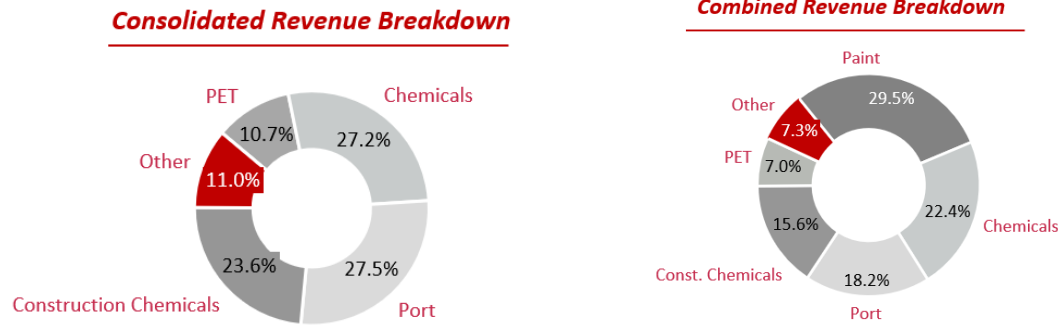


POLISAN HOLDING A.Ş.**EARNINGS RELEASE FOR FY2024 FINANCIAL RESULTS****March 8, 2025****CANTEKİN DİNÇERLER, CEO, Commented on Financial Results:**

"We left 2024 behind amid increasing challenges and uncertainties in both global and local markets. The weak trend in export markets, the contraction in domestic demand, and the widening inflation-exchange rate gap in the second half of the year had a significant impact on our operating profitability. However, by increasing the share of value-added products and services in our portfolio and maintaining strict control over working capital and financing costs, we mitigated these adverse effects. In 2024, we successfully completed Polisan Yapıkim's 30,000-metric-ton polymer investment and Poliport's 5,850 m³ capacity 8th tank farm investment. As a result, Polisan Holding closed the year with a gross profit of 1.45 billion TL and an EBITDA of 1 billion TL. Looking ahead to 2025, we remain committed to our strategic goals. We will continue to take both strategic and tactical steps in line with our objectives, closely monitoring market conditions to navigate challenges and seize opportunities."

FY2024 FINANCIAL RESULTS

The Company's summary consolidated financial information for FY2024, prepared in accordance with inflation accounting (IAS 29 "Financial Reporting in Hyperinflationary Economies")¹, is provided below:



¹ Unless otherwise stated, amounts in the tables and explanations are expressed in millions of Turkish Lira ("TL") in terms of the purchasing power of the Turkish Lira as of December 31, 2024.

CONSOLIDATED INCOME STATEMENT SUMMARY

TL million	FY2024	FY2023	Change YoY
Sales	6,193	8,090	-23%
Gross Profit	1,446	1,733	-17%
Operating Expenses	892	854	4%
EBITDA	1,030	1,439	-28%
Other operating income/expense, net	-58	-230	-75%
Loss from investments acc. using the equity method	-521	102	-
Operating Profit	-25	751	-
Income/Expense from investment activities, net	87	779	-89%
Financial income/Expense, net	-222	-161	38%
Monetary Loss	-149	-10	-
Profit/Loss Before Tax	-309	1,359	-
Tax Expense/Income	-325	-280	16%
Profit for the Period	-633	1,080	-
Gross Margin	23.3%	21.4%	1.9 p.p.
EBITDA Margin	16.6%	17.8%	-1.2 p.p.
Net Profit Margin	-10.2%	13.3%	-

Consolidated Income Statement:

- **Consolidated Revenues:** In 2023, consolidated revenues were recorded at 8.1 billion TL after the effect of indexation (2023 reported: 5.6 billion TL), while consolidated revenues for 2024 amounted to 6.19 billion TL. In 2024, due to the flood disaster affecting Polisan Hellas and the fact that the Group's companies primarily generate revenue in foreign currency, consolidated revenues remained below the indexed level of 2023.
 - **Polisan Hellas Flood Disaster:** Polisan Hellas halted its operations on September 6, 2023, due to a flood disaster and resumed production on April 19, 2024. During this period, the company faced a four-month operational loss and focused solely on profitable sales to minimize operational losses, resulting in approximately 1.4 billion TL lower revenues.
 - **Foreign Currency-Based Revenues:** The Group companies primarily generate revenue in foreign currency or are indexed to foreign currency. In the second half of the year, the widening gap between inflation and exchange rates negatively impacted the Group's domestic chemical revenues. However, the port operations maintained their revenue levels due to strategic actions taken.
 - **Weak Demand in Domestic and European Markets:** Since Q3 2023, demand for chemical sector products has declined due to the energy crisis and economic slowdowns in domestic and European markets. Weak demand and low order volumes led to depressed USD-denominated prices, negatively affecting Turkey's chemical sector in terms of production and exports, ultimately limiting revenue growth in the Company's chemical operations.

