

SUWEN

01.01.2024 – 30.09.2024

Interim Report





SUWEN

01.01.2024 - 30.09.2024
INTERIM REPORT

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**CORPORATE
INFORMATION**

COMPANY PROFILE

Reporting Period	: 01.01.2024 - 30.09.2024
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 September 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.

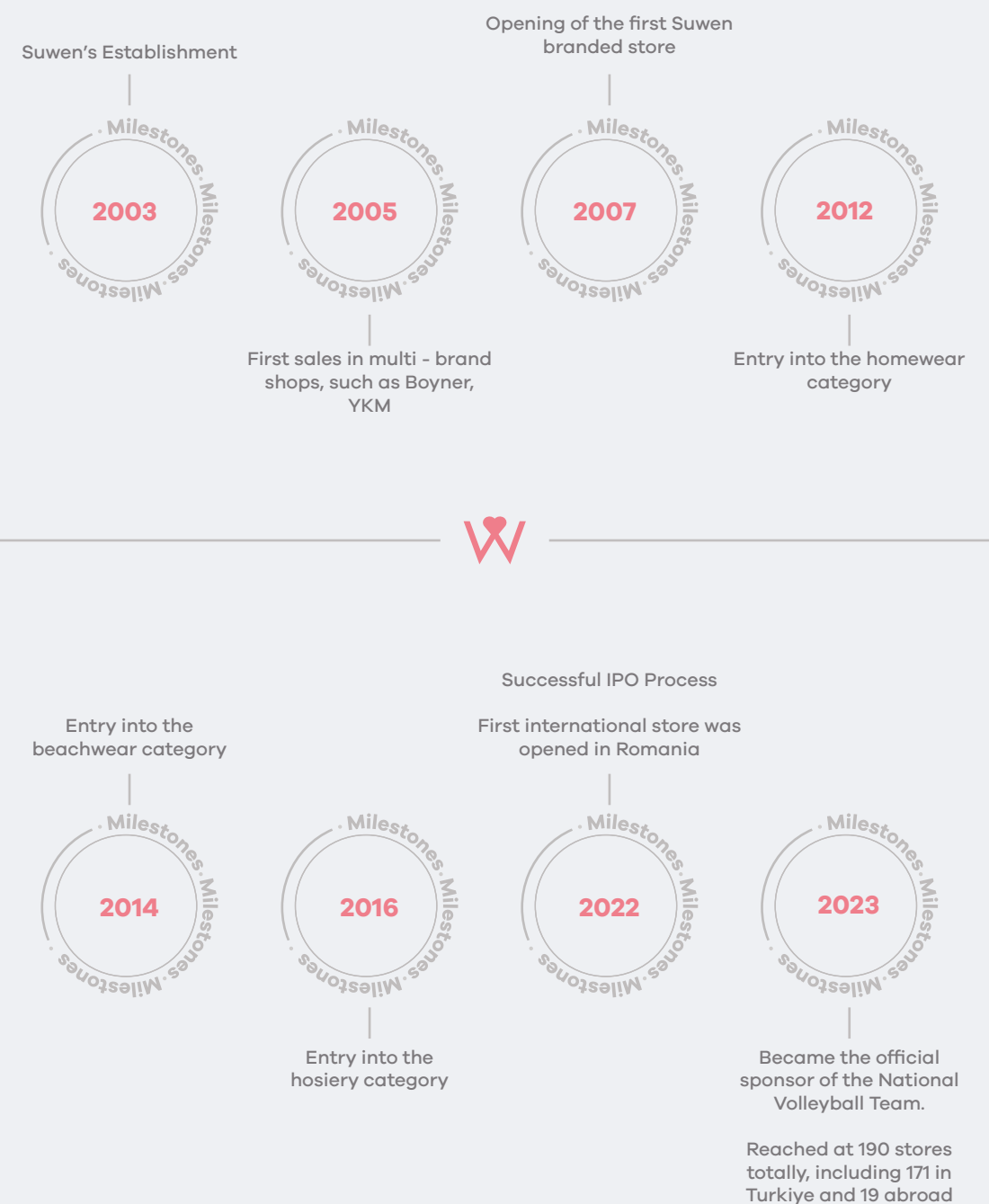
This Interim Report has been prepared in accordance with the CMB Communiqué No. II-14.1 and is the Interim Report of the Board of Directors for the accounting period January 1, 2024 - September 30, 2024. Suwen Tekstil Sanayi Pazarlama A.Ş. and its subsidiary Suwen Lingerie S.R.L. will be collectively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

