

SUWEN

01.01.2024 – 30.06.2024

Interim Report





SUWEN

01.01.2024 - 30.06.2024
INTERIM REPORT

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**CORPORATE
INFORMATION**

COMPANY PROFILE

Reporting Period	: 01.01.2024 - 30.06.2024
Trade name	: Suwen Tekstil Sanayi Pazarlama Anonim Şirketi
Trade registry number	: 502674
Tax No.	: 330 049 9555
Registered Capital Ceiling	: TRY 300.000.000
Issued Capital	: TRY 224.000.000
Head Office Address	: Tatlısu Mahallesi Göksu Cad. No: 41/1 Ümraniye/İstanbul
Email	: yatirimci@suwencompany.com
Website Address	: www.suwencompany.com



ABOUT SUWEN

Suwen was founded in Istanbul in 2003 by a team manufacturing for the world's leading underwear brands. In 2005, it started its first sales in multi-department stores, and after opening its first store with its own brand in 2007, it entered a rapid growth process. In addition to the founding partners, in 2017 Suwen partnered with Taxim Capital ("Intilux S.àr.l."), a private equity investment fund that aims to become a partner by providing growth capital to Turkey's mid-sized companies with potential, and took important steps towards institutionalization. Suwen went public in April 2022 and is currently traded on Borsa Istanbul.

Operating in the Turkish women's underwear, homewear and beachwear sector, Suwen has been developing underwear products since its establishment, casual wear products since 2012, beachwear products since 2014 and socks and accessories since 2016 with its own designers. As of 2023, Suwen has added cosmetics and perfumery products to its portfolio. Suwen sells in Turkey and in an increasing number of export markets with its strong store network and e-commerce channel, mainly through cooperation with domestic manufacturers.

Suwen products are offered for sale through retail, e-commerce and wholesale channels. The second major sales channel of Suwen, whose main sales channel currently consists of retail stores, and which is expected to play an important role in its future growth, is its own e-commerce platform at www.suwen.com.tr, which was established in 2019, and third-party e-commerce sales platforms.

According to the 2021 Sector Report of the independent consultancy company Deloitte, Suwen, which is the fastest growing Women's Underwear retail brand in Turkey according to the increase in the number of stores among the top 5 brands among underwear store chains, has become an increasingly accessible brand with 175 stores in 49 cities of Turkey as of June 30, 2024. In 2022, Suwen hit the ground running in the overseas market, opened 2 stores in Cyprus and 7 stores in Romania with its 9 retailers abroad and reached a total number of 193 stores.

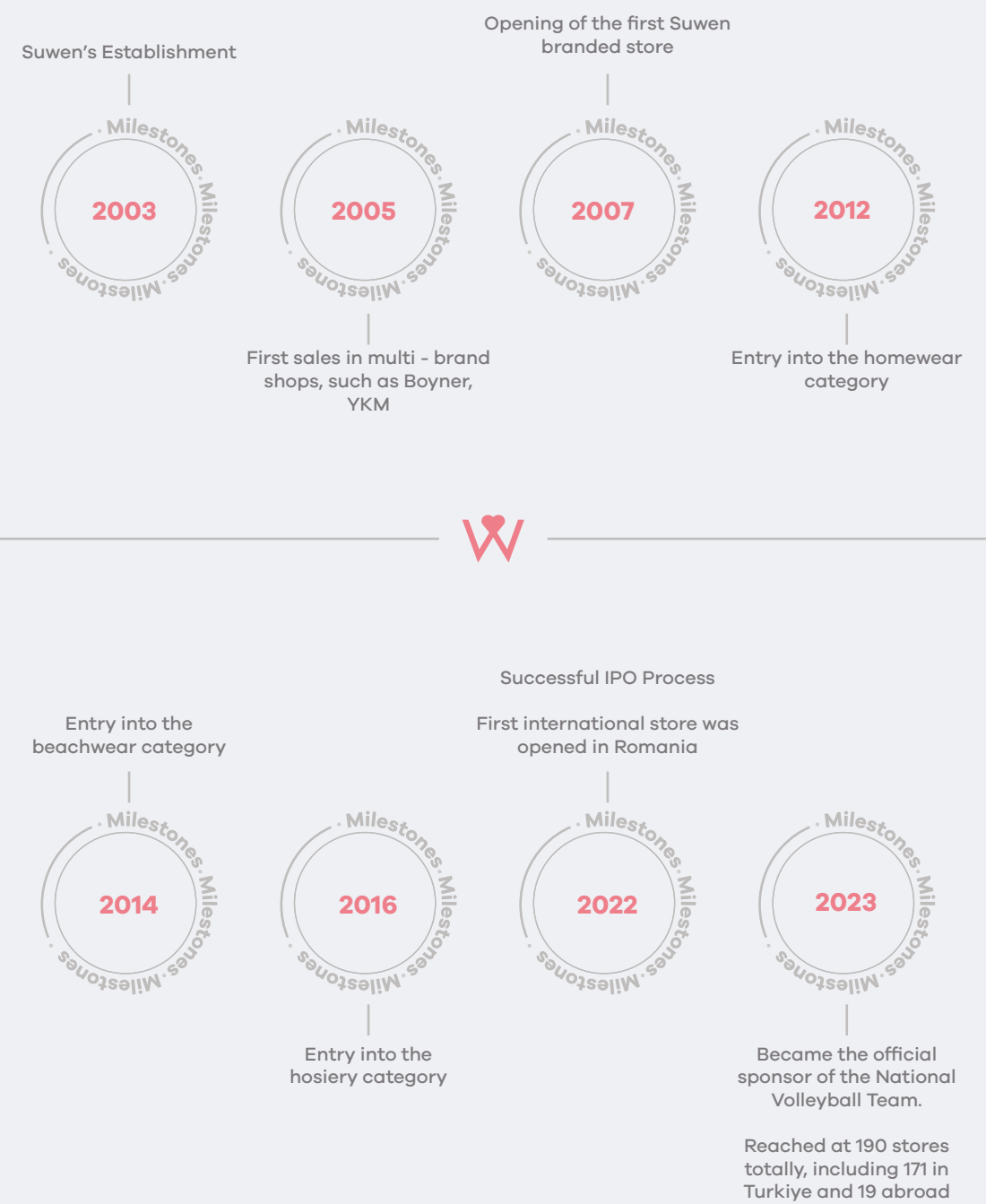
This Interim Report has been prepared in accordance with the CMB Communiqué No. II-14.1 and is the Interim Report of the Board of Directors for the accounting period January 1, 2024 - June 30, 2024. Suwen Tekstil Sanayi Pazarlama A.Ş. and its subsidiary Suwen Lingerie S.R.L. will be collectively referred to as "Group", "Company" or "Suwen" in this report.

