December 2023 (Audited)

	Paid-in share capital	Adjustment to share capital	Share premium	Items not to be reclassified to profit or loss	Retained earnings				Total equity	
				Gains/(losses) on remeasurements of defined benefit plans	Restricted reserves	Prior years' income	Profit for the period	Equity holders of the parent		Non-controlling interests
Balances at 1 January 2023 (Beginning of the period)	75.000.000	871.038.781	10.942.662	(50.852.805)	770.747.871	2.314.853.886	775.204.926	4.766.935.321	2.465.794	4.769.401.115
Transfers				-	44.101.666	731.103.260	(775.204.926)	-		-
Total comprehensive income				(17.087.071)			(895.649.025)	(912.736.096)	(748.957)	(913.485.053)
Dividends paid				-		(411.973.937)		(411.973.937)		(411.973.937)
Balances at 31 December 2023 (End of the period)	75.000.000	871.038.781	10.942.662	(67.939.876)	814.849.537	2.633.983.209	(895.649.025)	3.442.225.288	1.716.837	3.443.942.125

Current period - 31 December 2024 (Audited)

	Paid-in share capital	Adjustment to share capital	Share premium	Items not to be reclassified to profit or loss	Retained earnings				Total equity	
				Gains/(losses) on remeasurements of defined benefit plans	Restricted reserves	Prior years' income	Profit for the period	Equity holders of the parent		Non-controlling interests
Balances at 1 January 2024 (Beginning of the period)	75.000.000	871.038.781	10.942.662	(67.939.876)	814.849.537	2.633.983.209	(895.649.025)	3.442.225.288	1.716.837	3.443.942.125
Transfers	-	-		-	2.647.229	(898.296.254)	895.649.025	-		-
Total comprehensive income				(14.428.065)			(651.352.361)	(665.780.426)	(297.957)	(666.078.383)
Dividends paid				-		(1.126.335)		(1.126.335)		(1.126.335)
Balances at 31 December 2024 (End of the period)	75.000.000	871.038.781	10.942.662	(82.367.941)	817.496.766	1.734.560.620	(651.352.361)	2.775.318.527	1.418.880	2.776.737.407

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

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		(709.601.196)	(126.053.722)
Profit for the period		(651.650.318)	(896.397.983)
Profit for the period from continuing operations		(651.650.318)	(896.397.983)
Adjustments to reconcile profit for the period to cash generated from operating activities		246.997.601	78.182.591
Depreciation and amortisation	11,12,21	419.001.584	406.894.260
Adjustments for Impairment (Reversal)		(28.241.769)	48.091.126
Adjustments for Receivables Impairment (Reversal)		79.152	120.933
Adjustments for Inventory Impairment (Reversal)		(28.320.921)	47.970.193
Adjustments for Provisions		10.103.902	(15.676.886)
Adjustments for Provision for Employee Benefits (Reversal)		5.742.509	(8.605.726)
Adjustments for Other Provisions (Reversal)		4.361.393	(7.071.160)
Adjustments for interest income and expenses		336.010.340	47.948.803
Adjustments for Interest Income		(21.241.677)	(41.765.672)
Adjustments for Interest Expenses	24	317.897.628	77.494.182
Deferred financial expense arising from term purchases	22	73.688.298	45.153.847
Unearned financial income from term sales	22	(34.333.909)	(32.933.554)
Adjustments for tax income/expense	25	(167.720.910)	(406.083.649)
Adjustments for losses/(gains) on disposal of non-current assets		(246.705.235)	(1.877.497)
Adjustments for losses/(gains) on disposal of property, plant and equipment		(246.705.235)	(1.877.497)
Adjustments for gains/(losses) on net monetary position		(73.949.111)	-
Other adjustments to reconcile profit for the period		(1.501.200)	(1.113.566)
Changes in working capital		58.669.759	798.920.417
Adjustments for Gains/(Losses) on Trade Receivables		22.011.190	148.056.253
Related parties		10.756.175	29.539.772
Third parties		11.255.015	118.516.481
Adjustments for Gains/(Losses) on Other Receivables Related to Operations		6.301.834	11.944.974
Third parties		6.301.834	11.944.974
Adjustments for Gains/(Losses) on Inventories		(117.198.740)	714.731.272
Adjustments for Gains/(Losses) in Prepaid Expenses		42.795.530	70.849.172
Adjustments for Gains/(Losses) on Trade Payables		53.618.689	(10.268.940)
Related parties		4.842.436	22.683
Third parties		48.776.253	(10.291.623)
Adjustments for Gains/(Losses) in payables due to employee benefits		(3.161.642)	9.746.303
Adjustments for Gains/(Losses) in Other Payables Related to Operations		32.056.654	(23.613.808)
Related parties		31.208	969
Third parties		32.025.446	(23.614.777)
Adjustments for other changes in working capital		22.246.244	(122.524.809)
Changes in other assets related to operations		22.246.244	(122.524.809)
Total Cash Flows from Operating Activities		(345.982.958)	(19.294.975)
Interest paid		(390.837.637)	(123.101.881)
Interest received		41.507.815	32.915.881
Income taxes refund/(paid)	25	(14.288.416)	(16.572.747)
CASH FLOWS FROM INVESTING ACTIVITIES		380.164.228	(217.019.497)
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets		494.871.351	3.127.121
Cash Inflows from Sale of Property, Plant and Equipment		494.871.351	3.127.121
Cash Outflows from Purchases of Property, Plant and Equipment and Intangible Assets		(154.681.609)	(301.682.364)
Cash Outflows from Purchases of Property, Plant and Equipment	11	(153.981.291)	(301.677.820)
Cash Outflows from Purchases of Intangible Assets	12	(700.318)	(4.544)
Repayments of cash advances and borrowings given		23.238.105	39.509.485
Repayments from other cash advances and borrowings given		23.238.105	39.509.485
Interest received		16.736.381	42.026.261
CASH FLOWS FROM FINANCING ACTIVITIES		436.632.318	(421.885.828)
Cash inflows from borrowings		440.372.023	-
Cash outflows from repayments of borrowings		-	-
Cash outflows from repayments of loans		-	-
Cash outflows from payments of lease liabilities		(2.613.370)	(9.911.897)
Dividends paid		(1.126.335)	(411.973.931)
Inflation effect on cash and cash equivalents		(42.210.523)	-
NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		64.984.827	(764.959.047)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		64.984.827	(764.959.047)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	137.218.553	902.177.600
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	202.203.380	137.218.553

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

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi (the “Company” or “Kartonsan”) was established in 1967 in Türkiye. Kartonsan’s business activities include production and trade of coated cardboard. Kartonsan is subject to regulations of the Capital Markets Board (the “CMB”), and its shares have been quoted on the Borsa Istanbul (“BIST”) since 1985. The shares that are quoted on BIST are traded on the star market. Kartonsan’s free float percentage is 21.86%, and the Company’s ultimate controlling party is the “PAK Group” through the PAK family members (Note 18).

The registered address of Kartonsan is as follows:

Prof. Dr. Bülent Tarcan Cad. No:5 Engin Pak İş Mrk. Kat: 3 Gayrettepe/İSTANBUL

The Company’s head office is in Istanbul and has a factory in Kullar Koyu 41001 in Kocaeli.

As of 31 December 2024 and 2023, the subsidiaries included in the consolidation scope of Kartonsan, their nature of business and effective interests are as follows:

Subsidiaries	Nature of business	<u>Effective ownership interest</u>	
		31 December 2024	31 December 2023
Selka İç ve Dış Ticaret A.Ş. (“Selka”)	Coated cardboard trade	99.47%	99.37%
Dönkasan Dönüştürülen Atık Kağıt San. ve Tic. A.Ş. (“Dönkasan”)*	Waste paper production and trade	-	100.00%

In accordance with the provisions of Article 155, paragraph 1, subparagraph a and Article 156 of the Turkish Commercial Code numbered 6102, Articles 19 and 20 of the Corporate Tax Law No. 5520, Corporate Tax General Communiqué Serial No. 1, Trade Registry Regulation and other legislative provisions and Article 13 of the Capital Markets Board’s Communiqué on Merger and Demerger No. II-23.2. Pursuant to the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board and the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board, Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, which is a subsidiary with 100% effective ownership interest pursuant to the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board, registered under the registration numbered 978882-0 of the Istanbul Trade Registry Directorate, with the Mersis numbered 0311036837000013, will be acquired by Kartonsan. The merger transaction was registered on 25 December 2024 and announced in the Official Gazette on 26 December 2024 acquired by Kartonsan with the “Merger in Simplified Procedure”. As a result of the “Simplified Merger”, Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, a subsidiary, was dissolved without liquidation.

The accompanying consolidated financial statements and related notes of the Company and its subsidiaries together hereinafter referred as the “Group”.

Total end of the period and average number of personnel employed by Kartonsan except for subcontractors is 219 (31 December 2023: 285).

These consolidated financial statements as at and for the year ended 31 December 2024 have been approved for issue by the Board of Directors (“BOD”) on 4 March 2025 and numbered YK/2025-05 and on behalf of the Board of Directors which was signed by the Member of the Board of Directors and General Manager Ümit Özkan and Vice Chairman of the Board Süleyman Kaya.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Financial reporting standards

The accompanying consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting in Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676. Turkish Accounting Standards (“TASs”) include Turkish Financial Reporting Standards (“TFRS”) and additions and interpretations (“TAS/TFRS”).

The accompanying consolidated financial statements have been prepared in accordance with the communiqué numbered II-14.1 ‘Communiqué on the Principles of Financial Reporting in Capital Markets’ (‘the Communiqué’) announced by the Capital Markets Board (‘CMB’) on 13 June 2013 which is published on Official Gazette numbered 28676 and on 13 June 2013. The accompanying consolidated financial statements are based on the Turkish Financial Reporting Standards (“TFRS”) adopted by the CMB in accordance with Article 5 of the Communiqué and published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and its interpretations. In addition, the accompanying consolidated financial statements are presented in accordance with the “TFRS Taxonomy” published by the POA on 3 July 2024 and the formats specified in the “Financial Statement Illustrative Examples and User Guide” published by the CMB, in accordance with the CMB's financial statements and notes.

As of 31 December 2024, the Group has prepared its consolidated financial statements with the assumption on the Group’s ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.1.1.1 Adjustments of financial statements in hyperinflationary periods

Financial reporting in hyperinflationary economies

In accordance with the CMB's resolution number 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting period ending on 31 December 2023.

Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (“POA”) on 23 November 2023, entities applying Turkish Financial Reporting Standards (“TFRSs”) are required to present their financial statements by adjusting for the material influence of inflation for the comparative annual reporting period ending on or after 31 December 2023 and opening balances starting from 1 January 2023, in accordance with the accounting principles specified in TAS 29.

In accordance with the aforementioned disclosures, while preparing the consolidated financial statements as at and for the year ended 31 December 2024 and 2023, the Group applied inflation accounting and relevant adjustments in accordance with TAS 29.

Accordingly, the financial statements and relevant amounts for prior periods have been restated for changes in the general purchasing power of the functional currency. Thus, those financial statements and relevant amounts are expressed in the measuring unit effective at the end of the reporting period in accordance with TAS 29.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

In accordance with TAS 29 “Financial Reporting in Hyperinflation Economies” which requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. In a hyperinflation economy, it is not meaningful and useful to report operating results and financial position in the local currency without adjustment. Money loses its purchasing power in such a proportion that comparing the amounts of transactions or other events that occurred at different times is misleading, even in the same accounting period. Hyperinflation is determined by a country's economic characteristics, including, but not limited to considering the cumulative inflation rate over three years approaches, or exceeds, 100%.

Accordingly, the consolidated financial statements as at and for the year ended 31 December 2024 are presented after being adjusted for the effect of inflation in accordance the accounting principles specified in TAS 29.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index (“CPI”) in Türkiye published by the Turkish Statistical Institute (“TURKSTAT”). As of 31 December 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment coefficient
31.12.2024	2.684,55	1
31.12.2023	1.859,38	1.44379

The main components of the Group’s restatement for financial reporting purposes in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, subsidiaries and similar assets are indexed to their acquisition costs, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Group.
- All items in the statement of profit or loss, except for the effects of non-monetary items in the statement of financial position and in the statement of profit or loss, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the consolidated financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and profit or loss accounts. This gain or loss on the net monetary position is included in net profit.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

Restatement of the statement of financial position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising from restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the statement of profit or loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of the statement of cash flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power of 31 December 2024. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.1.2 Functional and reporting currency

Items included in the consolidated financial statements of the Kartonsan are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TL, which is Kartonsan’s functional and presentation currency.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.1.3 Comparatives and adjustment of prior period financial statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance. Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period consolidated financial statements.

2.1.4 Group accounting

Basis of consolidation

The consolidated financial statements include Group accounts prepared in accordance with the principles set out in the following disclosures. Necessary adjustments and reclassifications have been made for compliance with CMB Financial Reporting Standards and compliance with accounting policies and presentation formats applied by the Group during the preparation of the consolidated financial statements of the companies included in the scope of consolidation. The operating results of the subsidiaries and joint ventures are included or excluded from the effective dates of such transactions in accordance with the purchase or disposal procedures.