As of September 30, 2024, Suwen's total number of personnel is 1.083 (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 30.09.2024 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	23.561.106	10,52%
Çiğdem Ferda Sümer	8.113.048	3,62%
Ziraat Portföy Üçüncü Serbest Fon	20.501.467	9,15%
Other	93.498.551	41,74%
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	20.501.467	20.501.467	9,15%
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	17.561.106	17.561.106	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	93.498.551	93.498.551	41,74%
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 convenes at least four times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken.

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 convenes six times a year. The results of these meetings are set down in minutes that are submitted to the Board of Directors along with any decisions that are taken.

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

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 September 2024 amounted to TRY 23.262.709 (30 September 2023: TRY 18.688.322)

INVESTOR RELATIONS DEPARTMENT

There is currently no personnel working in the Investor Relations Department who meets the necessary licensing requirements. However, our Company has taken the necessary organizational measures to ensure the continuity of the services provided to shareholders and to ensure that public disclosure obligations are fully and timely fulfilled and has made temporary assignments to ensure the uninterrupted execution of the activities related to the Investor Relations Department. Our Company continues its efforts to appoint an Investor Relations Manager who meets the necessary licensing requirements and has the qualifications appropriate for our Company’s profile.

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	30.09.2024
Plant, Machinery and Equipment	237.475
Vehicles	26.323.144
Furniture and fixtures	8.874.781
Special Costs	79.550.594
Tangible Fixed Assets Total	114.985.994
Rights	7.535.277
Intangible Fixed Assets Total	7.535.277

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 30.09.2024, the provision amount is TRY 720.590.

EXPLANATIONS ON PRIVATE AUDITS AND PUBLIC AUDITS

The Company is covered under full certification and independent audits. During the period 01.01.2024 - 30.09.2024, 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 Q3 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 708.773.

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)	30.09.2024	31.12.2023
Eko Tekstil San. ve Tic A.Ş.	8.305.207	6.667.593
TOTAL	8.305.207	6.667.593

Trade payables to related parties (short term)	30.09.2024	31.12.2023
Latte Tekstil Sanayi ve Ticaret A.Ş.	-	32.639.801
Livadi Tekstil İth. İhr. Tic. A.Ş.	5.411.526	1.555.361
Eko Tekstil San. ve Tic. A.Ş.	42.742.101	11.001.110
Elmas Çamaşır İth. İhr. Tic. A.Ş.	35.311.485	34.748.417
Moni Tekstil Sanayi Ticaret A.Ş.	1.942.065	12.212.451
Aseyya Tekstil	12.001.597	8.070.575
Netcad Yazılım A.Ş.	7.284	22.697
TOTAL	97.416.058	100.250.412

The Company’s purchases from related parties and sales to related parties between January 1 - September 30, 2024, and January 1 - September 30, 2023, are presented in the tables below.

Purchases	01.01 - 30.09.2024				
Purchases from related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	919.663.619	1.598.759	9.629	-	921.272.007
Elmas Çamaşır İth. İhr. Tic. A.Ş.	251.545.023	-	-	-	251.545.023
Latte Tekstil Sanayi ve Ticaret A.Ş.	1.803.789	-	-	-	1.803.789
Moni Tekstil Sanayi Ticaret A.Ş.	115.381.194	-	-	-	115.381.194
Aseyya Tekstil	67.102.241	-	-	-	67.102.241
Livadi Tekstil İth. İhr. Tic. A.Ş.	131.865.302	-	-	-	131.865.302
Netcad Yazılım A.Ş.	-	-	-	265.529	265.529
TOTAL	1.487.361.168	1.598.759	9.629	265.529	1.489.235.085
01.01 - 30.09.2023					
Purchases from related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	405.893.123	20.209.707	-	340.408	426.443.238
Elmas Çamaşır İth. İhr. Tic. A.Ş.	220.489.412	-	-	20.372	220.509.784
Latte Tekstil Sanayi ve Ticaret A.Ş.	198.153.213	-	-	3.276	198.156.489
Moni Tekstil Sanayi Ticaret A.Ş.	121.277.270	-	-	-	121.277.270
Aseyya Tekstil	57.202.632	-	-	1.533	57.204.165
Livadi Tekstil İth. İhr. Tic. A.Ş.	27.716.635	3.062.487	-	-	30.779.122
Netcad Yazılım A.Ş.	-	-	-	262.596	262.596
TOTAL	1.030.732.285	23.272.194	-	628.185	1.054.632.664