As of June 30, 2024, Suwen's total number of personnel is 1.101 (it was 1.005 as of December 31, 2023).





MILESTONES





VISION

To continue offering women comfortable and high-quality products that they can use in every phase of their lives. To strengthen our position as a company that makes a difference by providing our customers with high-quality, feel-good products that offer alternatives suitable for their lifestyles. In line with this understanding, to make Suwen a global brand as Turkey's fastest-growing women's underwear, lingerie, and homewear brand, with our expanding international operations. To become a globally recognized brand in the industry that represents confident Turkish women.

MISSION

To respond to our customers' needs and demands with honesty, transparency, and without compromising on quality; to meet their expectations and always focus on creating value in our relationships with all our stakeholders. With the awareness of being a publicly traded company, transforming our business processes with a focus on sustainability; and transparently sharing our areas for improvement in this regard with all our investors are among our primary goals.



CAPITAL AND SHAREHOLDING STRUCTURE

The Company’s paid-in capital as of 30.06.2024 is TRY 224.000.000 and the shareholding structure is presented in the table below.

Full Name/Title of Partner	(TRY) Share in Capital	Share in Capital (%)
Birol Sümer	23.409.164	10,45%
Intilux Sarl	31.675.000	14,14%
Ali Bolluk	23.241.664	10,38%
Özcan Sümer	23.564.786	10,52%
Çiğdem Ferda Sümer	8.113.048	3,62%
Ziraat Portföy Üçüncü Serbest Fon	20.080.556	8,96%
Other	93.915.782	41,93%
TOTAL	224.000.000	100,00%

PRIVILEGED SHARES

The Company’s shares are divided into two groups: Group (A) and Group (B). In accordance with the Company’s Articles of Association, Group (A) shares, which constitute 9% of the total capital, have certain privileges.

30.06.2024	Share Group	Number of Shares	Share Amount	Share Percentage
Intilux S.à. r.l.	B	31.675.000	31.675.000	14,14%
Ziraat Portföy (Ü.S.F)	B	19.689.027	19.689.027	8,79%
Birol Sümer	A	6.000.000	6.000.000	2,68%
Birol Sümer	B	17.409.164	17.409.164	7,77%
Ali Bolluk	A	6.000.000	6.000.000	2,68%
Ali Bolluk	B	17.241.664	17.241.664	7,70%
Özcan Sürmer	A	6.000.000	6.000.000	2,68%
Özcan Sürmer	B	17.564.786	17.564.786	7,84%
Çiğdem Ferda Sümer	A	2.000.000	2.000.000	0,89%
Çiğdem Ferda Sümer	B	6.113.048	6.113.048	2,73%
Other	B	94.307.311	94.307.311	42,10%
TOTAL		224.000.000	224.000.000	100%

- Pursuant to Article 6 of the Company’s Articles of Association, Group A shares have the privilege to nominate candidates for the board of directors and the privilege to vote in the general assembly.
- Pursuant to Article 7 of the Company’s Articles of Association, three members of the Board of Directors are elected by the General Assembly from among the candidates proposed by Group A shareholders.
- Pursuant to Article 9 of the Company’s Articles of Association, Class A shares have voting privileges, and each Class A share with a value of TRY 1 each entitles its owner to 5 votes in general assembly meetings.
- Again, within the framework of Article 9 of the Company’s Articles of Association, provided that the quorums stipulated in the Capital Markets Law and the Turkish Commercial Code are maintained, in order for the Company’s general assembly to take decisions on the following matters and amendments to the articles of association falling within the scope of these matters (“Matters Requiring Specific Aggravated General Assembly Decision Quorum”), the affirmative vote of Group A shareholders holding at least 75% (seventy-five) majority of the capital represented by Group A shares is also required:
 - Amendment of the articles of association, except for capital increases to be made according to the registered capital system
 - Changing the Company’s field of activity, entering into new lines of business or abandoning existing lines of business
 - Capital increase, liquidation, dissolution, termination, capital decrease, change of type of the Company, except for capital increases to be made according to the registered capital system
 - Bankruptcy, arrangement of bankruptcy, application for financial restructuring within the scope of Article 309/m. of the Enforcement and Bankruptcy Law No. 2004
 - Transfer of all or part of the company’s commercial enterprise
 - Changing the privilege of Group A shareholders to appoint board members, voting rights privilege or the structure of the Company’s board of directors.