Subsidiaries

Subsidiary is company over which Kartonsan has the power to control the financial and operating policies for the benefit of Kartonsan, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Kartonsan members and companies owned by them where by Kartonsan exercises control over the ownership interest of the shares held by them and shares to be used according to Kartonsan preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Kartonsan has power to control the investee due to the dispersed capital structure of the investee and/or Kartonsan has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.

The statements of financial position and profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Kartonsan and its Subsidiaries is eliminated against the related equity in accordance with the full consolidation method. Intercompany transactions and balances between Kartonsan and its Subsidiaries are eliminated during the consolidation. The nominal amount of the shares held by Kartonsan in its Subsidiaries dividends are eliminated from equity and income for the period, respectively. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases. Non-controlling shares in the net assets and operating results of Subsidiaries are separately classified in the consolidated statement of financial position and profit or loss as “non-controlling interests”.

As of 31 December 2024 and 2023, the subsidiaries included in the consolidation scope of Kartonsan is as follows:

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Current period - (31.12.2024)

Subsidiaries	Share capital	Proportion of effective interest	Direct and indirect ownership interest held by Kartonsan	Effective ownership interest
Selka İç ve Dış Ticaret A.Ş.	1.250.000	99.47%	99.47%	99.47%
Dönkasan Dönüştürülen Atık Kağıt San ve Tic. A.Ş.*	-	-	-	-

*The merger transaction was registered on 25 December 2024 and acquired by Kartonsan with the “Merger in Simplified Procedure”. As a result of the “Simplified Merger”, Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, a subsidiary, was dissolved without liquidation (Note 32).

Prior period - (31.12.2023)

Subsidiaries	Share capital	Proportion of effective interest	Direct and indirect ownership interest held by Kartonsan	Effective ownership interest
Selka İç ve Dış Ticaret A.Ş.	1.250.000	99.37%	99.37%	99.37%
Dönkasan Dönüştürülen Atık Kağıt San ve Tic. A.Ş.	4.000.000	100.00%	100.00%	100.00%

2.1.5 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the statement of financial position, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.

The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Deferred tax assets

The Group has been recognized of deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported and its financial statements prepared in accordance with Turkish Accounting Standards (“TAS”). The Group has deferred tax assets resulting from unused tax losses and deferred tax assets resulting from deductible temporary differences arising from investment incentives that can be deducted from future profits. During the recognition the deferred tax assets, it has been taken into consideration the future profit projections and the last dates of the losses that occurred in the current period that can be used (Note 25). Where the final tax consequences of this matter are different from the amounts initially recognised, these differences may have a material influence on the income tax and deferred tax assets and liabilities in the period in which they are determined.

Reduced corporate tax application

As disclosed in the Note 13, the Group, as a result of the evaluation, by stipulating that the reduced corporate income tax may be utilized in the current period and in the subsequent periods within the framework of Article 32/A of the Corporate Tax Law No. 5520, has calculated the deferred tax assets in TL amount corresponding to 15% of the total investment expenditures within the scope of incentives, of which the details are shown below and has included in the consolidated financial statements (Note 25). Completion examination of incentive certificate was completed in April 2018. Total investment expenditure is amounting to TL 139.662.402.

In 2018, the Group filed an application to the Ministry of Industry and Technology in order to modernize its production facilities and to link some investments, which were made intended for continuance of the facilities activities, to the “Investment Incentive Certificate”. As a result of the application and a subsequent application filed for amendment thereof, the final certificate of the investment incentive numbered B137821 on 18 October 2018 has been issued. The following government grants and incentives have been provided for the investment that is to be made pursuant to the incentive certificate.

- Investment Period: 09.04.2018-09.10.2022
- VAT Exemption
- Customs Duty Exemption
- Tax Deduction Rate: 50%, Investment Contribution Rate: 15% (In accordance with the relevant Turkish tax legislation, tax deduction rate was applied as 100% and investment contribution rate was applied as 30% accordingly for the expenditures of the Group for the period between 2017-2022).

The total sum of expenditures envisaged to be incurred pursuant to the incentive certificate numbered B137821 on 18 October 2018 is equivalent of TL 130.138.000 whereas the sum of expenditures having been incurred during the period is equivalent of TL 115.791.487. The Group has been benefited from aforementioned government grants regarding the expenditures and the tax exemption amounting to TL 34.737.446 on corporate tax. Incentive certificate has expired during the period and the Group will make an application to the “Republic of Türkiye Ministry of Economy, Directorate of Incentive Implementation and Foreign Investment” for the investment incentive certificate in April 2023. On-site inspections were carried out by Kocaeli Provincial Directorate of Industry for the purpose of completion visa and the final result is not realised in August 2024.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.2 Changes in accounting policies

Changes in accounting policies are made if necessary or if they result in a more appropriate and reliable presentation of the effects of transactions and events on the Company's financial position, performance or cash flows in the financial statements. Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the prior period consolidated financial statements of the Group are adjusted.

2.3 Changes in accounting estimates and errors

Changes realised in the accounting policies and adjustments regarding accounting errors are applied retrospectively to period profit or loss and prior year financial statements are restated as follows:

- If changes in accounting estimates and errors are for only one period, changes are applied in the current period,
- If the estimated changes affect the subsequent periods, changes are applied both on the current and subsequent periods prospectively.

The significant estimates used during the preparation of the consolidated financial statements for the period 1 January - 31 December 2024 are consistent with the estimates used in the preparation of the consolidated financial statements for the period 1 January - 31 December 2023. If any material changes in accounting policies or material errors are corrected, changes are applied retrospectively by restating the prior period consolidated financial statements.

2.4 Summary of significant accounting policies

Offsetting

Financial assets and liabilities are offset, and the net amount is recognised in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Revenue recognition

TFRS 15 has developed a comprehensive framework to determine when and at what amount the proceeds will be recognized and replaces the TAS 18 “Revenue”, TAS 11 “Construction Contracts” and related interpretations. The new standard replaces the guidance on existing TFRSs; regulates the principles that will be applied by the entity in reporting the financial statements to the users of the financial statements about the nature, amount, timing and uncertainty of the contract revenue and cash flows. The basic principle of the standard is that the entity reflects the proceeds to the financial statements from an amount that reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Revenue is accounted for in the consolidated financial statements within the scope of the five-step model below.

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

In accordance with TFRS 15, when the entity fulfills its operating obligations, in other words, the control of the goods or services specified in a performance obligation is transferred to the customer; the revenue is recognized in the financial statements. TFRS 15 provides more guidance on more specific scenarios. In addition, TFRS 15 requires more comprehensive disclosures. Subsequent disclosures related to TFRS 15 include the assessment of the entity became principal or proxy and entity’s application for licensing.

Inventories

The Group’s inventories consist of raw materials, chemical materials, operating materials and scrap paper and finished goods inventories include ready-made coated cardboard inventories.

Inventories are valued at the lower of cost or net realisable value. Cost of inventories include all purchasing costs, covering costs and other costs incurred to make the inventories ready to sell. Cost elements included in inventories are materials, labour and an appropriate amount of factory overheads. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods.

The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 9).

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment and recognised in the consolidated financial statements. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives.

The depreciation rates for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Type	2024 Rate (%)	2023 Rate (%)
Buildings	2 – 2.5	2 – 2.5
Land improvements	4 – 6.67	4 – 6.67
Plant, machinery and equipment	6.67 - 25	6.67 - 25
Furniture and fixtures	20 - 33	20 - 33
Motor vehicles	20 - 25	20 - 25
Leasehold improvements	20	20
Other property, plant and equipment	10 - 20	10 - 20

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under “gains and losses from investing activities” in the current period. Repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use (Note 11).

Intangible assets

Intangible assets include acquired software rights, and they are initially recognized at acquisition cost. Intangible assets are carried at cost less accumulated amortization and impairment, if any. These assets are amortized using the straight-line basis over their estimated useful lives. The estimated depreciation rate is between 20% and 33%. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being recognized for on a prospective basis. (Note 12).

Impairment of assets

The carrying amounts of the Group’s assets are reviewed at each reporting date and (for assets with indefinite useful lives, whenever there is an indication of impairment) to determine whether there is any indication of impairment. If any such indication exists then the assets’ recoverable amounts are estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is the present value of estimated future cash flows resulting from continuing use of an asset and from disposal at the end of its useful life. Impairment losses are accounted in profit or loss. The cash-generating unit represents the smallest group of identifiable assets whose cash inflows are substantially independent of other assets or asset groups.

An impairment loss recognized in prior periods for an asset is reversed if the subsequent increase in the asset’s recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount is recognized as income in the consolidated financial statements and cannot exceed the previously recognized impairment loss and shall not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in the current and prior periods.

Leases

Group - as a lessee

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Summary of significant accounting policies (continued)

The Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- (a) The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- (b) A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- (c) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- (d) Group has the right to direct the use of an identified asset

The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct the use of the asset throughout the period of use only if either:

- a) The Group has the right to direct how and for what purpose the asset is used throughout the period of use or
- b) Relevant decisions about how and for what purpose the asset is used are predetermined:
 - i. The Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - ii. The Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset and lease liability at cost. The cost of the right-of-use asset comprises:

- a) The amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the Group, and
- d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Summary of significant accounting policies (continued)

The Group is liable for these costs starting from the date the lease actually begins or as a result of using the underlying asset for a certain period of time.

When applying the cost model, Group measures the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses; and
- b) Adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in TAS 16 “Property, Plant and Equipment” in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of use rights indicates that the Group will use a purchase option, the Group depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.

The Group applies TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group’s incremental borrowing rate.

Lease liability (continued)

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) Fixed payments, less any lease incentives receivable,
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- (c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.
- (d) Payments of penalties for terminating the lease, if the lease term applied to the lease reflects the Group exercising an option to terminate the lease

After the commencement date, the Group measures the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the carrying amount to reflect the lease payments made, and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group’s incremental borrowing interest rate.

After the effective date of the lease, the Group remeasures the lease liabilities to reflect changes in lease payments. The Group reflects the remeasurement amount of the lease liabilities to the consolidated financial statements as an adjustment to the right of use assets.

The Group remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

- (a) A change in the lease term. The Group determines adjusted lease payments based on the adjusted lease term.
- (b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group determines the revised discount rate for the remainder of the lease term as the implied interest rate of the lease if it can easily be determined, or otherwise as the alternative borrowing interest rate of the Group as of the date of re-evaluation.

The Group remeasuring the lease liability by reducing the revised lease payments if any of the following conditions occur:

- (a) Changes in amounts expected to be paid under a commitment regarding residual values. The Group determines the revised lease payments to reflect any change in the amounts expected to be paid within the context of the commitment regarding residual values.
- (b) Changes in future rental payments as a result of a change in an index or rate that is used to determine such payments. The Group re-measures the lease liability to reflect these revised lease payments only when there is a change in its cash flows.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.

The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and
- (b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

2.4 Summary of significant accounting policies (continued)

Foreign currency translation

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the balance sheet date. Foreign exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of profit or loss.

Earnings per share

Earnings per share disclosed in the consolidated statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Türkiye, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported (Note 26).

Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The two types of events are those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and those that are indicative of conditions that arose after the reporting period (non-adjusting events). The Group adjusts the amounts recognised in its consolidated financial statements to reflect adjusting events, but it does not adjust those amounts to reflect non-adjusting events (Note 30).

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the consolidated financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the date of statement of financial position, taking into account the risks and uncertainties surrounding the obligation.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Provisions, contingent liabilities and contingent assets (continued)

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities. The amount to be collected in the event that all or part of the economic benefits used to pay the employment termination benefits are expected to be met by third parties. Employment termination benefits is accounted for as an asset if the repayment of the amount is determinable and the amount is measured reliably (Note 14 and 15).

Related parties

For the purpose of these consolidated financial statements, shareholders, parents of Kartonsan Karton Sanayi ve Ticaret Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as “related parties”. The transactions and balances with the related parties from ordinary operations that are occurred in accordance with the market conditions are disclosed in Note 5.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate (Note 13).

Taxes on income

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Current tax

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as recognised in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group’s liability for current tax is calculated using legal statutory tax rates that have been enacted or substantively enacted by the balance sheet date.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)

2.4 Summary of significant accounting policies (continued)

Deferred tax

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts shown in the consolidated financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both operating and financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities (Note 25).

Current and deferred tax for the period

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the statement of profit or loss. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Offsetting in tax assets and liabilities

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way (Note 25).

Provision for employment termination benefits

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections.

TAS 19 “Employee Benefits” requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity’s obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/(losses) and recognised under other comprehensive income (Note 16).

Statement of cash flows

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. The cash and cash equivalents comprises cash on hand, bank deposits and highly-liquid investments. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements (Note 4).

Investment properties

The Group’s investment properties include lands.

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as “investment property” and carried at cost in the consolidated financial statements.

In the event that investment properties are not used or sold, they are written-off the from the statement of financial position. Gains or losses arising from the disposal of investments properties are recognized in the consolidated statement of profit or loss (Note 10).