Sales 01.01 - 30.09.2024					
Sales to related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	-	-	278.760	-	278.760
Elmas Çamaşır İth. İhr. Tic. A.Ş.	-	-	1.034.518	-	1.034.518
TOTAL	-	-	1.313.278	-	1.313.278

Sales 01.01 - 30.09.2023					
Sales to related parties	Goods	Financial Transactions	Other	Services	Total
Eko Tekstil San. Ve Tic A.Ş.	-	-	295.850	-	295.850
Netcad Yazılım A.Ş.	-	-	-	765.955	765.955
TOTAL	-	-	295.850	765.955	1.061.805



NUMBER OF STORES

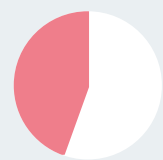
As of 30.09.2024, the total number of stores of the Company is 193 and the total sales area is approximately 23.132 sqm. In the same period of 2023, the number of stores was 178 and the total sales area was approximately 20,500 sqm.

Number Of	31.12.2023	30.09.2024
Domestic Stores	165	170
Domestic Stores (Franchisee)	6	5
Romania	7	7
Cyprus	2	2
International Stores (Franchisee)	10	9
TOTAL	190	193

In Q3 2024, the Company opened 6 stores in Turkey and closed our Muğla Göcek and İzmir Bornova store. In the same period abroad; second store in Azerbaijan was opened in Baku Deniz Mall and two stores in Bosnia and Herzegovina were closed for sale.



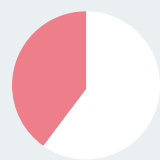
REVENUE BY PRODUCT CATEGORY (*)



45,70%
UNDERWEAR



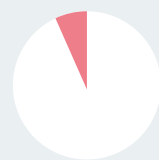
Bras, panties,
camisoles and
corsets



37,79%
HOMEWEAR



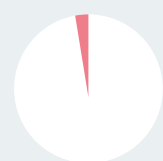
Pyjamas,
nighties and
morning gowns



13,01%
BEACHWEAR



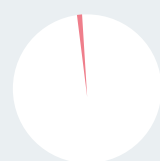
Bikinis, swimsuits,
cover-ups, and
beach
accessories



2,74%
HOSIERY



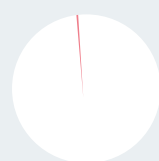
Pantyhoses,
socks, tights



0,35%
ACCESSORIES



Bra accessories,
silicone pads and
garter bands



0,34%
COSMETICS



Bodymist,
soap, cologne



(*) Revenue by Product Category is based on net sales in TR Retail and Online channels in 2024 Q3.