SUBSIDIARIES

The Company has established a company with the name Suwen Lingerie S.R.L. (“Subsidiary”), registered on June 3, 2019, with the address Voluntari City, 1/VI Pipera Blvd. Hyperion Towers building, Tower 2, Ilfov county, Romania, in order to start an operation in Romania, which it will manage in-house with store openings and e-commerce sales. The paid-in capital of the said company is RON 2.530.000 and 100% of the shares belong to the Company.

The Company has 7 stores in Romania through its Subsidiary.



BOARD OF DIRECTORS

The Board of Directors consists of 6 members.

Full Name	Position
Birol Sümer	Chairman of the Board of Directors
Ali Bolluk	Vice Chairman of the Board of Directors - General Manager
Selahattin Zoralioğlu	Board Member
Çiğdem Ferda Arslan	Board Member – DGM Responsible for R&D and Production
Mehmet Tarkan Ander	Independent Board Member
Müge Tuna	Independent Board Member

BOARD COMMITTEES

Pursuant to Article 4.5 of the Corporate Governance Principles annexed to the Capital Markets Board’s (CMB) Corporate Governance Communiqué No. II-17/1, an Audit Committee, Early Detection of Risk Committee and Corporate Governance Committee were established to ensure that the Board of Directors fulfills its duties and responsibilities in a healthy manner.

Audit Committee

The Audit Committee carries out its activities in compliance with the Capital Markets legislation and as stipulated in the CMB Corporate Governance Principles. The Audit Committee acts within the framework of its authority and responsibility and makes recommendations to the Board of Directors. However, the final decision is taken by the Board of Directors.

The Committee convened 3 times during the reporting period and submitted its reports to the Board of Directors to make recommendations.

Audit Committee	Position
Mehmet Tarkan Ander	Chairman-Independent Board Member
Müge Tuna	Member-Independent Board Member

Early Detection of Risk Committee

The purpose of the Committee is to identify, define, prioritize, monitor and review strategic, financial, operational and other risks and opportunities that may affect the Company’s activities; to make suggestions and recommendations to the Board of Directors on managing, reporting and taking into account these risks and opportunities in decision-making mechanisms in line with the Company’s risk profile.

The Committee convened 3 times during the reporting period and submitted its reports to the Board of Directors to make recommendations.

Early Detection of Risk Committee	Position
Mehmet Tarkan Ander	Chairman-Independent Board Member
Müge Tuna	Member-Independent Board Member

Corporate Governance Committee

The Corporate Governance Committee determines whether the corporate governance principles are implemented in the Company, if not, the reasons thereof and the conflicts of interest arising from the failure to fully comply with these principles, and makes recommendations to the board of directors to improve corporate governance practices and oversees the activities of the investor relations department. The Committee also undertakes the duties of the Nomination Committee and the Remuneration Committee as stipulated in the Capital Markets Board regulations. The Committee convenes once a year as a principle and without waiting for this period when deemed necessary. The decisions taken at the meetings are documented in writing, signed by the Committee members and archived.

Corporate Governance Committee	Position
Mehmet Tarkan Ander	Chairman-Independent Board Member
Müge Tuna	Member-Independent Board Member
Merve Temel	Member

SENIOR EXECUTIVES

The Company’s senior executives are presented in the table below.

Full Name	Position
Ali Bolluk	General Manager
Çiğdem Ferda Arslan	DGM Responsible for Product Development and Production
Fatih Koç	DGM Responsible for Financial Affairs

Total key management compensation incurred by Suwen for the interim period 1 January – 30 June 2024 amounted to TRY 14.319.514 (30 June 2023: TRY 11.323.045)

INVESTOR RELATIONS DEPARTMENT

Information on the Investor Relations Department responsible for relations with shareholders is given below.

Merve Temel

Licenses Owned;	
SP Activities Level 3 License	: 213974
Derivative Instruments License	: 309794
Corporate Governance Rating License	: 909243
Credit Rating License	: 912075
Investor Relations Department Contact Information	: yatirimci@suwencompany.com

The Investor Relations Department carries out activities related to the exercise of shareholders’ shareholding rights, public disclosure of material events, answering shareholders’ questions regarding the exercise of corporate and shareholding rights, General Assembly (EGKS), capital increase, dividend distribution, amendments to the Articles of Association, operation of the Public Disclosure Platform and Central Registry System application carried out by the CMB and BIST, and efforts on Corporate Governance Principles. Within the framework of these activities, numerous internal administrative regulations and practices have been implemented to ensure compliance with the principles. All shareholders are provided with timely, complete and accurate information.