Share capital and dividends

Common shares are classified as equity. Dividends on ordinary shares are recognized in equity less retained earnings in the period in which they are declared (Note 18).

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS
(continued)

2.4 Summary of significant accounting policies (continued)

Financial instruments

Financial assets

The Group classifies and recognizes with taking into consideration the business model in which they are managed and the contractual cash flow characteristics within the scope of TFRS 9 – Financial Instruments” as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” and “Financial Assets at Amortized Cost” as of 1 January 2018.

Financial assets are recognized or derecognized in accordance with the provisions of TFRS 9, “Inclusion in Financial Statements and Exclusion of Financial Statements”. The Group only recognizes a financial asset when it becomes party to the contractual provisions of the instrument. Financial assets are measured at their fair values when they are initially included in the consolidated financial statements.

a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss; are financial assets held for trading and not acquired for trading purposes but recognized in this category at initial recognition. When a financial asset is acquired for the purpose of disposal in the short term, it is classified in that category. Derivative financial instruments which are not designated as effective hedging instruments are also classified as financial assets at fair value through profit or loss. Financial assets are carried at fair value and any gains or losses arising from the valuation are recognized in profit or loss.

b) *Financial assets at amortized cost*

Debt instruments with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Financial assets measured at amortised cost are recognised at amortised cost using the effective interest method less any impairment losses and the related income is calculated using the effective interest method.

c) *Financial assets at fair value through other comprehensive income*

“Financial assets at fair value through other comprehensive income” are assets that are either equity securities or debt securities. The Group measures related financial assets at fair value. Gains or losses on a financial asset at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Subsequent valuation of financial assets at fair value through other comprehensive income is carried at fair value. However, if the fair value cannot be measured reliably, for those with a fixed maturity, discounted price is calculated using the internal rate of return method; For those who do not have a fixed maturity, fair value is valued using pricing models or discounted cash flow techniques. Unrealized gains or losses arising from changes in the fair values of financial assets at fair value through other comprehensive income and expressing the difference between the amortized cost and fair value of the securities calculated using the effective interest method, are included in the “Revaluation Surplus” which is recognized in equity. When the financial assets at fair value through profit or loss are disposed of, the value in equity resulting from the application of fair value is reflected to the period profit / loss.

Trade receivables

The Group recognizes its trade receivables at their fair values on the initial recognition date and they are carried at amortized cost using the effective interest method in the subsequent reporting periods.

In the current period, in accordance with the TFRS 9 – “Financial Instruments”, the Group allocates provision for expected credit losses from the expected amortization costs or financial assets at fair value through other comprehensive income.

The Group has adopted “three stage approach (general model)” defined in TFRS 9 for the recognition of impairment losses on receivables from finance sector operations, carried at amortised cost or carried at fair value through other comprehensive income. General model considers the changes in the credit quality of the financial instruments after the initial recognition. Three stages defined in the general model are as follows:

“Stage 1”, includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (“ECL”) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date and represents the credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

“Stage 2”, includes financial instruments that have had a significant increase in credit risk since initial recognition but those do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

- Less than 90 days, more than 30 days delay
- Loan restructuring
- Significant deterioration of the probability of default

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Trade receivables (continued)

In the event of a significant deterioration in the probability of default, a significant increase in credit risk is considered and the financial asset is classified in stage 2.

“Stage 3”, includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised. Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account appropriate amount of credit losses in the consolidated financial statements.

- Over 90 days delay
- Determination of the weakness of the credit worth, the weakness of the credit or the uncollectability of the credit or having a precise opinion on this matter.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with their maturities equal or less than three months from date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(ii) Financial liabilities

The Group’s financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below. Financial liabilities are classified as either “Financial Liabilities at fair value through profit or loss” or “Other financial liabilities”.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(continued)

2.4 Summary of significant accounting policies (continued)

Trade receivables (continued)

a) Financial liabilities at fair value through profit or loss

“Financial liabilities at fair value through profit or loss” are recognized at their fair value and are re-evaluated at the end of each balance sheet date. Changes in fair values are recognized in the consolidated statement of profit or loss. Net gains and/or losses recognized in the consolidated statement of profit or loss also include interest payments made for these financial liabilities.

b) Other financial liabilities

Other financial liabilities are initially recognized at their fair value less transaction costs.

Other financial liabilities are recognized over their amortized costs using the effective interest method and with interest costs calculated over effective interest rate in subsequent periods.

The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net present value of the financial liability.

The Group has no other financial liabilities in the current and prior period.

(iii) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value and are subsequently remeasured at their fair value. The fair value of derivative financial instruments measured at fair value and associated with the consolidated profit or loss is calculated by reference to the market interest rates valid for the rest of the contract for the relevant currency for the relevant period, by comparison with exchange rate. Derivatives are recognised as assets or liabilities in the consolidated statement of financial position, respectively, depending on whether the fair value is positive or negative differences arising from the fair value of derivative financial instruments are reflected to the profit and loss in the consolidated statements of profit or loss. The aforementioned matter is effective if the hedged item is measured at cost.

2.5 New and Revised Turkish Financial Reporting Standards

New and revised standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

New and revised standards and interpretations (continued)

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

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to clarify the principles for classifying liabilities as current and non-current. According to the amendments made in January 2023, if an entity's right to defer payment of a liability depends on the entity's ability to comply with the terms of the loan agreement at a date subsequent to the reporting period, the entity has the right to defer payment of the liability at the end of the reporting period (even if the entity does not comply with the relevant terms at the end of the reporting period).

When a liability arising from a loan contract is classified as non-current and the entity's right to defer payment depends on the entity's ability to comply with the terms of the loan contract within 12 months, the January 2023 amendments require entities to make various disclosures. These disclosures should include information about the terms of the loan contract and related obligations. The amendments also clarify that the right to defer payment for a long-term classification must exist at the end of the reporting period, regardless of whether compliance with the contractual terms will be tested at the reporting date or at a later date.

The amendments clarify that the possibility that an entity will not exercise its right to defer payment until at least twelve months after the reporting period does not affect the classification of a liability. The amendments are applied retrospectively in accordance with TAS 8.

The amendments did not have a significant material influence on the financial position or performance of the Group.

Amendments to TFRS 16 - Lease liability in a sale and leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments clarify the requirements for the measurement of a lease liability arising from a sale and leaseback by a seller-lessee, so that no gain or loss is recognised in respect of the retained right of use. In this context, the seller-lessee will determine ‘lease payments’ or ‘revised lease payments’ so as not to recognise any gain or loss on the retained right of use when applying the provisions of TFRS 16 under the heading ‘Subsequent measurement of a lease liability’ after the commencement date of the sale and leaseback transaction. The amendments do not include a specific provision for the measurement of lease liabilities arising from leaseback. The initial measurement of such a lease liability may result in payments other than those included in the definition of lease payments in TFRS 16 being identified as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TAS 8. The seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The amendments did not have a significant material influence on the financial position or performance of the Group.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

New and revised standards and interpretations (continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 introduce clarifications that improve existing provisions to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and liquidity risks. Supplier financing arrangements are defined as arrangements in which one or more financing providers undertake to pay an entity's supplier and the entity agrees to pay the supplier on or after the day on which the supplier is paid. The amendments require disclosures about the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the scope of quantitative disclosures about liquidity risk required by TFRS 7, supplier financing arrangements are given as examples of other factors that may need to be disclosed.

TFRS S1, ‘General requirements for disclosure of sustainability-related financial information

TSRS S1 sets out general requirements for sustainability-related financial disclosures, requiring an entity to disclose information about sustainability-related risks and opportunities that is useful for primary users of general purpose financial reports to make decisions about funding the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the relevant criteria included in the POA's announcement on 5 January 2024 and numbered 2024-5 and the Board Decision on 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The application of the standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

The Group is in the scope of application as it meets the criteria specified in the Board's decision. For companies in scope, there is no obligation to present comparative information in the first reporting period and the sustainability report of the first year can be published after the financial reports of that period. The Group's report in full compliance with TSRS is expected to be published in August 2025, as it is required to be disclosed no later than nine months in 2025.

The amendments did not have a significant material influence on the financial position or performance of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

New and revised standards and interpretations (continued)

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

The new standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of authorisation of the consolidated financial statements and have not been early adopted by the Group are as follows. The Group will make the necessary changes and amendments if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective. New standards issued by the International Accounting Standards Board but not yet adopted by the Public Oversight Accounting and Auditing Standards Authority retain the IFRS codification.

TFRS 17 - New Insurance Contracts Standard

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that enables both the measurement of liabilities arising from insurance contracts at current statement of financial position amounts and the recognition of profit over the period in which the services are provided. With the announcement made by POA, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after 1 January 2025.

Amendments to TAS 21 – Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments clarify how to assess whether a currency is not exchangeable and how to determine the exchange rate when a currency is not exchangeable. According to the amendments, when estimating the exchange rate because a currency is not exchangeable, information that enables users of financial statements to understand how the inability to exchange one currency for another currency has affected, or is expected to affect, an entity's performance, financial position and cash flows is disclosed. The amendments are effective for annual periods beginning on or after 1 January 2025. Early application is permitted, in which case information is disclosed in the notes. When the amendments are applied, comparative information is not restated.

Effective for annual periods beginning on or after 1 January 2026 (earlier application is permitted). These amendments

- clarify the timing requirements for the recognition and derecognition of certain financial assets and financial liabilities, including a new exception for certain financial liabilities settled through an electronic cash transfer system;
- provide further guidance and clarification on assessing whether a financial asset meets the principal and interest payments only criterion;
- adding new disclosures for certain instruments with contractual terms that may alter cash flows (such as certain instruments with features linked to the achievement of environmental, social and governance (ESG) objectives); and
- updates to the disclosures on equity instruments at fair value through other comprehensive income.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

New and revised standards and interpretations (continued)

Annual Improvements to IFRSs - Amendment 11

Annual improvements are limited to amendments that clarify wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or inconsistencies between provisions in Accounting Standards. The 2024 amendments relate to the following standards:

- IFRS 1 First-time Adoption of Turkish Financial Reporting Standards,
- IFRS 7 Financial Instruments: Disclosures and the accompanying Guidance on the application of IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements and,
- IAS 7 Statement of Cash Flows

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for annual periods beginning on or after 1 January 2027. This is a new standard on presentation and disclosure of financial statements that focuses on updates to the statement of profit or loss. The main new concepts introduced in IFRS 18 relate to,

- structure of the statement of profit or loss
- disclosures required in the financial statements for certain profit or loss performance measures (i.e., performance measures defined by management) that are reported outside the entity's financial statements; and
- enhanced principles of aggregation and disaggregation that generally apply to the core financial statements and disclosures.

IFRS 19 — Subsidiaries without Public Accountability: Disclosures

Effective for annual periods beginning on or after 1 January 2027. Early application is permitted. This new standard is applied in conjunction with other IFRSs. A qualifying subsidiary applies the provisions of other IFRSs except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19.

The reduced disclosure requirements of IFRS 19 balance the information needs of users of the financial statements of qualifying subsidiaries with cost savings for preparers of the financial statements. IFRS 19 is a voluntary standard for qualifying subsidiaries. A subsidiary fulfils the relevant conditions if

- does not have a public accountability obligation; and
- The Group has a parent or intermediate parent that prepares consolidated financial statements in accordance with IFRS Accounting Standards that are available for public use.

The Group does not expect that these amendments will have significant material influence on the financial performance of the Group.

The Group will assess the material influence of these amendments when the standards are authorized and become effective.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 3 – OPERATING SEGMENTS

The Group's nature of business includes ensuring the production and trade coated cardboard. Kartonsan's business activities comprise of the nature and economic characteristics of the products, the production processes, the classification of the customers according to their risks and the methods used in the distribution of the products. In addition, the Group's organizational structure is constituted as the management of a single activity rather than being managed in separate departments handling different activities. Therefore, the Group's operations are treated as a single reportable segment including the Group's results of operations, and the determination of the resources to be allocated to such activities and the performance of these activities are evaluated within this framework.

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	603.366	674.787
Banks	201.584.201	136.649.959
- Demand Deposits - TL	1.629.003	9.337.267
- Demand Deposits – Foreign Currency	48.324.617	74.797.005
- Time Deposit - TL	147.799.187	52.515.687
- Time Deposit - Foreign Currency	-	-
- Credit Card Receivables	3.831.394	-
Total	202.187.567	137.324.746

As of 31 December 2024, the average maturity of time deposits is 2 days (31 December 2023: 4 days).

As of 31 December 2024, time deposits denominated in TL amounting to TL 147.799.187 (31 December 2023: TL 52.515.687) and the annual effective interest rate is 48.00% (31 December 2023: 39.00%). As of 31 December 2024, the Group has no foreign currency denominated time deposits (31 December 2023: TL 0).