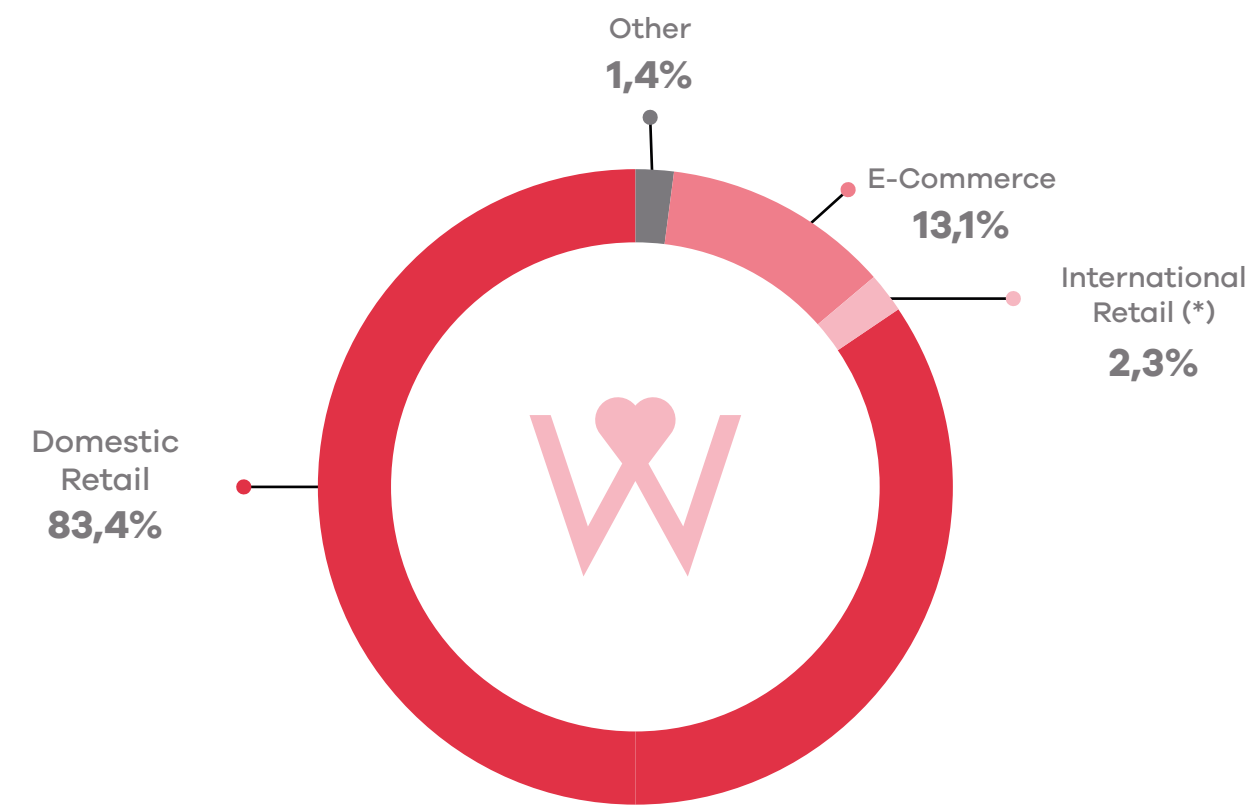


FINANCIAL HIGHLIGHTS

GENERAL INFORMATION ON PERFORMANCE FOR THE PERIOD

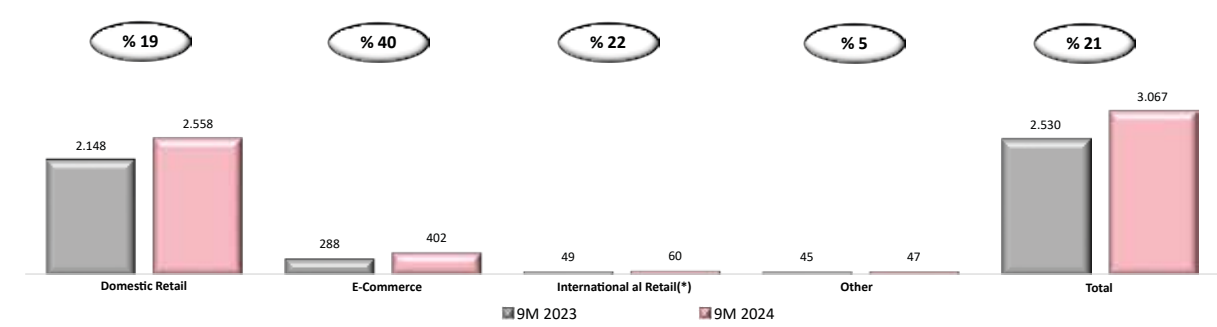
IAS 29 (INFLATION ACCOUNTING) APPLIED

Revenue by Channel (%)



"In the third quarter of 2024, Suwen's net sales increased by 21% compared to the same period of 2023 and reached to TRY 3,066,881,437. Operations were conducted with a gross profit margin of 53.4% and EBITDA margin of 22.2%"