GENERAL ASSEMBLY MEETINGS

2023 Ordinary General Assembly Meeting was held on May 17, 2024. Meeting Minutes are available at <https://www.kap.org.tr/tr/Bildirim/1287838> and <https://suwencompany.com/17mayis2024/>.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The articles of association have not been amended during the reporting period and the current articles of association can be accessed via the link <https://www.kap.org.tr/tr/Bildirim/1175688>.





OPERATIONAL HIGHLIGHTS

INFORMATION ON INVESTMENTS

The Company invests in the domestic market in order to grow and expand its trade volume. The primary item of capital expenditures is the expansion of retail operations through the opening of new stores.

The breakdown of the Company’s total capital expenditures for the period is shown in the table below:

(TRY) Currency	30.06.2024
Plant, Machinery and Equipment	218.029
Vehicles	24.027.531
Furniture and fixtures	4.496.365
Special Costs	63.196.091
Tangible Fixed Assets Total	91.938.016
Rights	4.480.509
Intangible Fixed Assets Total	4.480.509

INFORMATION ON THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

Our Company’s internal control system is in operation within the scope of procedures and is reviewed every year.

LAWSUITS FILED AGAINST THE COMPANY

There are no significant lawsuits filed against the Company that may affect the financial position and operations of the Company. As of 30.06.2024, the provision amount is TRY 1.057.014.

EXPLANATIONS ON PRIVATE AUDITS AND PUBLIC AUDITS

The Company is covered under full certification and independent audits. During the period 01.01.2024 - 30.06.2024, there has not been any private audit and public audit related to the Company’s activities.

ADMINISTRATIVE FINES AND JUDICIAL SANCTIONS

No administrative or judicial sanctions were imposed on the Company during the reporting period.

ACHIEVEMENT OF TARGETS AND IMPLEMENTATION OF GENERAL ASSEMBLY DECISIONS

The comparison of the Company’s budgeted financial performance for Q2 2024 and the actual financial performance will be included in our investor presentations.

DONATIONS AND AIDS

The total amount of the relevant detailed accounts of the income statement within the Interim Report period TRY 440.657.

RELATED PARTY TRANSACTIONS

The Company’s payables and receivables balances with related parties are presented in the tables below.

Trade receivables from related parties (short term)	30.06.2024	31.12.2023
Eko Tekstil San. ve Tic A.Ş.	3.250.672	6.121.577
Moni Tekstil Sanayi Ticaret A.Ş.	2.757.541	-
TOTAL	6.008.213	6.121.577

Trade payables to related parties (short term)	30.06.2024	31.12.2023
Latte Tekstil Sanayi ve Ticaret A.Ş.	-	29.966.892
Livadi Tekstil İth. İhr. Tic. A.Ş.	-	1.427.991
Eko Tekstil San. ve Tic. A.Ş.	80.673.942	10.100.217
Elmas Çamaşır İth. İhr. Tic. A.Ş.	19.155.290	31.902.831
Moni Tekstil Sanayi Ticaret A.Ş.	17.241.844	11.212.360
Aseyya Tekstil	10.855.435	7.409.667
Netcad Yazılım A.Ş.	32.628	20.838
TOTAL	127.959.139	92.040.796

The Company’s purchases from and sales to related parties as of June 30, 2024 and June 30, 2023 are presented in the tables below.

Purchases	01.01 - 30.06.2024				
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Purchases from related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	559.301.026	1.467.835	8.841	-	560.777.702
Elmas Çamaşır İth. İhr. Tic. A.Ş.	134.883.240	-	-	-	134.883.240
Latte Tekstil Sanayi ve Ticaret A.Ş.	1.656.075	-	-	-	1.656.075
Moni Tekstil Sanayi Ticaret A.Ş.	93.820.859	-	-	-	93.820.859
Aseyya Tekstil	40.801.848	-	-	-	40.801.848
Livadi Tekstil İth. İhr. Tic. A.Ş.	52.204.178	-	-	-	52.204.178
Netcad Yazılım A.Ş.	-	-	-	221.195	221.195
TOTAL	882.667.227	1.467.835	8.841	221.195	884.365.098

01.01 - 30.06.2023					
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Purchases from related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	151.650.841	10.030.405	-	87.889	161.769.135
Elmas Çamaşır İth. İhr. Tic. A.Ş.	76.166.650	-	-	10.900	76.177.550
Latte Tekstil Sanayi ve Ticaret A.Ş.	66.271.314	-	-	1.753	66.273.067
Moni Tekstil Sanayi Ticaret A.Ş.	44.080.376	-	-	-	44.080.376
Aseyya Tekstil	20.397.011	-	-	820	20.397.831
Livadi Tekstil İth. İhr. Tic. A.Ş.	14.761.592	1.300.559	-	-	16.062.149
Netcad Yazılım A.Ş.	-	-	-	103.412	103.412
TOTAL	373.327.784	11.330.964	-	204.774	384.863.522

Sales 01.01 - 30.06.2024					
Sales to related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	-	-	166.183	-	166.183
Elmas Çamaşır İth. İhr. Tic. A.Ş.	-	-	949.801	-	949.801
TOTAL	-	-	1.115.984	-	1.115.984

Sales 01.01 - 30.06.2023					
Sales to related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	-	-	103.988	-	103.988
Netcad Yazılım A.Ş.	-	-	-	409.815	409.815
TOTAL	-	-	103.988	409.815	513.803



NUMBER OF STORES

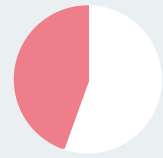
As of 30.06.2024, the total number of stores of the Company is 193 and the total sales area is approximately 23.095 sqm. In the same period of 2023, the number of stores was 173 and the total sales area was approximately 20,252 sqm.