As of 31 December 2024 and 2023, the details of cash and cash equivalents subject statements of cash flows are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Beginning of the period – 1 January	137.218.553	902.177.600
Net increase/(decrease) in cash and cash equivalents	64.984.827	(764.959.047)
Cash and cash equivalents net cash flow position, net	202.203.380	137.218.553
Interest accruals (-)	(15.813)	106.193
End of the period – 31 December	202.187.567	137.324.746

NOTE 5 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties

	31 December 2024	31 December 2023
Mel Macedonian Paper Mills S.S.A	-	15.529.633
Total	-	15.529.633

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 5 - RELATED PARTY DISCLOSURES (continued)

b) Prepaid expenses to related parties

	31 December 2024	31 December 2023
Mel Macedonian Paper Mills S.S.A	-	21.094.706
Total	-	21.094.706

c) Trade payables to related parties

	31 December 2024	31 December 2023
Ece Ticari Gayrimenkul Yatırım ve Yönetim Hizm. A.Ş.	3.673.933	188.832
Mel Macedonian Paper Mills S.S.A	1.042.787	-
Pak Holding A.Ş.	268.728	26.218
Pak Gıda Üretim ve Pazarlama A.Ş.	9.500	5.146
Total	4.994.948	220.196

d) Other payables to related parties

	31 December 2024	31 December 2023
Shareholders (Dividend)	179.931	214.724
Total	179.931	214.724

e) Short-term lease liabilities to related parties

	31 December 2024	31 December 2023
Ece Ticari Gayrimenkul Yatırım ve Yönetim Hizm. A.Ş.	1.320.906	1.087.094
Total	1.320.906	1.087.094

f) Long-term lease liabilities to related parties

	31 December 2024	31 December 2023
Ece Ticari Gayrimenkul Yatırım ve Yönetim Hizm. A.Ş.	9.291.382	9.958.308
Total	9.291.382	9.958.308

g) Short-term borrowings to related parties

	31 December 2024	31 December 2023
Asil Holding A.Ş.	200.000.000	-
Total	200.000.000	-

The annual effective interest rate of the borrowings to Asil Holding is between 51.19% and 53.08% and the weighted average interest rate is calculated as 52.45%. The weighted remaining period of the borrowings is 90 days.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 5 - RELATED PARTY DISCLOSURES (continued)

h) Sales of goods and services to related parties

	1 January- 31 December 2024	1 January - 31 December 2023
Mel Macedonian Paper Mills S.S.A	80.147.480	55.956.358
Total	80.147.480	55.956.358

i) Interest on other short-term borrowings from related parties

	1 January- 31 December 2024	1 January - 31 December 2023
Asil Holding A.Ş.	160.580.953	-
Total	160.580.953	-

i) Purchases of goods and services from related parties

	1 January- 31 December 2024	1 January - 31 December 2023
Mel Macedonian Paper Mills S.S.A.	153.494.480	246.830.519
Ece Ticari Gayrimenkul Yat. ve Yön. Hiz. A.Ş.(**)	5.774.298	5.531.086
Pak Holding A.Ş.(*)	367.634	282.301
Pak Gıda Üretim ve Pazarlama A.Ş.	81.868	226.829
Total	159.718.280	252.870.735

(*) Includes reflection of legal consultancy services.

(**) Includes rent and subscription fees of Engin Pak İş Merkezi.

j) Key management compensation

	1 January- 31 December 2024	1 January - 31 December 2023
Key management compensation	28.415.154	23.807.869
Total	28.415.154	23.807.869

Key management compensation provided to key management personnel during the period 1 January 2024 to 31 December 2024 and 2023 are short-term benefits and includes benefits, premiums, benefits from post-employment and other payments. There are no post-employment benefits, share-based payments and other long-term benefits in the 1 January 2024 to 31 December 2024 and 2023 period.

NOTE 6- TRADE RECEIVABLES AND PAYABLES

a) Trade receivables from third parties	31 December 2024	31 December 2023
Customers	203.087.675	323.982.587
Notes receivables	11.766.743	2.555.504
Doubtful trade receivables	1.393.184	1.927.392
Less: Non-accrued financial income	(4.461.850)	(1.915.246)
Less: Provision for doubtful trade receivables	(1.393.184)	(1.927.392)
Total	210.392.568	324.622.845

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NOTE 6- TRADE RECEIVABLES AND PAYABLES (continued)

The average turnover period of trade receivables is 36 days (31 December 2023: 21 days) and the annual effective interest rates are as follows:

	31 December 2024				31 December 2023			
	TL	USD	EUR	OTHER	TL	USD	EUR	OTHER
Trade Receivables	49%	1.75%	0.67%	-	39%	3.20%	2.22%	-

As of 31 December 2024, the Group has mortgages and letter of guarantees for its trade receivables amounting to TL 128.688.735 (31 December 2023: TL 281.051.919).

The movements of provision for doubtful receivables during the period are as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	1.927.392	2.927.557
Increases during the period	91.610	246.945
Collections	(33.381)	(96.276)
Monetary (gains)/losses	(592.437)	(1.150.834)
End of the period – 31 December	1.393.184	1.927.392

b) Trade payables to third parties

	31 December 2024	31 December 2023
Suppliers	472.933.378	659.294.288
Notes payable	38.630.000	8.872.075
Less: Non-accrued financial expense	(3.851.272)	(4.599.561)
Total	507.712.106	663.566.802

The average turnover period of trade payables is 14 days (31 December 2023: 13 days) and the annual effective interest rates are as follows:

	31 December 2024				31 December 2023			
	TL	USD	EUR	OTHER	TL	USD	EUR	OTHER
Trade Payables	49%	1.75%	0.67%	-	39%	3.20%	2.22%	-

NOTE 7 – BORROWINGS

Short-term borrowings from related parties

	31 December 2024	31 December 2023
Short-term borrowings	200.000.000	-
Lease liabilities	1.320.906	1.087.094
Total	201.320.906	1.087.094

The annual effective interest rate of the borrowings to Asil Holding is between 51.19% and 53.08% and the weighted average interest rate is calculated as 52.45%. The weighted remaining period of the borrowings is 90 days.

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NOTE 7 – BORROWINGS (continued)

Long-term borrowings from related parties

	31 December 2024	31 December 2023
Lease liabilities	9.291.382	9.958.308
Total	9.291.382	9.958.308

Short-term borrowings from third parties

	31 December 2024	31 December 2023
Bank borrowings	254.687.702	-
Total	254.687.702	-

The weighted annual average interest rate of bank borrowings is 12%. The weighted remaining period of the bank borrowings is 222 days.

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

As of 31 December 2024 and 2023, the breakdown of other receivables and payables is as follows:

	31 December 2024	31 December 2023
a) Short-term other receivables from third parties		
Tax refunds from tax office	22.151.949	41.410.585
Deposits and guarantees given	523.054	501.375
Due from employees	198.036	469.660
Total	22.873.039	42.381.620

	31 December 2024	31 December 2023
b) Long-term other receivables from third parties		
Deposits and guarantees given	584.282	584.282
Total	584.282	584.282

	31 December 2024	31 December 2023
c) Other payables to third parties		
Taxes payable	12.715.715	17.751.865
Advances received	48.524.950	24.428.709
Total	61.240.665	42.180.574

NOTE 9 - INVENTORIES

	31 December 2024	31 December 2023
Raw materials and supplies	142.771.620	169.586.248
Semi-finished goods	6.673.036	29.370.327
Finished goods	656.260.977	459.472.383
Merchandise	82.953.654	115.582.248
Other inventories	123.363.937	120.813.278
Less: Provision for impairment	(60.589.410)	(88.910.331)
Total	951.433.814	805.914.153

As of 31 December 2024, cost of inventories of the Group amounting to TL 2.883.226.481 (31 December 2023: TL 2.920.849.998) is recognized as an expense under cost of sales (Note 19 and 21).

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NOTE 9 – INVENTORIES (continued)

Movements of the provision for impairment on inventories are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Beginning of the period - 1 January	(88.910.331)	(40.940.138)
Additions (-) /reversals during the period (+)	28.320.921	(47.970.193)
End of the period – 31 December	(60.589.410)	(88.910.331)

The cost, net realisable value of the inventories related to inventory impairment and the provisions during the period are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Cost	(135.436.968)	(374.385.956)
Net realisable value	74.847.558	285.475.625
Provisions during the period, net	(60.589.410)	(88.910.331)

The Group has no pledged inventory provided as guarantee and collateral against its liabilities.

NOTE 10 - INVESTMENT PROPERTIES

As of 31 December 2024, the Group has no investment properties (31 December 2023: TL 5.405.641).

Investment properties carried at cost in the accompanying consolidated financial statements. The fair value of the investment properties is amounting to TL 77.250.000 in accordance with the real estate appraisal report prepared on 15 March 2024 by Girişim Gayrimenkul Değerleme Anonim Şirketi authorised by the Capital Markets Board (the “CMB”).

The Group disposed the relevant investment property for a total consideration amounting to TL 82.961.650 in 2024.

Cost	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance - 31 December 2024
Land	5.405.641	-	5.405.641	-	-

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance - 31 December 2023
Land	5.405.641	-	-	-	5.405.641

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

Cost	Opening balance – 1 January 2024	Additions	Disposals	Transfers	Closing balance -31 December 2024
Land	307.646.557	-	203.348.915	-	104.297.642
Land improvements	191.502.353	60.805	7.754.739	690.034	184.498.453
Buildings	1.305.822.387	-	35.398.337	10.268.698	1.280.692.748
Plant, machinery and equipment	10.781.527.138	44.282.317	9.363.823	95.202.028	10.911.647.660
Motor vehicles	27.746.770	112.287	3.232.642	-	24.626.415
Furniture and fixtures	381.619.181	2.679.184	5.095.144	-	379.203.221
Leasehold improvements	7.328.620	38.619	49.984	-	7.317.255
Other property, plant and equipment	16.541.189	616.259	6.526.404	-	10.631.044
Constructions in progress	75.383	106.191.854	-	(106.160.760)	106.477
	13.019.809.578	153.981.325	270.769.988	-	12.903.020.915
Accumulated depreciation					
Land improvements	(141.351.514)	(5.981.749)	2.181.834	-	(145.151.429)
Buildings	(721.314.610)	(41.518.477)	9.330.673	-	(753.502.414)
Plant, machinery and equipment	(9.389.806.322)	(343.667.784)	7.153.111	-	(9.726.320.995)
Motor vehicles	(21.356.321)	(1.100.214)	2.966.183	-	(19.490.352)
Furniture and fixtures	(316.307.625)	(17.521.056)	2.732.738	-	(331.095.943)
Leasehold improvements	(7.127.106)	(79.681)	49.985	-	(7.156.802)
Other property, plant and equipment	(7.005.776)	(1.311.354)	3.594.961	-	(4.722.169)
	(10.604.269.274)	(411.180.315)	28.009.485	-	(10.987.440.104)
Net book value	2.415.540.304				1.915.580.811

Cost	Opening balance – 1 January 2023	Additions	Disposals	Transfers	Closing balance - 31 December 2023
Land	307.646.553	4	-	-	307.646.557
Land improvements	187.332.902	3.125.217	-	1.044.234	191.502.353
Buildings	1.236.941.893	57.656.042	-	11.224.452	1.305.822.387
Plant, machinery and equipment	10.568.720.355	180.660.042	4.080.470	36.227.211	10.781.527.138
Motor vehicles	27.657.283	141.211	51.724	-	27.746.770
Furniture and fixtures	368.051.473	14.082.801	515.093	-	381.619.181
Leasehold improvements	7.308.417	20.203	-	-	7.328.620
Other property, plant and equipment	15.912.247	1.446.931	817.989	-	16.541.189
Constructions in progress	4.025.911	44.545.369	-	(48.495.897)	75.383
	12.723.597.034	301.677.820	5.465.276	-	13.019.809.578

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (continued)

Accumulated depreciation					
Land improvements	(135.462.399)	(5.889.115)	-	-	(141.351.514)
Buildings	(695.167.008)	(26.147.602)	-	-	(721.314.610)
Plant, machinery and equipment	(9.051.188.587)	(342.101.440)	3.483.705	-	(9.389.806.322)
Motor vehicles	(19.894.525)	(1.505.331)	43.535	-	(21.356.321)
Furniture and fixtures	(296.620.466)	(19.973.986)	286.827	-	(316.307.625)
Leasehold improvements	(7.034.008)	(93.098)	-	-	(7.127.106)
Other property, plant and equipment	(6.025.193)	(1.382.168)	401.585	-	(7.005.776)
	(10.211.392.186)	(397.092.740)	4.215.652	-	(10.604.269.274)
Net book value	2.512.204.848				2.415.540.304

As of 31 December 2024, the Group has no machinery and equipment acquired through finance leases. (31 December 2023: None.)