- **Gross Profit:** In line with the decrease in consolidated revenues, Gross Profit amounted to 1,446 million TL. However, the Gross Profit margin improved by 1.9 percentage points to 23.3%, supported by cost improvements.

In addition to revenue losses, factors such as low demand and price competition in the European PET sector, and increased freight and raw material costs due to geopolitical tensions in the Red Sea in the first half of the year, contributed to the decline in Gross Profit. However, despite shrinking demand, the port operations increased the share of value-added products in their portfolio, leading to Gross Profit growth.

- **EBITDA** In addition to the drop in Gross Profit, a 21 million TL increase in operating expenses (excluding depreciation) in 2024 led to a decrease in Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) from 1,439 million TL to 1,030 million TL. The Holding's consolidated EBITDA margin was 16.6% in 2024, down from 17.8% in 2023.
- **Other Operating Income/Expenses:** Net Other Operating Expenses improved by 172 million TL, reaching 58 million TL this year, mainly due to lower foreign exchange losses and a decline in inventory impairment provisions.
- **Profit/Loss from Investments Accounted for Using the Equity Method:** While a 102 million TL profit was recorded in 2023, a 521 million TL loss was reported in 2024 from investments accounted for using the equity method. Despite a contraction in domestic demand and inflationary pressures on operating expenses, the paint segment maintained its Gross Profitability, achieving an EBITDA similar to the previous year. However, persistently high financing costs were the main driver of losses in 2024.
- **Income/(Expense) from Investing Activities:** Due to a lower increase in the valuation of the Group's investment properties, particularly the Pendik land, Net Income from Investing Activities decreased by 692 million TL, reaching 87 million TL in 2024.
- **Finance Income/(Expense):** Despite high market interest rates, financial costs were kept under control, and Net Financial Expenses increased by only 62 million TL, reaching 222 million TL.
- **Net Profit/Loss:** Although the Group generated 1.030 billion TL in EBITDA in 2024, it reported a net loss of 633 million TL due to a 521 million TL loss from investments accounted for under the equity method, 222 million TL in net financial expenses, 149 million TL impact of indexation on non-monetary assets and liabilities, and 325 million TL in tax expenses.

A comparison of 2023 and 2024 highlights two main factors contributing to the losses: a 518 million TL loss from paint operations (2023: 115 million TL profit) and a 952 million TL valuation change in investment properties, primarily related to the Pendik land.

CONSOLIDATED CASH FLOW SUMMARY			
TL million	FY2024	FY2023	Change YoY
Cash flows from operating activities	744	1,344	-42%
Cash flows from investing activities	-632	-310	139%
Cash flows from financing activities	-24	-969	-
Net increase/decrease in cash and cash equivalents	89	65	37%
Cash and cash equivalents at the beginning of period	607	1,130	-46%
Cash and cash equivalents at the end of period	509	607	-16%

Consolidated Cash Flow Statement

- Cash flows from operating activities declined to 744 million TL due to decreased operational profitability and an increase in working capital. A 139 million TL decrease in Trade Receivables and a 380 million TL decrease in Trade Payables contributed to an increase in net working capital, which rose to 693 million TL (December 31, 2023: 398 million TL). The primary driver of this increase was a 492 million TL rise in working capital at Polisan Hellas, while working capital in other companies decreased by approximately 200 million TL.
- Due to the slowdown in the real estate sector, cash inflows from the Z Office Project amounted to 19 million TL (2023: 26 million TL). In 2024, a total of four properties were sold under this project, including one office unit and three retail units.
- Investment expenditures amounted to 698 million TL in 2024, compared to 499 million TL in the same period of the previous year. Due to the increase in investment expenditures, cash outflows from investing activities reached 741 million TL (2023: 310 million TL).
- In 2024, a net 392 million TL loan was utilized, while 170 million TL was paid in interest and 140 million TL in lease payments. Additionally, a 107 million TL dividend payment was made in the second quarter, resulting in a net cash outflow of 24 million TL from financing activities (2023: 969 million TL net cash outflow).
- Polisan Hellas secured a net 419 million TL loan for financing raw material purchases, while the Group's other companies made total net loan repayments of 57 million TL.