Number Of	31.12.2023	30.06.2024
Domestic Stores	165	170
Domestic Stores (Franchisee)	6	5
Romania	7	7
Cyprus	2	2
International Stores (Franchisee)	10	9
TOTAL	190	193

In Q2 2024, the Company opened 5 stores in Turkey and closed one of the franchise store in Muğla Göcek. In the same period; second store in Azerbaijan was opened in Baku Deniz Mall and two stores in Bosnia and Herzegovina were closed.



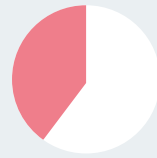
REVENUE BY PRODUCT CATEGORY (*)



48,39%
UNDERWEAR



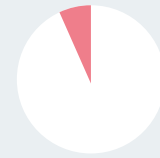
Bras, panties,
camisoles and
corsets



37,47%
HOMEWEAR



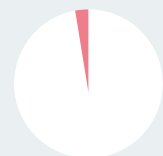
Pyjamas,
nighties and
morning gowns



9,81%
BEACHWEAR



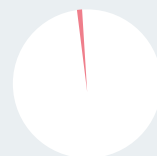
Bikinis, swimsuits,
cover-ups, and
beach
accessories



3,65%
HOSIERY



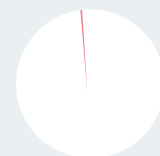
Pantyhoses,
socks, tights



0,37%
ACCESSORIES



Bra accessories,
silicone pads and
garter bands



0,31%
COSMETICS



Bodymist,
soap, cologne

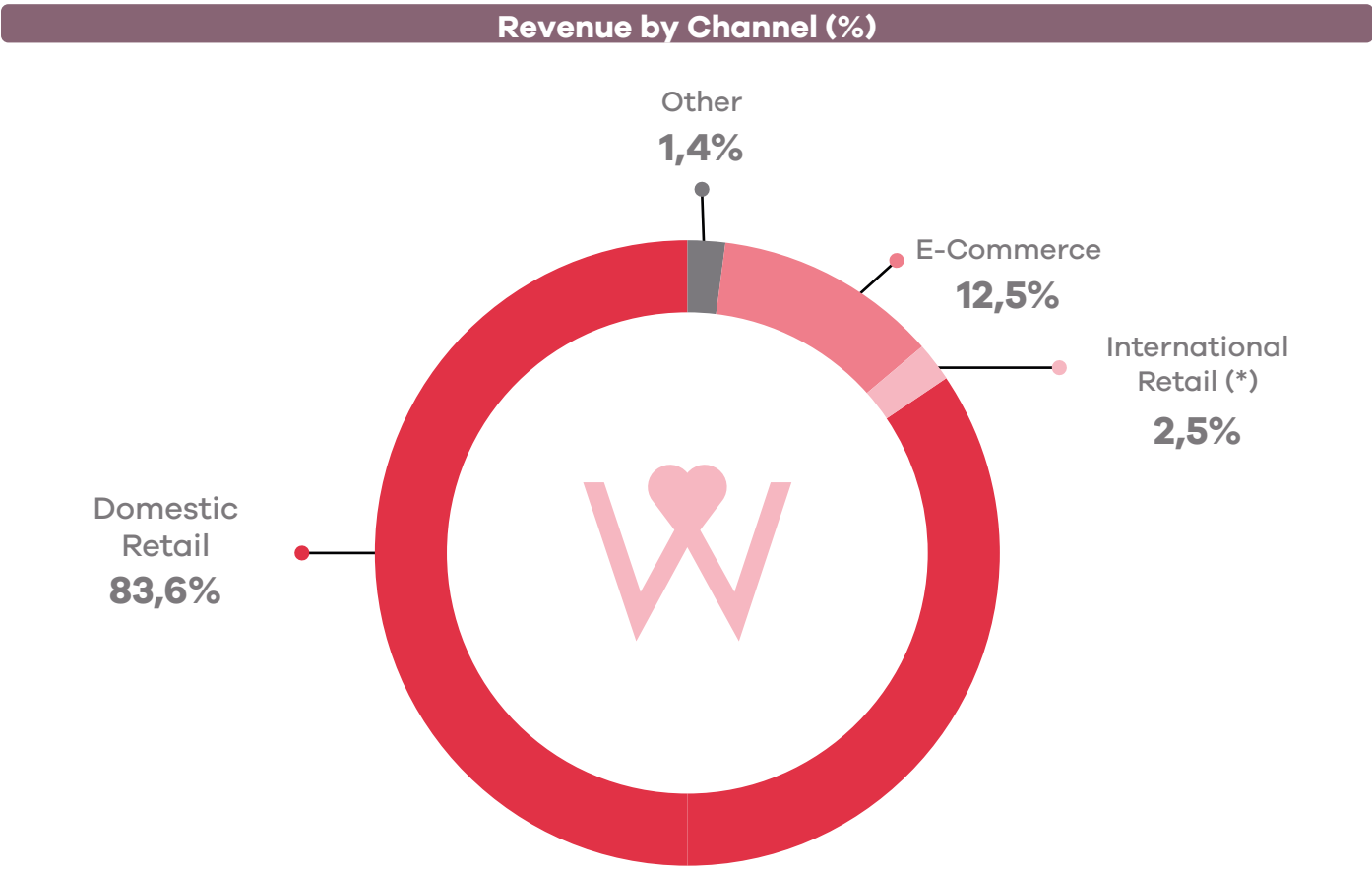


(*) Revenue by Product Category is based on net sales in TR Retail and Online channels in 2024 H1.