The breakdown of the depreciation of property, plant and equipment by expenses by nature is as follows (Note 19-20):

	31 December 2024	31 December 2023
Idle capacity costs	(17.465.262)	(65.780.078)
Certified public accountancy costs, fees and charges	(380.935.115)	(320.377.358)
Marketing expenses	(9.482.168)	(6.210.171)
General administrative expenses	(3.297.770)	(4.725.137)
Total	(411.180.315)	(397.092.740)

NOTE 12 – RIGHT OF USE ASSETS AND INTANGIBLE ASSETS

Right of Use Assets

Cost	Opening balance – 1 January 2024	Additions	Disposals	Closing balance – 31 December 2024
Head office	38.730.824	5.575.364	-	44.306.188
	38.730.824	5.575.364	-	44.306.188
Accumulated depreciation	Opening balance – 1 January 2024	Additions	Disposals	Closing balance – 31 December 2024
Head office	(13.037.711)	(4.632.367)	-	(17.670.078)
	(13.037.711)	(4.632.367)	-	(17.670.078)
Net book value	25.693.113			26.636.110

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NOTE 12 – RIGHT OF USE ASSETS AND INTANGIBLE ASSETS (continued)

Cost	Opening balance – 1 January 2023	Additions	Disposals	Closing balance – 31 December 2023
Head office	28.434.521	10.296.303	-	38.730.824
Motor vehicles	6.993.324	118.008	(7.111.332)	-
	35.427.845	10.414.311	(7.111.332)	38.730.824
Accumulated depreciation	Opening balance – 1 January 2023	Additions	Disposals	Closing balance – 31 December 2023
Head office	(9.231.324)	(3.806.387)	-	(13.037.711)
Motor vehicles	(4.248.999)	(1.415.605)	5.664.604	-
	(13.480.323)	(5.221.992)	5.664.604	(13.037.711)
Net book value	21.947.522			25.693.113

Intangible assets

Cost	Opening balance – 1 January 2024	Additions	Disposals	Closing balance – 31 December 2024
Rights and computer software	105.814.940	700.318	-	106.515.258
	105.814.940	700.318	-	106.515.258
Accumulated depreciation	Opening balance – 1 January 2024	Additions	Disposals	Closing balance – 31 December 2024
Rights and computer software	(80.705.971)	(3.188.902)	-	(83.894.873)
	(80.705.971)	(3.188.902)	-	(83.894.873)
Net book value	25.108.969			22.620.385

Cost	Opening balance – 1 January 2023	Additions	Disposals	Closing balance – 31 December 2023
Rights and computer software	105.810.396	4.544	-	105.814.940
	105.810.396	4.544	-	105.814.940

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NOTE 12 – RIGHT OF USE ASSETS AND INTANGIBLE ASSETS (continued)

Accumulated depreciation	Opening balance – 1 January 2023	Additions	Disposals	Closing balance – 31 December 2023
Rights and computer software	(76.126.448)	(4.579.523)	-	(80.705.971)
	(76.126.448)	(4.579.523)	-	(80.705.971)
Net book value	29.683.948			25.108.969

The breakdown of the depreciation of intangible assets by expenses by nature is as follows:

	31 December 2024	31 December 2023
Certified public accountancy costs, fees and charges	(3.188.902)	(4.579.523)
Marketing expenses	-	-
General administrative expenses	(4.632.367)	(5.221.992)
Total	(7.821.269)	(9.801.515)

NOTE 13 – GOVERNMENT GRANTS

In 2018, the Group filed an application to the Ministry of Industry and Technology in order to modernize its production facilities and to link some investments, which were made intended for continuance of the facilities activities, to the “Investment Incentive Certificate”. As a result of the application and a subsequent application filed for amendment thereof, the final certificate of the investment incentive numbered B137821 dated 18 October 2018 has been issued. The following government grants and incentives have been provided for the investment that is to be made pursuant to the incentive certificate.

- Investment Period: 09.04.2018-09.10.2022
- VAT Exemption
- Customs Duty Exemption
- Tax Deduction Rate: 50%, Investment Contribution Rate: 15% (In accordance with the relevant Turkish tax legislation, tax deduction rate was applied as 100% and investment contribution rate was applied as 30% accordingly for the expenditures of the Group for the period between 2017-2022).

The total sum of expenditures envisaged to be incurred pursuant to the incentive certificate numbered B137821 on 18 October 2018 is equivalent of TL 130.138.000 whereas the sum of expenditures having been incurred during the period is equivalent of TL 115.791.487. The Group has been benefited from aforementioned government grants regarding the expenditures and the tax exemption amounting to TL 34.737.446 on corporate tax. Incentive certificate has expired during the period and the Group will make an application to the “Republic of Türkiye Ministry of Economy, Directorate of Incentive Implementation and Foreign Investment” for the investment incentive certificate in April 2023. On-site inspections were carried out by Kocaeli Provincial Directorate of Industry for the purpose of completion visa and the final result is not realised in August 2024.

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NOTE 13 – GOVERNMENT GRANTS (continued)

The Group has applied to the Ministry of Economy in August 2016 for the completion visa of the investment incentive certificate dated 6 February 2016 and numbered C110178 to be carried out. The Ministry of Economy completed the completion examination in July 2017. The result of the completion examination was notified to the Group in April 2018. In accordance with Article 32/A of the Corporate Tax Law with numbered 5520, as a result of the completion of the investment incentive certificate, the Group has calculated the deferred tax asset in the amounts presented below and accounted for 15% of the total investment expenditures incurred under the incentives by considering the deduction of the corporate tax rate in the current period and subsequent periods (Note 25). Completion examination of incentive certificate was completed in April 2018. Total investment expenditure is amounting to TL 139.662.402.

	31 December 2024	31 December 2023
Investment contributions available at the end of the reporting periods in historical amounts	152.312.270	152.787.175

NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Other short-term provisions

	31 December 2024	31 December 2023
Provision for export commission expense	5.559.661	4.856.502
Provision for lawsuits	4.224.820	-
Provision for export discount expenses	1.961.631	306.943
Provision for expense accruals	1.165.018	7.180.560
Total	12.911.130	12.344.005

The movement of other provisions during the period is as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Beginning of the period - 1 January	12.344.005	19.415.164
Payments and reversals	(8.549.737)	(11.782.983)
Additions	12.911.130	12.344.005
Adjustments for inflation	(3.794.268)	(7.632.181)
End of the period – 31 December	12.911.130	12.344.005

In accordance with the summary information obtained regarding the ongoing lawsuits filed against the Group or in favor of the Group as of 31 December 2024 is as follows:

1. The Group has been filed a lawsuit against Istanbul Metropolitan Municipality in the 10th Administrative Court of Istanbul with the merits numbered 2019/16513, with a request for the cancellation of the 1/5000-scaled master plan covering the area where an immovable property owned by the Group located in Sefaköy/Küçükçekmece. The lawsuit is still ongoing. Since no fund and cash outflow from the Group is estimated regarding the lawsuit, the provision has not been allocated in the consolidated financial statements.

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NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

2. The Group has been filed a lawsuit against Küçükçekmece Municipality in the 8th Administrative Court of Istanbul with the merits numbered 2022/407, with a request for the cancellation of the 1/1000-scaled master plan covering the area where an immovable property owned by the Group located in Sefaköy/Küçükçekmece. The lawsuit is still ongoing. Since no fund and cash outflow from the Group is estimated regarding the lawsuit, the provision has not been allocated in the consolidated financial statements.
3. In accordance with the decision of the “Turkish Competition Authority” on 24 April 2012 and numbered 12-21/560-158, a prosecution has been initiated against the Group. As a result, a personal exemption has been granted for the Group in accordance with the decision of the Turkish Competition Authority on 8 July 2013 and numbered 13-42/538-238. The aforementioned matter was disclosed by the Group as “Special Circumstances Disclosure” on 10 July 2013. Regarding the decision of the “Turkish Competition Authority” to grant personal exemption, which is a matter in favor of the Group, an action for annulment was filed at the 14th Administrative Court of Ankara by an entity operating in the relevant market, and the lawsuit was dismissed by the relevant court. The decision was reversed by the “Council of State” after the relevant entity appealed to the court to the Council of State. At the end of the lawsuit process regarding the annulment of the decision, it was decided to annul the decision of the Board on 8 July 2013 and numbered 13-42/538-238 in accordance the decision numbered 2024/294 and 2024/386 of the Ankara 14th Administrative Court. In accordance with the announcement made by the Turkish Competition Authority, it has been announced that it has been decided to open a new investigation against the organizations, including our company, with the decision numbered 24-14/284-M in order to ensure that the relevant court decision is fulfilled. Whether the relevant decision of the Turkish Competition Authority will be annulled as a result of the lawsuit, whether the decision of competition authority regarding the decision of the annulment in favor or against the Group and its materiality to the Group and its consolidated financial statements will be determined in accordance with the process of the relevant lawsuit and decision of the Turkish Competition Authority. Since no cash outflow from the Group is estimated regarding the lawsuit, the provision has not been allocated in the consolidated financial statements.
4. The Group has wide variety of ongoing labour receivables and compensation lawsuits and provision for lawsuits amounting to TL 4.224.820 has been allocated in the accompanying consolidated financial statements regarding relevant lawsuits.

d) Ratio of collaterals, pledges and mortgages to equity

Collaterals, pledges, and mortgages (“CPM”) position obtained from the customers of the Group as of 31 December 2024 and 2023 is as follows:

	Currency	31 December 2024		31 December 2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
CPM’s received	TL	78.445.720	78.445.720	112.103.936	112.103.936
	EUR	17.945.000	659.231.109	18.585.000	874.048.768
	GBP	550.000	24.314.015	550.000	29.731.826
	USD	-	-	100.000	4.250.251
Total			761.990.844		1.020.134.781

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NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

Collaterals, pledges, and mortgages (“CPM”) position obtained from the suppliers of the Group as of 31 December 2024 and 2023 is as follows:

	Currency	31 December 2024		31 December 2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
CPM’s received	TL	3.973.978	3.973.978	5.737.581	5.737.581
	EUR	385.429	12.554.909	385.429	18.126.623
Total			16.528.887		23.864.204

Collaterals, pledges, and mortgages (“CPM”) position of the Group as of 31 December 2024 and 2023 is as follows:

	Currency	31 December 2024		31 December 2023	
		Original currency amount	TL equivalent	Original currency amount	TL equivalent
A. Total amount of CPM’s given in the name of its own legal personality	TL	13.716.352	13.716.352	19.803.500	19.803.500
	USD	-	-	-	-
	EUR	110.000	3.583.129	110.000	5.173.278
B. Total amount of CPM’s given on behalf of third parties for ordinary course of business					
C. Total amount of other CPM’s given					
(a) Total amount of CPM’s given on behalf of the majority shareholder					
(b) Total amount of CPM’s given to on behalf of other group companies					
(c) Total amount of CPM’s given on behalf of third parties which are not in scope of B					
Total			17.299.481		24.976.778

The ratio of other CPM’s given by the Group to its equity is 0% as of 31 December 2024 (31 December 2023: 0%).

e) Insurance coverage of assets

As of 31 December 2024 and 2023, the details of insurance coverage of assets are as follows:

Type	31 December 2024	31 December 2023
Buildings	222.338.706	325.362.911
Machinery and equipment	1.662.827.500	1.929.409.316
Cash on hand	462.135	667.225
Inventories	800.000.000	728.419.775
Furniture and fixtures	8.968.720	12.948.928
Motor vehicles	25.667.770	42.759.285
Total	2.720.264.831	3.039.567.440

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NOTE 15 – COMMITMENTS

As of 31 December 2024 and 2023, the breakdown of commitments is as follows:

Type	Effective period	31 December 2024	31 December 2023
Raw material and supplies purchase contracts	Up to 1 year	59.840.747	124.432.517
Machinery and equipment purchase contracts	Up to 1 year	13.462.042	22.752.253
Services purchase contracts	Up to 1 year	2.498.585	74.599.173
Total		75.801.374	221.783.943

NOTE 16 - EMPLOYEE BENEFITS

Due to employee benefits

	31 December 2024	31 December 2023
SSI premium and tax payables	15.487.393	26.152.137
Short-term benefits (e.g. wages and salaries, annual leave)	2.427.582	4.290.316
Other	183.666	252.882
Total	18.098.641	30.695.335

Short-term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for bonus and salaries	21.319.664	2.252.930
Provision for unused vacation	5.494.579	6.600.418
Total	26.814.243	8.853.348

Short-term provisions for employee benefits (continued)

The movements of provision for premiums, salaries and bonuses are as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	8.853.348	14.740.436
Increases during the period	26.814.243	8.853.348
Payments during the period	(6.132.029)	(8.945.909)
Adjustments for inflation	(2.721.319)	(5.794.527)
End of the period – 31 December	26.814.243	8.853.348

Long-term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for employment termination benefits	56.195.573	87.651.377
Total	56.195.573	87.651.377

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NOTE 16 - EMPLOYEE BENEFITS (continued)

The provision for employment termination benefits is calculated in accordance with the following explanations.

Under Turkish Labour Law, Kartonsan and its subsidiaries are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

After 1 January 2036, if the condition of 7200 days are completed, and retirement age and death insurance premium payment days is satisfied, employees are entitled to have employment termination defined benefit plan within the age limits in the date range in which the day condition is satisfied. Consequently, retirement age will gradually increase from 60 to 65 for both women and men from 2036 to 2048.

After the legislation on 23 May 2002, some transitional clauses relating to the length of service before retirement have been removed.