CONSOLIDATED BALANCE SHEET SUMMARY		
TL Million	31.12.2024	31.12.2023
Current Assets	2,640	3,008
Fixed Assets	16,815	17,115
Total Assets	19,455	20,123
Short Term Liabilities	2,854	2,711
Long Term Liabilities	1,167	1,154
Shareholders' Equity	15,434	16,258
Total Liabilities & Equity	19,455	20,123
Net Financial Debt	1,191	829
Short Term Financial Debt	1,586	1,029
Long Term Financial Debt	114	407
Cash and cash equivalents (-)	509	607
Ratios		
Current Ratio	0.9	1.1
Acid-Test Ratio	0.8	1.0
Cash Ratio	0.2	0.2
Return on Equity	-4.1%	6.6%
Return on Assets	-3.3%	5.4%
Net Financial Debt/EBITDA	1.16	0.58
Total Debt/Total Assets	21%	19%
Debt/Equity	26%	24%

Consolidated Balance Sheet

- **Current Assets:** The Group's payments for trade payables, loans, and dividends in 2024 resulted in a 98 million TL decrease in Cash and Cash Equivalents. Due to declining sales and improved working capital in the fourth quarter, Trade Receivables decreased by 139 million TL. The collection of Polisan Hellas's accrued insurance compensation from 2023 led to a 115 million TL decrease in Other Current Assets. After resuming production in April, Polisan Hellas focused on profitable sales, which caused an increase in finished goods inventory, leading to a 53 million TL rise in consolidated inventory. The Aydın-Karacasu land was reclassified from Property, Plant, and Equipment (PPE) to Assets Held for Sale under Current Assets, as it was put up for sale.
- **Non-Current Assets:** The 521 million TL loss from investments accounted for using the equity method, 796 million TL in property, plant, and equipment purchases, and the reclassification of the Aydın-Karacasu land under Current Assets were the main reasons for the 300 million TL decrease in Non-Current Assets.
- **Short and Long-Term Liabilities:** The 380 million TL decrease in consolidated Trade Payables was primarily driven by a reduction in Polisan Hellas's Trade Payables, which declined by 361 million TL after the company resumed operations and completed its raw material payments. Short-term Borrowings increased by 558 million TL, while

Long-term Financial Borrowings decreased by 294 million TL, as maturities were shortened to optimize financing costs.

- **Equity:** Due to the net loss for the period and the dividend payout in April, Total Equity decreased by 824 million TL, reaching 15,4 billion TL.
- **Net Financial Debt:** Polisan Hellas had a net financial debt of 1,2 billion TL, while the Group's other companies held a total net cash balance of 15 million TL. Compared to 2023, there was no significant change in the Group's net financial debt, excluding Hellas. However, as Hellas resumed operations, it utilized loans for raw material purchases, but due to slow inventory turnover and deferred trade receivable collections into Q1 2025, its cash position did not increase.

Polisan Holding's consolidated Net Financial Debt was recorded at 1,191 million TL. On a standalone basis, Polisan Holding had no loan debt. However, considering the 18 million TL lease liability under IFRS 16 and 47 million TL in cash, its solo net cash position stood at 29 million TL.

- **Net Working Capital:** Despite a decrease of 139 million TL in trade receivables, the effect of a 380 million TL decrease in trade payables resulted in net working capital increasing by 295 million TL from the previous year, reaching 693 million TL. The majority of this increase came from Polisan Hellas, where net working capital grew by 492 million TL, while other companies saw a decrease of approximately 200 million TL.
- **Foreign Currency Exposure:** The Group had a net foreign currency asset position of 3,2 million USD and a net foreign currency liability of 7,6 million EUR, including hedged total liabilities.

POLIPORT

TL million	FY2024	FY2023	Change YoY
Revenues	1,997	1,955	2%
EBITDA	990	1,015	-2%
EBITDA Margin	49,6%	51,9%	-2,3 p.p,
Net Profit/Loss	593	746	-20%

- Despite the widening gap between inflation and exchange rates in the second half of the year. Poliport's revenues increased by 2% in 2024, reaching 1,997 million TL. This growth was driven by higher handled cargo volumes, increased sales quantities, and changes in the product portfolio, as Poliport primarily generates revenue in foreign currency.
 - In the dry bulk terminal, the tonnage of handled products increased by 2% year-over-year, reaching 1,467 thousand tons in 2024. The expansion of product variety and the increased share of high-value-added products also had a positive impact on revenues.
 - With the commissioning of two new tank farms—a 19,600 m³ capacity facility completed in May 2023 and an 8th tank farm with a 5,850 m³ capacity completed in November 2024—Poliport's available tank capacity increased in 2024. Additionally, high utilization rates contributed to a 5% increase in sales volume.
 - On the warehouse side, the revival of Chinese shipments and the increased activity in dry bulk operations positively impacted revenues from temporary

storage and bonded warehouse areas. In 2024, 321 thousand tons of cargo were handled, marking a 12% increase compared to the previous year.