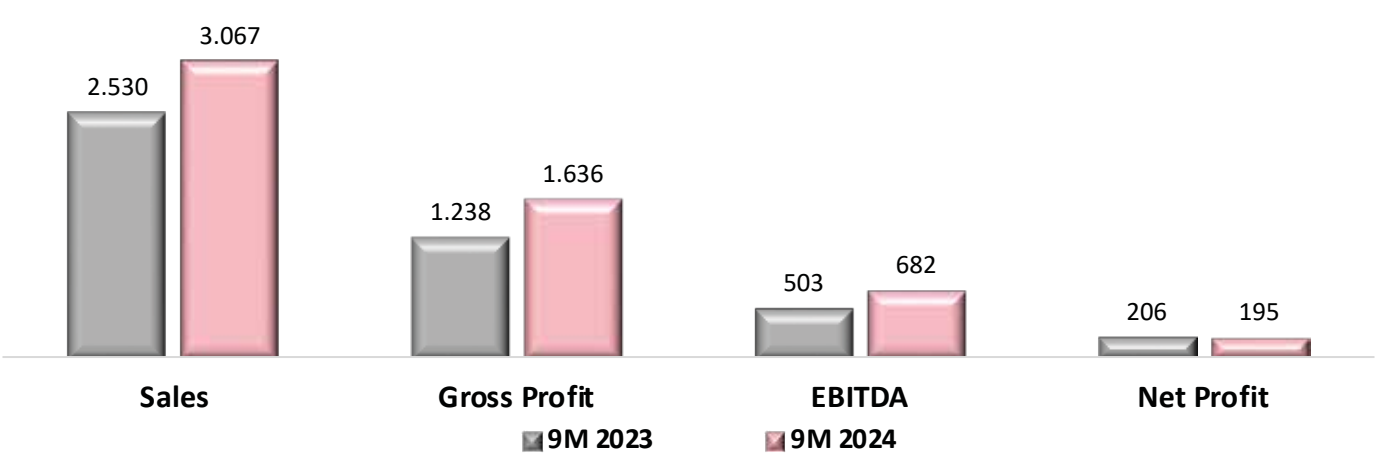
Revenue By Channel (Million TRY)



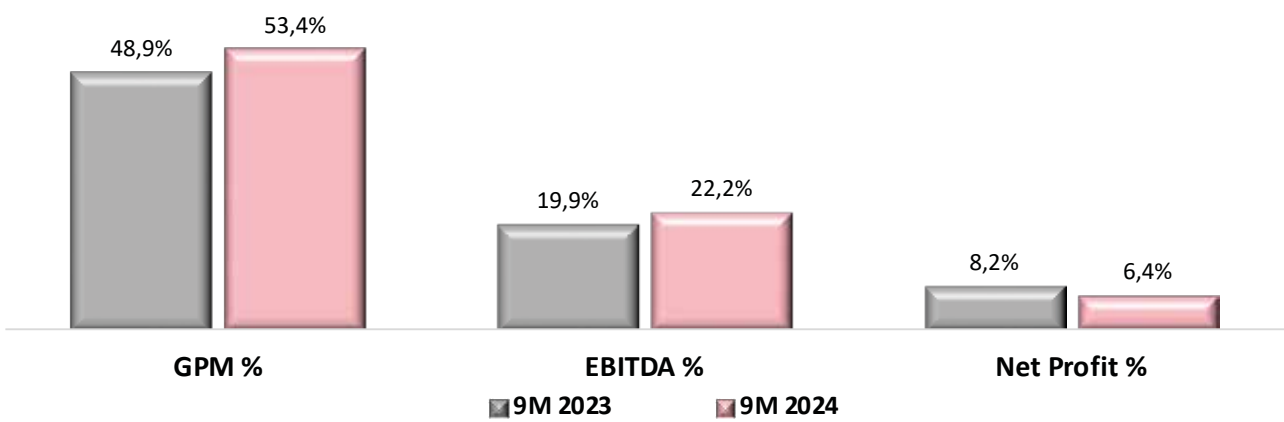
xx% Growth Rate %

(*) International Retail includes retail revenue of Romania and Cyprus.