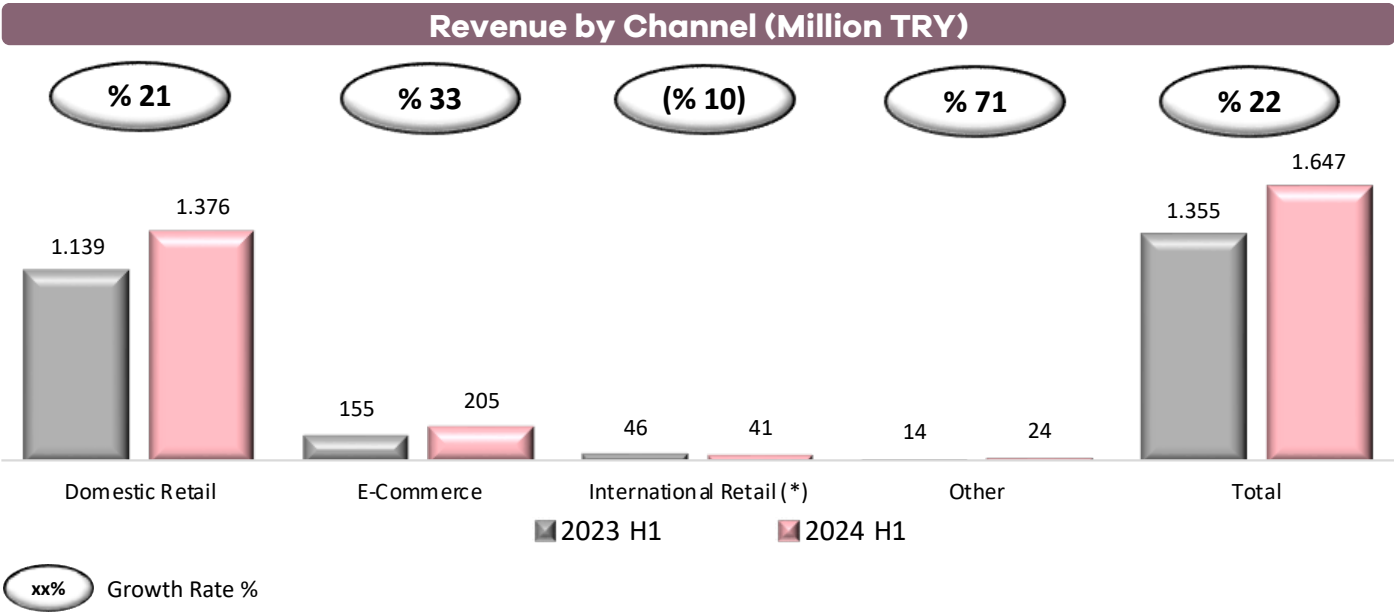


FINANCIAL HIGHLIGHTS

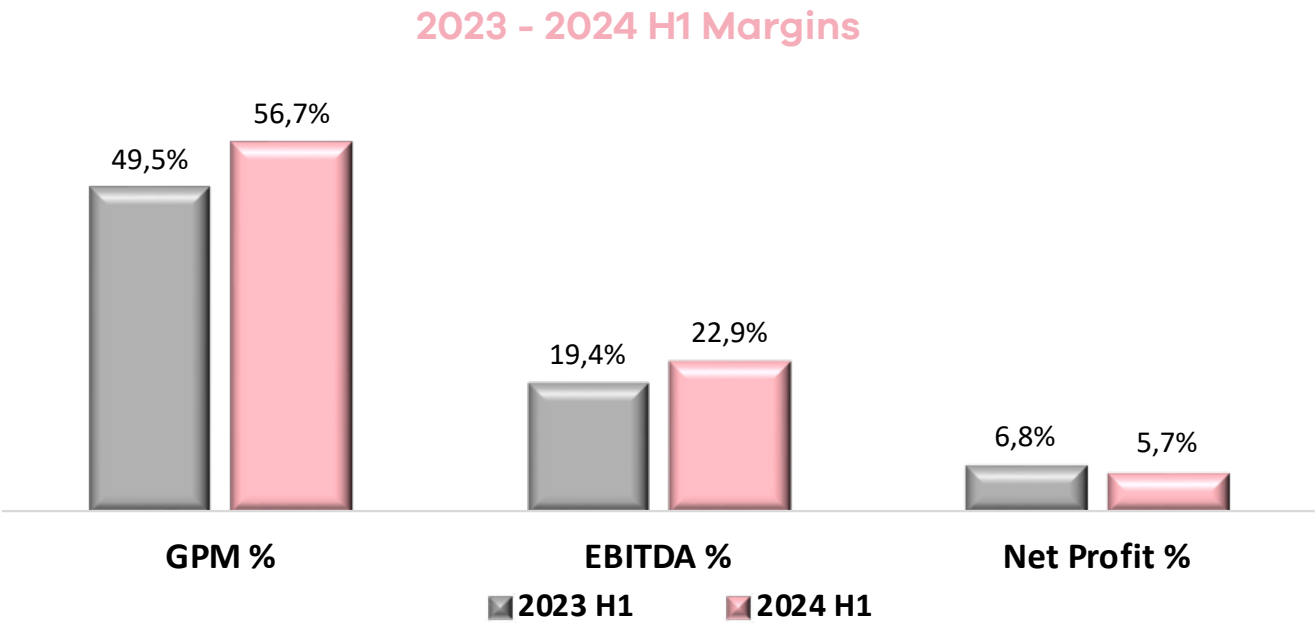
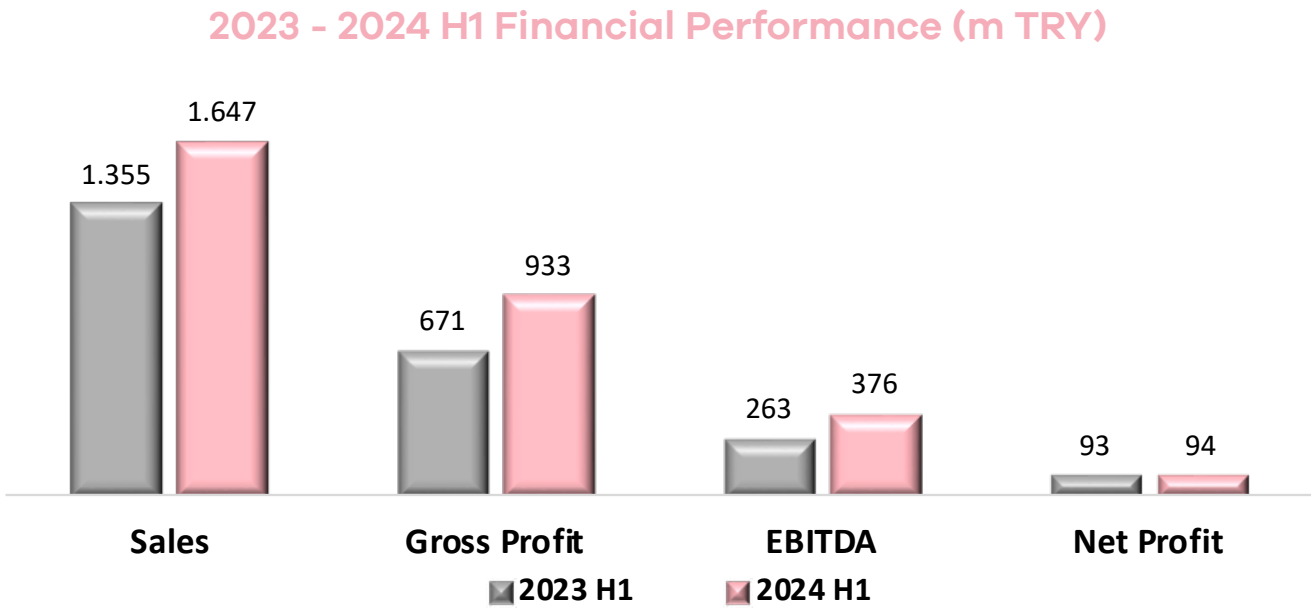
GENERAL INFORMATION ON PERFORMANCE FOR THE PERIOD



"In the second quarter of 2024, Suwen's net sales increased by 22% compared to the same period of 2023 and reached to TRY 1,646,711,886. Operations were conducted with a gross profit margin of 56.7% and EBITDA margin of 22.9%"