- Beyond volume growth, higher sales prices and portfolio adjustments helped offset the negative impact of the inflation-exchange rate gap. As a result, Poliport's EBITDA remained at the same level as the previous year, at 990 million TL, with an EBITDA margin of 50% in 2024.
- Net Income from Investment Activities amounted to 72 million TL in 2024, representing a 762 million TL decline compared to the previous year. The value appreciation of Investment Properties in Poliport's assets was 1,1 billion TL in 2023, while in 2024, this figure dropped to 74 million TL, primarily due to valuation changes in the Pendik land. However, with an improvement of 262 million TL in Net Financial Income and a 386 million TL reduction in Deferred Tax Expenses, Poliport's Net Profit reached 593 million TL.

POLISAN KİMYA

TL million	FY2024	FY2023	Change YoY
Revenues	1,971	2,431	-19%
EBITDA	104	150	-31%
EBITDA Margin	5,3%	6,2%	-0,9 p,p,
Net Profit/Loss	-267	433	-

- High inflation, rising interest rates, and increasing energy costs in 2023 led to a decline in demand both in the domestic market and in the European Union, the company's primary export market. In 2024, while the weak trend in export markets persisted, the contraction in domestic demand intensified.
- Due to the decline in demand, Polisan Kimya's sales volume decreased by 4%, to 90,613 tons. In addition to the drop in sales volume, the widening exchange rate-inflation gap also had an impact, causing sales revenue to decline by 19%, totaling 1,971 million TL.
- Despite the inflationary environment, operating expenses remained in line with the previous year, maintaining financial discipline. However, due to the decline in sales volume and lower USD-denominated sales prices, EBITDA fell to 104 million TL in 2024, with an EBITDA margin of 5,3% (2023: 6,2%).
- Net financial expenses amounted to 120 million TL, and with the impact of a 129 million TL deferred tax expense (compared to 417 million TL deferred tax income in 2023), the company reported a net loss of 267 million TL. The deferred tax expense was primarily driven by the increased base effect from the revaluation of Polisan Kimya's land at the end of 2023 and the widening gap between CPI and PPI.

POLISAN YAPIKİM

TL million	FY2024	FY2023	Change YoY
Revenues	1,711	1,791	-4%
EBITDA	158	307	-48%
EBITDA Margin	9,2%	17,1%	-7,9 p,p,
Net Profit/Loss	-82	22	-

- Polisan Yapikim's sales volume increased by 11,6% in 2024, driven by organic growth and the addition of new customers to the portfolio. Concrete additives played a particularly significant role in this expansion. Despite pressure on sales prices due to low exchange rates and weakening demand, the higher sales volume largely offset these effects, bringing total revenue to 1,711 million TL.
- In 2024, geopolitical tensions in the Red Sea led to rising freight costs, which in turn increased Yapikim's raw material costs. As a result, EBITDA stood at 158 million TL, falling below the previous year's level.
- Although the company generated profits from operations, it recorded a net loss of 82 million TL in 2024 due to increased financial expenses and a 117 million TL monetary loss due to the revaluation of equity items under inflation accounting.

POLISAN HELLAS

TL million	FY2024	FY2023	Change YoY
Revenues	773	2,151	-64%
EBITDA	-174	-49	251%
EBITDA Margin	-22,5%	-2,3%	-20,2 p,p,
Net Profit/Loss	-311	-159	95%

- The decline in demand for PET products, which began with recession risks in Europe in the fourth quarter of 2022, continued to negatively impact sales in 2024. Additionally, anti-dumping measures implemented by the European Union failed to produce the expected results, while strong competition from PET products of Far Eastern origin kept sales prices under pressure.
- Due to the flood disaster, Polisan Hellas had to suspend production on September 6, 2023, resuming operations on April 19, 2024. The four-month operational loss caused by the flood led the company to focus solely on profitable sales to mitigate operating losses. This strategy resulted in lower sales volumes and increased inventory levels during the period. Total revenue for 2024 amounted to 773 million TL, reflecting a 1,379 million TL decrease compared to the previous year.
- While the company managed to reduce its operational losses in 2024, the impact of fixed costs persisted, leading to negative EBITDA of -174 million TL and a net loss of 311 million TL.

About Polisan Holding

Polisan Holding A.Ş., a long-established Turkish conglomerate, traces its roots back to 1956, Starting in textiles, the Bitlis Family's ventures have branched out over time, encompassing chemicals, port management, paint, and real estate. In 2000, the family's investments consolidated under Polisan Holding A.Ş., streamlining operations and fostering cross-company collaboration.

Today, Polisan Holding employs around 1,100 across its paint, port, and chemical businesses, boasts global partnerships with giants like Dow Chemical and Kansai Paint, international investment in Greece, and a strategic real estate portfolio, For more information about Polisan Holding, a publicly traded company on Borsa Istanbul, visit www.polisanholding.com

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