2023 - 2024 9 Months Financial Performance (m TRY)

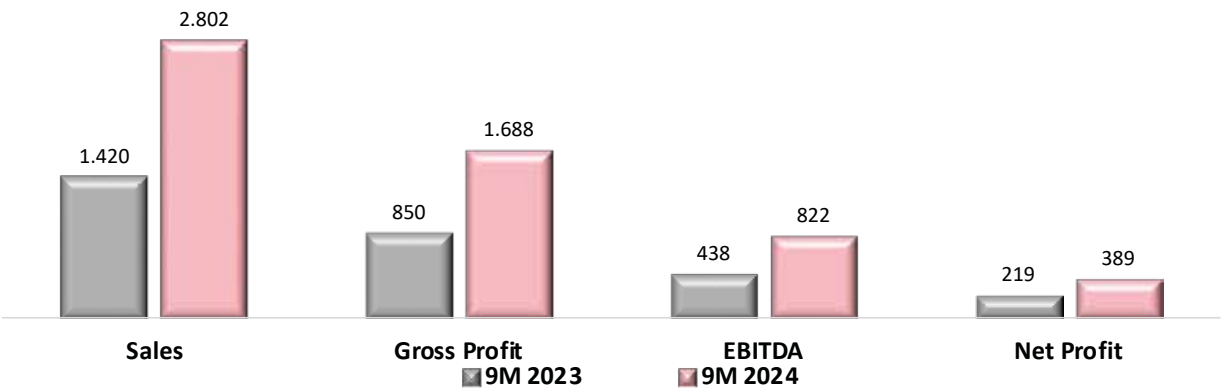


2023 - 2024 9 Months Margins

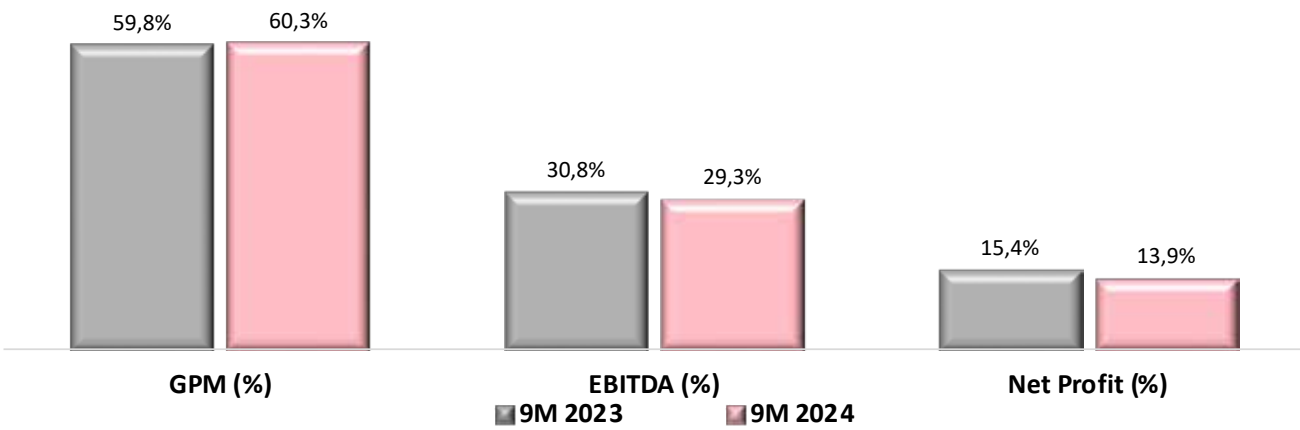


IAS 29 (INFLATION ACCOUNTING) NOT APPLIED

2023 - 2024 9 Months Financial Performance (m TRY)



2023 - 2024 9 Months 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 SEPTEMBER 2024 AND 31 DECEMBER 2023

	30.09.2024	31.12.2023
Current Assets	1.402.568.528	1.092.469.887
Non-Current Assets	877.595.956	897.408.544
TOTAL ASSETS	2.280.164.484	1.989.878.431
Current Liabilities	743.265.624	560.567.766
Non-Current Liabilities	303.223.969	303.003.817
Equity	1.233.674.891	1.126.306.848
TOTAL LIABILITIES AND EQUITY	2.280.164.484	1.989.878.431

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

	30.09.2024	30.09.2023
Gross Profit	1.636.434.015	1.237.980.545
Operating Profit	394.109.602	213.734.614
Operating Profit Before Financial Expenses	402.196.361	219.331.453
Profit Before Tax	287.651.424	368.302.519
PROFIT FOR THE PERIOD	195.287.786	206.221.283