The principal assumption is that the maximum liability for each year of service will increase in line with the inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. CMB Financial Reporting Standards/TFRS require actuarial valuation methods to be developed to estimate the obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability:

	31 December 2024	31 December 2023
Net discount rate (%)	3.69	4.17
Turnover rate to estimate of the probability of retirement (%)	97.67	98.64

Long-term provisions for employee benefits (continued)

The principal assumption is that the ceiling for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 46.655,43 effective from 1 January 2025 (1 January 2024: TL 35.058,58) has been taken into consideration in calculating the provision for employment termination benefits.

Movements in the provision for employment termination benefits are as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	87.651.377	113.152.778
Service costs	5.964.561	7.363.210
Interest costs	6.492.729	11.501.083
Actuarial losses (Note 18)	19.237.419	22.782.762
Losses on remeasurement of defined benefit plans	24.500.864	46.004.322
Payments during the period	(50.231.012)	(80.288.167)
Adjustments for inflation	(37.420.365)	(32.864.611)
End of the period - 31 December	56.195.573	87.651.377

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NOTE 17 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

a) Short-term prepaid expenses to third parties

	31 December 2024	31 December 2023
Advances given	4.969.685	24.762.687
Other prepaid expenses *	7.328.196	9.236.018
Total	12.297.881	33.998.705

* Includes insurance, maintenance and repair and subscription expenses

b) Other current assets from third parties

	31 December 2024	31 December 2023
Deferred VAT	130.622.940	98.241.741
Cash advances	35.100	722
Other	19.513	39.404
Total	130.677.553	98.281.867

c) Long-term prepaid expenses to third parties

	31 December 2024	31 December 2023
Advances given for property, plant and equipment and intangible assets	28.719.524	51.957.629
Total	28.719.524	51.957.629

NOTE 18 – EQUITY

a) Paid-in share capital and adjustment to share capital

As of 31 December 2024 and 2023, the principal shareholders and their respective shareholding rates in Kartonsan are as follows:

	31 December 2024 - Amount	Share (%)	31 December 2023 – Amount	Share (%)
Pak Holding A.Ş.	25.790.930	34.39	25.790.930	34.39
Asil Holding A.Ş.	18.337.579	24.45	18.337.579	24.45
Pak Gıda Üretim ve Pazarlama A.Ş.	14.468.564	19.29	14.468.564	19.29
Oycan İthalat İhracat ve Ticaret A.Ş.	10.654	0.01	10.654	0.01
Other (Listed)	16.392.273	21.86	16.392.273	21.86
Paid-in share capital	75.000.000	100.00	75.000.000	100.00
Adjustment to share capital	871.038.781		871.038.781	
Total share capital	946.038.781		946.038.781	

In accordance with the decision of the Board of Directors, which was registered on 24 December 2020 within the framework of the registered capital system regulations and published in Official Gazette on 25 December 2020 numbered 10232, the number of outstanding shares representing the Group's paid-in share capital has been determined as follows:

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NOTE 18 – EQUITY (continued)

The comparison regarding the equity items of the Group restated for inflation in the consolidated financial statements as of 31 December 2024 and the restated amounts in the financial statements in accordance with Tax Procedure Law (“TPL”) are as follows:

	Inflation-adjusted amounts in the financial statements in accordance with TPL	Inflation-adjusted amounts in the financial statements in accordance TFRS	Retained earnings, net
Share capital	75.000.000	75.000.000	-
Adjustment to share capital	1.172.142.036	871.038.781	301.103.255
Share premium	15.006.551	10.942.662	4.063.889
Restricted reserves	986.944.624	817.496.766	169.447.858

According to the Group’s articles of association

Number of outstanding shares	7.500.000.000
Nominal amount of shares	0.01
Total nominal amount	75.000.000,00

The Group’s 5.287 outstanding shares are comprise of Class A (Preferred) shares representing the aforementioned share capital. These shares have privileges in dividend distribution. According to Article 25 of the Group’s Articles of Association; after deduction of 10% of the paid-in share capital from the net profit of the first dividend, the dividend is distributed to the Class A (Preferred) shareholders in 5% of the remaining portion.

b) Restricted reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

The aforementioned reserves should be classified under “Restricted Reserves” in accordance with Capital Markets Board’s Financial Reporting Standards. As of 31 December 2024 and 2023, the details of the restricted reserves are as follows:

	31 December 2024	31 December 2023
Legal reserves	773.710.190	771.062.961
Gains on disposal of subsidiaries, property, plant and equipment and intangible assets	43.786.576	43.786.576
Total	817.496.766	814.849.537

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 18 – EQUITY (continued)

c) Dividend distribution

In accordance with the decision of the Capital Markets Board (“CMB”) dated 27 January 2010 numbered 02/51, no obligation to distribute any minimum profit to be imposed to ensure that no minimum profit distribution obligation is imposed on dividend distribution for publicly traded joint stock companies, whose shares are traded on the stock exchange, regarding the determination of the principles of distribution of publicly traded companies’ joint ventures for the year 2009; and in this context, According to the Article 19 of the Capital Market Law, numbered 6362 and Dividend Communiqué of CMB, numbered II-19.1, listed companies shall distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the prevailing regulations. Regarding the profit distribution policies of the listed companies, CMB may set different principles on companies with similar qualifications.

In accordance with the Turkish Commercial Code numbered 6102, unless the required reserves and the dividend for shareholders as determined in the Articles of Association or in the dividend distribution policy of the company are allocated; no decision may be taken to set up other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct shares, to the members of the board of directors or to the employees; and no dividend can be distributed to these people unless the determined dividend for shareholders is paid in cash.

The entire amount of the dividend to be distributed may only be distributed as long as it is available from the net distributable profit or other sources available in the statutory records. In other words, the upper limit of the dividend to be distributed is the distributable amount of the related profit distribution resources included in the statutory records. Equity capital inflation adjustment differences and book value of extraordinary reserves can be used in free capital increase; cash profit distribution or loss deduction. However, equity capital adjustments are subject to corporate tax if used in cash profit distribution.

As of 31 December 2024, the Group’s net distributable profit and other available funds (except for the distributable portion of legal reserves) amounting to TL 1.083.208.259 (31 December 2023: TL 1.738.334.184). The total amount of other funds of the Group that may be subject to dividend distribution is limited to the amounts in the Group’s statutory records. The Group’s statutory records consist of a net profit of TL (466.337.756) in the current period. As of 31 December 2024, the total amount of other funds which may be subject to dividend distribution amounting to TL 169.870.909 (31 December 2023: TL 443.488.269). In the calculation of the total amount that may be subject to distribution, the capital inflation adjustment differences and the amount of property, plant and equipment and intangible asset sales earnings held as a fund to be included in the capital are not taken into consideration.

d) Other comprehensive income or expenses not to be reclassified to profit or loss

The movement for actuarial losses recognized under “Other Losses” in equity is as follows:

	31 December 2024	31 December 2023
Beginning of the period - 1 January	(67.939.876)	(50.852.805)
Actuarial losses	(19.237.420)	(22.782.762)
Actuarial losses - tax effect (Note 25)	4.809.355	5.695.691
End of the period - 31 December	(82.367.941)	(67.939.876)

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

NOTE 19 - REVENUE AND COST OF SALES

	1 January- 31 December 2024	1 January - 31 December 2023
Domestic sales	3.920.755.470	3.551.912.261
Foreign sales	794.016.705	616.738.984
Other revenue	48.165.460	42.423.234
Sales returns(-)	(59.549.378)	(9.311.219)
Sales discounts (-)	(283.264.042)	(184.694.676)
Other discounts (-)	(549.405.251)	(435.888.167)
Revenue, net	3.870.718.964	3.581.180.417
Cost of sales	1 January- 31 December 2024	1 January - 31 December 2023
Changes in raw material and semi-finished inventories	(2.883.226.481)	(2.920.849.998)
General production costs	(157.958.762)	(115.877.727)
Depreciation and amortisation charges	(384.124.010)	(324.956.879)
Employee benefits	(308.833.167)	(210.998.698)
Cost of goods sold (-)	(3.734.142.420)	(3.572.683.302)
Cost of merchandise sold	(484.990.599)	(636.305.484)
Other cost of sales	(48.455.488)	(38.463.655)
Cost of sales, net	(4.267.588.507)	(4.247.452.441)
Gross profit	(396.869.543)	(666.272.024)

NOTE 20 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

a) General administrative expenses

	1 January- 31 December 2024	1 January - 31 December 2023
Employee benefits	(73.382.990)	(68.239.317)
Employment termination benefits	(51.401.772)	(49.450.927)
Outsourcing expenses	(21.478.354)	(19.450.702)
Union, chamber and subscription expenses	(4.038.432)	(3.686.402)
Taxes, duties and charges	(5.078.641)	(8.035.470)
Depreciation and amortisation charges	(7.930.137)	(9.947.130)
Grants and donations	(112.228)	(2.220.244)
Other	(5.532.014)	(4.026.911)
Total	(168.954.568)	(165.057.103)

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

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NOTE 20 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES (continued)

b) Marketing expenses

	1 January- 31 December 2024	1 January - 31 December 2023
Transportation, distribution and storage expense	(146.726.268)	(93.189.643)
Employee benefits	(27.891.576)	(24.363.323)
Export costs	(8.907.318)	(5.154.786)
Compensation and discounts paid	(2.191.172)	(4.763.728)
Security expenses	(1.728.638)	(1.566.334)
Taxes, duties and charges	(1.454.995)	(1.187.033)
Depreciation and amortisation charges	(9.482.168)	(6.210.171)
Insurance expenses	(691.143)	(760.369)
Repair and maintenance expenses	(268.896)	(505.305)
Other	(7.239.638)	(9.007.668)
Total	(206.581.812)	(146.708.360)

NOTE 21 - EXPENSES BY NATURE

	1 January- 31 December 2024	1 January - 31 December 2023
Changes in raw material and semi-finished inventories	(2.883.226.481)	(2.920.849.998)
Cost of merchandise sold	(484.990.599)	(636.305.484)
Outsourcing expenses	(179.437.116)	(135.328.429)
Employee benefits	(410.107.733)	(303.601.338)
Depreciation and amortization charges*	(401.536.315)	(341.114.180)
Transportation, distribution and storage expense	(146.726.268)	(93.189.643)
Other cost of sales	(48.455.488)	(38.463.655)
Employment termination benefits	(51.401.772)	(49.450.927)
Export costs	(8.907.318)	(5.154.786)
Union, chamber and subscription expenses	(4.038.432)	(3.686.402)
Compensation and discounts paid	(2.191.172)	(4.763.728)
Taxes, duties and charges	(6.533.636)	(9.222.503)
Grants and donations	(112.228)	(2.220.244)
Security expenses	(1.728.638)	(1.566.334)
Insurance expenses	(691.143)	(760.369)
Repair and maintenance expenses	(268.896)	(505.305)
Other	(12.771.652)	(13.034.579)
Total	(4.643.124.887)	(4.559.217.904)

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NOTE 21 - EXPENSES BY NATURE (continued)

The breakdown of the depreciation and amortisation charges recognised under expenses by nature is as follows (Note 19-20):

	31 December 2024	31 December 2023
Idle capacity costs	(17.465.262)	(65.780.078)
Certified public accountancy costs, fees and charges	(384.124.017)	(324.956.881)
Marketing expenses	(9.482.168)	(6.210.171)
General administrative expenses	(7.930.137)	(9.947.129)
Depreciation and amortisation charges, net	(419.001.584)	(406.894.259)

NOTE 22 – OTHER OPERATING INCOME AND EXPENSES

Other operating income	1 January- 31 December 2024	1 January - 31 December 2023
Foreign exchange gains (Trade receivables and payables)	51.182.899	114.856.184
Interest income	34.333.909	32.933.554
Scrap sales revenues	4.250.470	6.679.469
Interest on late payments	4.627.302	162.747
Income from insurance compensation and claims	1.214.094	3.829.308
Other	2.212.462	9.927.122
Total	97.821.136	168.388.384
Other operating expenses	1 January- 31 December 2024	1 January - 31 December 2023
Interest expenses	(73.688.298)	(45.153.847)
Foreign exchange losses	(54.753.409)	(92.790.508)
Idle capacity costs*	(22.491.974)	(188.402.157)
Provision for lawsuits	(4.224.820)	-
Provision for doubtful receivables	(91.610)	(246.947)
Expenses from tax payments arising from tax restructuring law	-	(25.921.290)
Other	(7.669.619)	(12.202.793)
Total	(162.919.730)	(364.717.542)

* Due to the strike of unionized employee and the production could not be realised between 22 December 2022-10 April 2023, general manufacturing expenses for the relevant period are considered as “Idle capacity costs” in the accompanying consolidated financial statements in 2023.