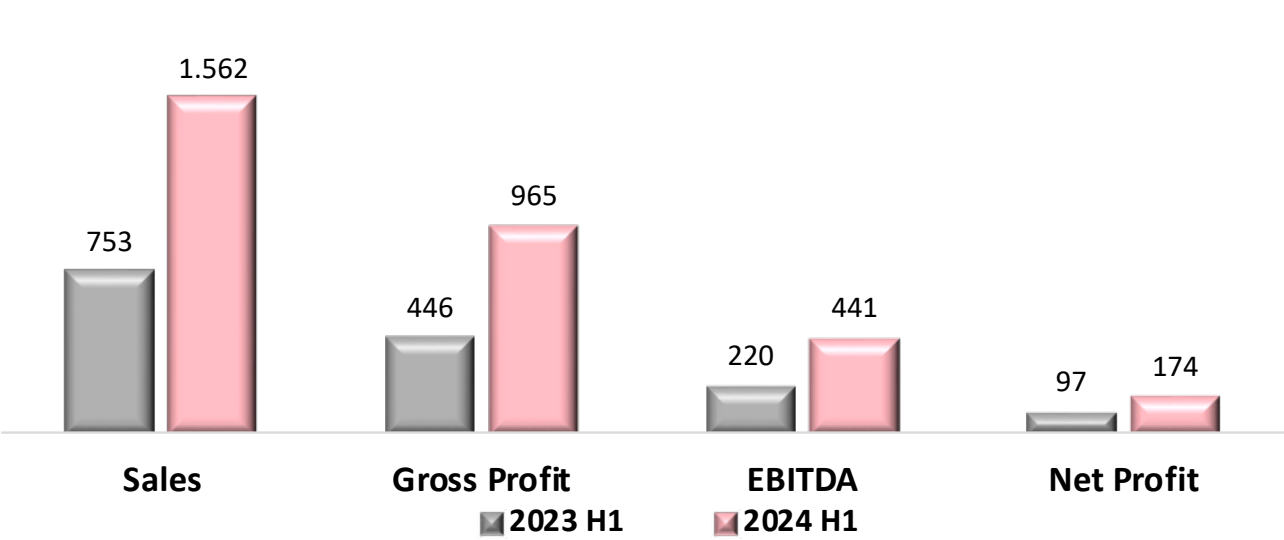
TAS 29 (INFLATION ACCOUNTING) APPLIED



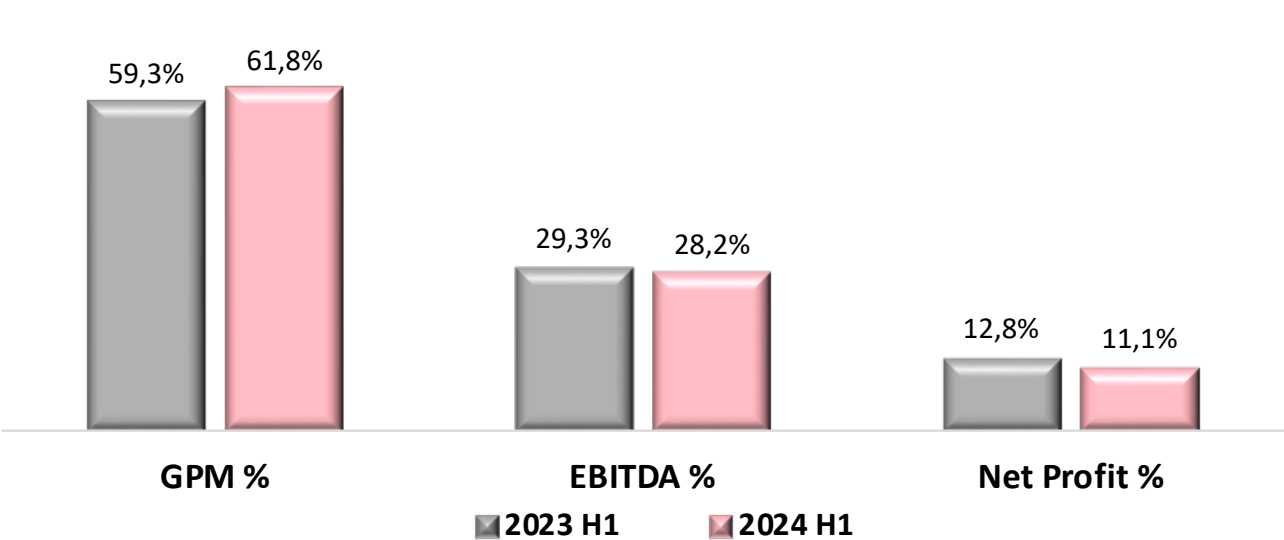
(*) International Retail includes net sales to international franchisees as well as retail revenue in Romania and Cyprus.

TAS 29 (INFLATION ACCOUNTING) NOT APPLIED

2023 - 2024 H1 Financial Performance (m TRY)



2023 - 2024 H1 Margins



(*) The figures for which IAS29 has not been applied are presented for illustrative purposes and not independently audited.





SUMMARY FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

	30.06.2024	31.12.2023
Current Assets	1.353.365.850	1.003.006.338
Non-Current Assets	841.154.136	823.918.778
TOTAL ASSETS	2.194.519.986	1.826.925.116
Current Liabilities	864.711.853	514.662.264
Non-Current Liabilities	270.299.239	278.190.503
Equity	1.059.508.894	1.034.072.349
TOTAL LIABILITIES AND EQUITY	2.194.519.986	1.826.925.116

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE
INTERIM PERIOD 1 JANUARY – 30 JUNE 2024 AND 2023

	30.06.2024	30.06.2023
Gross Profit	932.949.983	670.516.326
Operating Profit	200.521.654	88.875.955
Operating Profit Before Financial Expenses	205.195.645	93.728.599
Profit Before Tax	125.140.736	183.172.556
PROFIT FOR THE PERIOD	93.802.694	92.502.093