NOTE 23 – GAINS AND LOSSES FROM INVESTMENT ACTIVITIES

Gains from investment activities	1 January- 31 December 2024	1 January - 31 December 2023
Gain on disposal of non-current assets	246.705.235	1.877.497
Interest income	16.614.375	41.602.925
Foreign exchange gains (Except for trade receivables and payables)	11.516.669	203.517.221
Total	274.836.279	246.997.643

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NOTE 23 – GAINS AND LOSSES FROM INVESTMENT ACTIVITIES (continued)

Losses from investment activities	1 January- 31 December 2024	1 January - 31 December 2023
Foreign exchange losses (Except for trade receivables and payables)	(9.485.571)	(22.159.063)
Total	(9.485.571)	(22.159.063)

NOTE 24 - FINANCIAL EXPENSES

	1 January- 31 December 2024	1 January - 31 December 2023
Credit card fees and commissions	(141.395.688)	(74.814.483)
Interest expenses from TFRS 16 Leases	(1.875.141)	(2.329.019)
Bank deposit risk expenses under TFRS 9	(170.695)	457.245
Interest expenses	(167.999.112)	(75)
Other	(6.456.992)	(807.850)
Total	(317.897.628)	(77.494.182)

NOTE 25 - INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

As of 31 December 2024 and 2023, the detailed analysis of current income tax liabilities in the consolidated statements of financial position is as follows:

	31 December 2024	31 December 2023
Current period tax expense	12.276.821	17.753.876
Less: Prepaid taxes	(8.624.554)	(12.090.014)
Current income tax liabilities, net	3.652.267	5.663.862

As of 31 December 2024 and 2023, the breakdown of current period tax expenses in the consolidated statements of profit or loss and other comprehensive income is summarized as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Current period tax expense (-)	(13.164.653)	(17.753.878)
Deferred income tax	180.885.563	423.837.526
Tax income/(expense)	167.720.910	406.083.648

a) Corporate tax

The corporate tax law was amended on 13 June 2006 with law numbered 5520. The majority of the clauses of Law No 5520 are effective from 1 January 2006. Accordingly, the corporate tax rate in Türkiye is 20% for the year ended 31 December 2023. (Corporate tax rate for the year 2018-2019 and 2020 was applied as 22% and corporate tax rate for the year 2021 and 2022 was applied as 25% and 23%, respectively) (31 December 2023: 25%).

In accordance with the amendment on corporate tax law numbered 31462, published in Official Gazette on 22 April 2021, corporate tax rate, which is 20% in Türkiye, will be applied as 23% for corporate earnings for the 2022 taxation period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

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NOTE 25 - INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (continued)

The “Law on Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by Earthquakes Occurring on 6/2/2023 and on the Amendment of Some Laws and Decree Law No. 375” (Law No.7456) was published in the Official Gazette of 15 July 2023, number 32249. Pursuant to the first paragraph of Article 32 of the Corporate Tax Law No. 5520, corporate tax is levied at the rate of 20% on corporate income. However, corporate tax is levied at the rate of 25% on the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In accordance with Article 21 of the relevant law, the corporate tax rate has been increased from 20% to 25%.

In addition, this rate will be applied as 30% for the corporate earnings of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

The corporate tax rate is applied to the tax base that will be calculated as a result of the deduction of the expenses that are not accepted as a result of the tax laws to the operating profit of the entities, the exception to the tax laws (except for the participation earnings exemption, investment allowance exemption etc.) and the discounts (such as R&D discount). Additional tax is paid if the profit is not distributed.

To the limited taxpayer entities that are generating income through a permanent establishment in Türkiye, or via a permanent representative no withholding is applied, and the dividends paid to the entities who are resident in Türkiye are not subject to withholding. Dividends paid to legal persons and entities other than these are subject to withholding tax at the rate of 10%. Adding profit to the capital is not considered as profit distribution.

In accordance with the Law No. 6009 published in the Official Gazette on 1 August 2010, the amount of investment allowances that have been earned may be used without any year limitation. In addition, corporate tax will be calculated according to the effective tax rate on post-discount earnings. The amendment made by the Law No. 6009 came into force on 1 August 2010 to be applied to the 2010 earnings.

The law about amendments to Tax Procedure Law numbered 5024 was published, regarding Income Tax Law and Corporate Tax Law in the Official Gazette on 30 December 2003 (“Law No. 5024”) which stipulates that the income or corporate tax payers which determine their earnings on the basis of balance, are to have their financial statements subjected to inflation adjustment starting from 1 January 2004. According to the provision of the mentioned law, it requires the inflation rate of the last 36 months (increase ratio of Turkish Statistical Institute and Wholesale Price Index) to exceed 100% and the inflation rate of the last 12 months (increase ratio of Turkish Statistical Institute and Wholesale Price Index) to exceed 10%, to make an inflation correction. As the mentioned conditions were not satisfied in 2004, inflation adjustment was not realised accordingly.

In accordance with the decision of the CMB on 28 December 2023 and numbered 81/120, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports as at and for the year ended 31 December 2024.

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NOTE 25 - INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (continued)

In accordance with the announcement made by the POA on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies” as of financial statements for the annual reporting period ending on or after 31 December 2024.

Accordingly, while preparing the consolidated financial statements as at and for the year ended 31 December 2024, 2023, 2022 and 2021, the Group applied inflation accounting and relevant adjustments in accordance with TAS 29.

Entities shall pay an advance tax of 20% on their quarterly financial profits (tax rate for the years 2018-2019 and 2020 will be applied as 22% and corporate tax rate for the year 2021 has been determined as 25%, 2022 for 23% and 2023 for 25%) and declare until the 17th day of the second month following that period and pay until the evening of 17th day. The advance tax paid within the year is deducted from the corporate tax to be calculated over the corporate tax return to be given the following year. If there is an advance tax remaining despite the offset, this amount may be refunded in cash or deducted from any other financial liability.

In Türkiye, there is no such practice as reconciliation with the tax authority regarding the taxes payable. Corporate tax returns are submitted to the tax office until the evening of the last day of the fourth month following the close of the accounting period.

Tax authorities may examine the accounting records within five years and if erroneous transactions are determined, tax amounts may change due to the tax assessment to be paid.

According to Turkish tax legislation, financial losses shown on the tax return can be deducted from the corporate income for a period of 5 years. However financial losses cannot be offset from last year’s profits.

The effective reconciliation of the estimated and realised current period income tax expense for the periods 1 January – 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Profit before tax	(821.881.120)	(1.628.451.557)
Tax calculated at domestic tax rate (-)	205.470.280	407.112.890
Effect of change in corporate tax investment discount	46.488.418	56.367.148
Effect of non-deductible expenses	(12.321.242)	(15.176.149)
Other	(71.916.546)	(42.220.241)
Tax income/(expense)	167.720.910	406.083.648

b) Deferred tax

Kartonsan and its subsidiaries recognize deferred tax assets and liabilities based upon temporary differences arising between the consolidated financial statements as reported by the Capital Markets Board and the statutory financial statements issued in accordance with the Tax Procedures Law. As of 31 December 2024 and 2023, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

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NOTE 25 - INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (continued)

b) Deferred tax (continued)

	Cumulative temporary differences		Deferred tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Property, plant and equipment and intangible assets	175.210.745	116.497.616	43.802.686	30.796.470
Provisions for employee benefits	56.195.573	87.651.377	14.048.894	21.912.844
Inventories	124.243.371	58.242.314	(31.060.843)	(14.560.580)
Non-accrued financial income	361.922	2.707.789	90.480	(676.949)
Provision for doubtful trade receivables	346.837	386.480	86.709	96.621
Financial losses	862.939.900	456.216.290	215.734.975	114.054.072
Discounted corporate tax investment contributions		-	152.312.270	152.787.177
Other, net	2.010.069	5.880.469	502.517	(1.470.117)
Deferred tax assets, net			395.517.688	302.939.538
Deferred tax assets			400.985.670	350.513.596
Deferred tax liabilities			(5.467.982)	(47.574.058)
Deferred tax assets/(liabilities), net			395.517.688	302.939.538

Movements in deferred tax assets are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of the period - 1 January	302.939.538	(208.592.100)
Charge to the statement of profit or loss	180.885.562	423.837.526
Actuarial losses classified under equity, tax effect (Note 18)	4.809.355	5.695.691
Adjustments for inflation	(93.116.767)	81.998.421
Total deferred tax assets, net – (End of the period – 31 December)	395.517.688	302.939.538

NOTE 26 - EARNINGS PER SHARE

	1 January - 31 December 2024	1 January - 31 December 2023
Profit attributable to equity holders of the parent	(651.352.361)	(895.649.025)
Weighted average number of shares	75.000.000	75.000.000
Earnings per share	(8.68469815)	(11.94198700)

NOTE 27 - FINANCIAL INSTRUMENTS

a) Classification of financial instruments

	31 December 2024	31 December 2023
Cash and cash equivalents	202.187.567	137.324.746
Trade receivables	210.392.568	340.152.478
Total	412.580.135	477.477.224

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NOTE 27 - FINANCIAL INSTRUMENTS (continued)

Financial liabilities measured by effective interest method

	31 December 2024	31 December 2023
Trade payables	512.707.054	663.786.998
Borrowings	450.984.311	11.045.402
Total	963.691.365	674.832.400

b) Fair value of financial instruments

As of 31 December 2024 and 2023, the Group has no financial assets and liabilities measured at fair value.

NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

28.1 Financial risk factors

The Group is exposed to market risk (currency and interest rate risk), credit risk and liquidity risk due to its operations.

The Group’s overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group’s financial performance.

a) Market risk

aa) Currency risk

Currency risk arises from the fact that the Group has liabilities denominated in USD and EUR. The difference between the foreign currency denominated and foreign currency indexed assets and liabilities for USD and EUR of the Group are defined as the “Net foreign currency position” and it is the basis of the currency risk. Currency risk arises from assets and liabilities recognised in the accompanying consolidated financial statements. Currency risk is monitored by analyzing the foreign currency position.

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

As of 31 December 2024 and 2023, the foreign exchange position of Kartonsan is as follows:

31 December 2024

	TL equivalent (functional currency)	USD	EUR	Other
1. Trade Receivables	87.724.644	18.351	2.018.166	292.655
2a. Monetary Financial Assets	48.865.285	461.929	801.091	70.510
2b. Non-Monetary Financial Assets				
3. Other				
4. Total Current Assets (1+2+3)	136.589.929	480.280	2.819.257	363.165
5. Trade Receivables				
6a. Monetary Financial Assets	28.632.761	789.904	20.816	-
6b. Non-Monetary Financial Assets				
7. Other				
8. Total Non-Current Assets (5+6+7)	28.632.761	789.904	20.816	-
9. Total Assets (4+8)	165.222.690	1.270.184	2.840.073	363.165
10. Trade Payables	205.427.491	358.761	5.201.605	38.072
11. Financial Liabilities	183.681.000	-	5.000.000	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities				
13. Total Current Liabilities (10+11+12)	389.108.491	358.761	10.201.605	38.072
14. Trade Payables				
15. Financial Liabilities				
16a. Other Monetary Liabilities				
16b. Other Non-Monetary Liabilities				
17. Total Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	389.108.491	358.761	10.201.605	38.072
19. Off-Balance Sheet Derivative Instruments				
Net Asset / (Liability) Position (19a-19b)				
19a. Total Amount of Hedged Assets				
19b. Total Amount of Hedged Liabilities				
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(223.885.801)	911.423	(7.361.532)	325.093
21. Monetary Items Net Foreign Exchange Asset/ (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	(223.885.801)	911.423	(7.361.532)	325.093
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge				
23. The Amount of Hedged part of Foreign Exchange Denominated Assets				
24. The Amount of Hedged part of Foreign Exchange Denominated Liabilities				
25. Export	907.442.386	43.375.971	760.144.536	32.833.758
26. Import	844.975.352	237.232.600	607.742.752	-

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 December 2023

	TL equivalent (functional currency)	USD	EUR	Other
1. Trade Receivables	146.096.461	91.493	2.999.928	20.752
2a. Monetary Financial Assets	94.618.479	378.407	1.652.383	14.280
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Total Current Assets (1+2+3)	240.714.940	469.900	4.652.311	35.032
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	43.460.740	662.916	325.010	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Total Non-Current Assets (5+6+7)	43.460.740	662.916	325.010	-
9. Total Assets (4+8)	284.175.680	1.132.816	4.977.321	35.032
10. Trade Payables	289.970.316	986.927	8.004.635	4.668
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Total Current Liabilities (10+11+12)	289.970.316	986.927	8.004.635	4.668
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Total Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	289.970.316	986.927	8.004.635	4.668
19. Off-Balance Sheet Derivative Instruments				
Net Asset / (Liability) Position (19a-19b)				
19a. Total Amount of Hedged Assets				
19b. Total Amount of Hedged Liabilities				
20. Net Foreign Exchange Asset/(Liability) Position (9-18+19)	(5.794.636)	145.889	(3.027.314)	30.364
21. Monetary Items Net Foreign Exchange Asset/ (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	(5.794.636)	145.889	(3.027.314)	30.364
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge				
23. The Amount of Hedged part of Foreign Exchange Denominated Assets				
24. The Amount of Hedged part of Foreign Exchange Denominated Liabilities				
25. Export	550.427.910	761.990	13.692.969	212.406
26. Import	733.971.454	6.879.492	13.296.900	-

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

The following table details the Group’s foreign currency sensitivity analysis as at 31 December 2024 and 2023 for the changes at the rate of 10%:

	31 December 2024			
	Profit/(loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
1- USD Net Asset / Liability	3.185.780	(3.185.780)	3.185.780	(3.185.780)
2- Hedged portion of USD Risk (-)				
3- USD Net Effect (1+2)	3.185.780	(3.185.780)	3.185.780	(3.185.780)
Change in EUR against TL by 10%				
4- EUR Net Asset / Liability	(27.009.489)	27.009.489	(27.009.489)	27.009.489
5- Hedged portion of EUR Risk (-)				
6- EUR Net Effect (4+5)	(27.009.489)	27.009.489	(27.009.489)	27.009.489
Change in Other currencies against TL by 10%				
7- Other currencies Net Asset / Liability	1.435.129	(1.435.129)	1.435.129	(1.435.129)
8- Hedged portion of Other currencies Risk (-)				
9- Other currencies Net Effect (7+8)	1.435.129	(1.435.129)	1.435.129	(1.435.129)
Total (3+6+9)	(22.388.580)	22.388.580	(22.388.580)	22.388.580
	31 December 2023			
	Profit/(loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change in USD against TL by 10%				
1- USD Net Asset / Liability	1.873.579	(1.873.579)	1.873.579	(1.873.579)
2- Hedged portion of USD Risk (-)				
3- USD Net Effect (1+2)	1.873.579	(1.873.579)	1.873.579	(1.873.579)
Change in EUR against TL by 10%				
4- EUR Net Asset / Liability	(2.622.474)	2.622.474	(2.622.474)	2.622.474
5- Hedged portion of EUR Risk (-)				
6- EUR Net Effect (4+5)	(2.622.474)	2.622.474	(2.622.474)	2.622.474
Change in Other currencies against TL by 10%				
7- Other currencies Net Asset / Liability	169.433	(169.433)	169.433	(169.433)
8- Hedged portion of Other currencies Risk (-)				
9- Other currencies Net Effect (7+8)	169.433	(169.433)	169.433	(169.433)
Total (3+6+9)	(579.462)	579.462	(579.462)	579.462

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

a) Interest rate risk

The Group has no financial loans subject to fixed and floating-interest rate.

b) Credit risk

Holding financial instruments also carries the risk of the other party not meeting the requirements of the agreement. The Group’s collection risk mainly arises from its trade receivables. The Group monitors the credit risk by credit ratings and limitations to the total risk of a single counterparty. The credit risk is diversified as a result of large number of entities comprising the customer basis. Trade receivables are evaluated by taking into consideration the Group’s accounting policies and procedures and accordingly, trade receivables are recognised less provision for doubtful receivables in the accompanying consolidated statement of financial position

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 December 2024	<u>Trade receivables</u>		<u>Other receivables</u>		Bank deposits Other	Total
	Related party	Other	Related party	Other		
Maximum exposure to credit risk as of reporting date (A+B+C+D+E) (*)	-	210.392.568	-	23.457.321	201.584.201	435.434.090
- Maximum risk secured with guarantees and collaterals		128.688.735				128.688.735
A. Net book value of neither past due nor impaired financial assets	-	124.053.509	-	23.457.321	201.584.201	349.095.031
B. Net book value of past due but not impaired financial assets	-	86.339.059	-	-	-	86.339.059
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	1.393.184	-	-	-	1.393.184
- Impairment (-)	-	(1.393.184)	-	-	-	(1.393.184)
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
D. Off-balance sheet expected credit losses	-	-	-	-	-	-

(*) Factors that increase credit reliability, such as guarantees and collaterals received, are not taken into consideration while determining the amount.

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NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (continued)

31 December 2023	Trade receivables		Other receivables		Bank deposits	Total
	Related party	Other	Related party	Other	Other	
Maximum exposure to credit risk as of reporting date (A+B+C+D+E) (*)	15.529.633	324.622.844	-	42.965.902	136.649.959	519.768.338
- Maximum risk secured with guarantees and collaterals	-	206.868.259	-	-	-	206.868.259
A. Net book value of neither past due nor impaired financial assets	15.529.633	190.567.145	-	42.965.902	136.649.959	385.712.639
B. Net book value of past due but not impaired financial assets	-	134.055.699	-	-	-	134.055.699
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	1.927.392	-	-	-	1.927.392
- Impairment (-)	-	(1.927.392)	-	-	-	(1.927.392)
- Secured with guarantees and collaterals	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured with guarantees and collaterals	-	-	-	-	-	-
D. Off-balance sheet expected credit losses	-	-	-	-	-	-

(*) Factors that increase credit reliability, such as guarantees and collaterals received, are not taken into consideration while determining the amount.

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**NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(continued)**

As of 31 December 2024, trade receivables amounting to TL 86.339.059 (31 December 2023: TL 134.055.699) are past due but not impaired. The aforementioned trade receivables include independent customers who pay their past debts without delay. In addition, trade receivables amounting to TL 41.121.271 (31 December 2023: TL 67.208.393) are collateralised through obtaining letter of guarantees. The analysis of aging of past due but not impaired trade receivables is as follows:

	31 December 2024	31 December 2023
Past due up to 1 month	78.998.669	132.314.527
Past due 1-3 months	6.742.827	1.298.677
Past due 3-12 months	597.563	442.495
Past due 1-5 years	-	-
Total	86.339.059	134.055.699

c) Liquidity risk

Liquidity risk is the risk that a Group will be unable to meet its funding needs. The Group tries to manage the liquidity risk by maintaining the continuation of sufficient funds and loan reserves by means of matching the financial instruments and terms of liabilities by following the cash flow regularly. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the non-derivative consolidated financial liabilities as of 31 December 2024 and 2023 are as follows:

31 December 2024

Non-derivative financial liabilities

	Carrying value	Total contractual cash outflows (I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Lease liabilities	10.612.288	15.196.905	660.735	1.982.205	10.571.760	1.982.205
Short-term payables due to related parties	200.000.000	151.900.972	12.797.500	139.103.472		
Bank borrowings	240.372.023	240.372.023	240.372.023	-	-	-
Trade payables	512.707.054	516.558.326	516.558.326	-	-	-
Employee benefits	18.098.641	18.098.641	18.098.641	-	-	-
Other payables	61.420.596	61.420.596	61.420.596	-	-	-
Total	1.043.210.602	1.003.547.463	849.907.821	141.085.677	10.571.760	1.982.205

31 December 2023

Non-derivative financial liabilities

	Carrying value	Total cash outflows (I+II+III+IV)	Demand or up to 3 months (I)	3-12 months (II)	1-5 years (III)	5 years and over (IV)
Lease liabilities	11.045.402	16.740.467	620.017	1.860.052	9.920.277	4.340.121
Bank borrowings	-	-	-	-	-	-
Trade payables	663.786.997	668.386.558	668.386.558	-	-	-
Employee benefits	30.695.335	30.695.335	30.695.335	-	-	-
Other payables	42.395.299	42.395.299	42.395.299	-	-	-
Total	747.923.033	758.217.659	742.097.209	1.860.052	9.920.277	4.340.121

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**NOTE 28 -NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(continued)**

28.2 Capital risk management

The Group's main objectives for capital management are to keep the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may decide on the amount of dividends paid to shareholders, issue of new shares or sell assets to decrease net financial debt.

The Group monitors capital on the basis of the net financial debt/invested capital ratio. Net financial debt is calculated as total financial liabilities less cash and cash equivalents (including borrowings and trade payables in the consolidated statement of financial position) and invested capital is calculated as net financial debt plus total equity. Consolidated net financial debt/invested capital ratio as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Total borrowings	1.148.251.797	910.009.683
Less: Cash and cash equivalents (Note 4)	(202.187.567)	(137.324.746)
Net financial debt	946.064.230	772.684.937
Equity	2.776.737.407	3.443.942.125
Invested capital	3.722.801.637	4.216.627.062
Net financial debt/invested capital ratio	25.41%	18.32%

**NOTE 29 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT
AUDITOR/INDEPENDENT AUDIT FIRMS**

As of 31 December 2024, total fees received for the reporting period is amounting to TL 2.594.540 (31 December 2023: TL 2.999.491).

	31.12.2024	31.12.2023
Audit fee for the reporting period	2.503.646	1.600.202
Tax consulting fee	-	910.928
Other service fee apart from audit	90.894	488.361
Total	2.594.540	2.999.491

(*) The fees above have been determined through including the legal audit and other related service fees of all subsidiaries and joint ventures, and the foreign currency fees of foreign subsidiaries and joint ventures have been converted into TL using the annual average rates of the relevant years.

(*) The fees above comprise of VAT excluded amounts.

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NOTE 30 - NET MONETARY POSITION GAINS/(LOSSES)

As of 31 December 2024, the details of the net monetary position gains/(losses) in accordance with TAS 29 are as follows:

Non-monetary items	1 January - 31 December 2024
Statement of financial position	(560.811.066)
Inventories	67.383.219
Prepaid expenses	(444.158)
Other receivables	179.596
Property, plant and equipment	416.944.415
Other intangible assets	7.771.199
Right of use assets	9.352.366
Paid-in share capital	(290.787.440)
Share premium	(3.363.525)
Gains/(losses) on remeasurements of defined benefit plans	20.883.182
Restricted reserves	(250.873.792)
Retained earnings	(537.328.411)
Non-controlling interests	(527.717)
Statement of profit or loss	631.491.275
Revenue	(621.514.822)
Cost of sales (-)	937.503.538
General administrative expenses (-)	19.550.514
Marketing expenses (-)	44.873.917
Other operating income/expenses (+)/(-)	24.061.386
Gains/losses from investment activities (+)/(-)	190.673.014
Financial income/expenses (+)/(-)	36.343.728
Net monetary position gains/(losses)	70.680.209

NOTE 31 - EVENTS AFTER THE REPORTING PERIOD

a) In accordance with the “Material Event Disclosure” on 28 January 2025 and as a result of the ongoing negotiations with the Turkish Cellulose, Paper, Wood and Products Workers’ Union (“Selüloz İş”) regarding the unionised personnel employed by Kartonsan to make a contract for a 2-year period (01.09.2024-31.08.2026), no agreement was reached and determined and resulted in a dispute, the Turkish Cellulose, Paper, Wood and Products Workers’ Union (“Selüloz İş”) announced that a strike decision was taken at the production facility of Kartonsan at Kullar Başiskele/KOCAELİ with the decisions of the General Board of Directors of the Union on 28 January 2025 and numbered 8 and 9 of the General Executive Board of the Union, a strike decision has been taken at the production facility of our company located at Kullar Başiskele/KOCAELİ, the strike decision will be effective on 26 February 2025 at 08:00, and the relevant decision has been notified to the Group, as indicated in the Material Event Disclosure on 25 February 2025 regarding the same matter and it has been announced to the public that the collective bargaining agreement negotiations have been concluded with an agreement for the period 01.09.2024-31.08.2026 and the previously announced strike decision has been removed from the implementation.

KARTONSAN KARTON SANAYİ VE TİCARET ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER
2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of purchasing power of the TL on 31 December 2024 unless otherwise indicated.)

NOTE 31 - EVENTS AFTER THE REPORTING PERIOD (continued)

b) In accordance with the “Material Event Disclosures” on 24 December 2024 and 28 February 2025 and within the framework of Article 10 of the Group’s articles of association, pursuant to the authorisation granted to the Board of Directors, the application to the Capital Markets Board (the “CMB”) on 24 December 2024 for permission to issue a debt instrument in Turkish Lira (“TL”) with a maximum nominal value amounting to TL 1.000.000.000 (one billion Turkish Lira), to be sold in one or more installments within in the country, on a private placement basis without public offering, was rejected ex officio by the Capital Markets Board due to lack of documents without any official notification and without any deadline. The rejection process has been determined with the automatic e-mail notification sent to our e-mail address. Kartonsan will assess the relevant development and whether or not to reapply regarding debt instrument.

**NOTE 32 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE
CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN
TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR,
INTERPRETABLE AND UNDERSTANDABLE**

In accordance with the provisions of Article 155, paragraph 1, subparagraph a and Article 156 of the Turkish Commercial Code numbered 6102, Articles 19 and 20 of the Corporate Tax Law No. 5520, Corporate Tax General Communiqué Serial No. 1, Trade Registry Regulation and other legislative provisions and Article 13 of the Capital Markets Board's Communiqué on Merger and Demerger No. II-23.2. Pursuant to the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board and the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board, Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, which is a subsidiary with 100% effective ownership interest pursuant to the provisions of Article 13 of the Merger and Demerger Communiqué numbered II-23.2 of the Capital Markets Board, registered under the registration numbered 978882-0 of the Istanbul Trade Registry Directorate, with the Mersis numbered 0311036837000013, will be acquired by Kartonsan. The merger transaction was registered on 25 December 2024 and announced in the Official Gazette on 26 December 2024 acquired by Kartonsan with the “Merger in Simplified Procedure”. As a result of the “Simplified Merger”, Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, a subsidiary, was dissolved without liquidation.

As a result of the merger of “Dönkasan Dönüştürülen Atık Kağıt Sanayi ve Ticaret Anonim Şirketi, which is a subsidiary with 100% effective ownership interest, accounted for on a line-by-line basis in the consolidated financial statements, and no has not been recognised in the accompanying consolidated financial statements and there has been no material influence on the results for the period.