

**YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ
AND IT'S SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

*(CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)*

INDEPENDENT AUDITOR'S REPORT

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi
To the Board of Directors,

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi (the "Parent Company") and its subsidiary (referred to as the " Group"), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards .

2. Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

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

Key Audit Matter	How to Perform of Matter in Audit
<p><i>Revenue Recognition</i></p> <p>The Group's main source of revenue is retail sales of beds, modular furniture, quilts, chairs, sofas, and home textile products.</p> <p>Revenue is an important measurement criteria in terms of evaluation of the results of the strategies applied during the year and performance follow-up. Revenue, service realization, reliable determination of revenue amount and the economic benefits are likely to flow to the Group, this is why consideration received or receivable is recognized in the financial statements on an accrual basis at fair value. Net sales are presented by return from sales, discounts and commissions from sales of goods.</p> <p>Regarding the accuracy of revenue reflected in the consolidated financial statements, due to the inherent control risk arising from the volume of data processed during the invoicing process, this has been identified as a key audit matter.</p> <p>As of 31 December 2025, Group's revenue and accounting policies related to their revenue and their revenue amounts shown in notes 2.d, 5 and 21.</p>	<p>Procedures performed are as follows about revenue;</p> <ul style="list-style-type: none">- Evaluation of the design and suitability of key internal controls of revenue in the consolidated financial statements,- Examination of the risk and return transfers through the sales documents taken for the selected sales transactions by sampling method and evaluation of the appropriateness of the revenue to the accounting policies and the receipt of the consolidated financial statements in the audited financial reporting period,- Sending a reconciliation for the selected commercial receivables through the sampling method and checking compliance with consolidated financial statements,- Performing analytical examinations to determine the existence of unusual transactions. <p>We had no material findings related to the revenue as a result of these procedures.</p>

Application of IAS 29, “Financial Reporting in Hyperinflationary Economies

Key Audit Matter	How to Perform of Matter in Audit
<p><i>Application of IAS 29, “Financial Reporting in Hyperinflationary Economies”</i></p> <p>The Group applied IAS 29 “Financial reporting in hyperinflationary economies” (“IAS 29”) in its consolidated financial statements as of and for the year ending 31 December 2025.</p> <p>According to IAS 29, the consolidated financial statements as of 31 December 2024 should be restated in accordance with 31 December 2025 purchasing power.</p> <p>Applying IAS 29 results in significant changes to financial statement items included in the Group's consolidated financial statements as of and for the year ending 31 December 2025, which have been restated for comparative purposes. The application of IAS 29 has a pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of IAS 29, we identified the application of IAS 29 as a key audit matter.</p> <p>The Group’s accounting policies and related explanations regarding the application of IAS 29 are disclosed in Note 2.</p>	<p>We performed the following audit procedures in relation to the application of IAS 29:</p> <ul style="list-style-type: none">- Understanding and evaluating the process and controls related to application of IAS 29 designed and implemented by management,- Verifying whether management’s determination of monetary and non-monetary items is in compliance with IAS 29,- Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis,- Verifying the general price index rates used in calculations correspond with the coefficients in the “Consumer Price Index in Turkey” published by the Turkish Statistical Institute,- Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects,- Evaluating the adequacy of disclosures related to the application of IAS 29 in the notes to the consolidated financial statements in accordance with IFRS.

4. Other Matter

Without qualifying our opinion, we draw your attention to the following matters;

The consolidated financial statements of Group for the year ended 31 December 2024 have been audited by another independent auditor whose report dated 10 March 2025 expressed an unqualified opinion.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IAS, 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.

6. Auditor's Responsibilities Regarding the Independent Audit of Consolidated Financial Statements

In an independent audit, we, independent auditors, have the responsibilities of independent auditors:

Our aim is to obtain reasonable assurance about whether the 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 SIA 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 SIA, 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 Company 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, related safeguards.

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

B. Other Responsibilities Arising From Regulatory Requirements

In accordance with subparagraph 4 of Article 398 numbered 6102 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 11 March 2026.

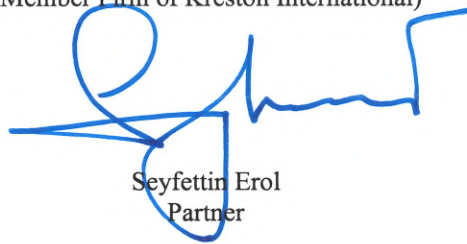
No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") and that causes us to believe that the Company's bookkeeping activities concerning the period from 01 January to 31 December 2025 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting

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.

Seyfettin Erol is the person who carries out this independent audit.

Istanbul, 11 March 2026

ATA Uluslararası Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
(Member Firm of Kreston International)



Seyfettin Erol
Partner

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YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2025,
unless otherwise indicated)

ASSETS	Note	Audited 31 December 2025	Audited 31 December 2024
CURRENT ASSETS			
Cash And Cash Equivalents	4	1.532.238.431	1.167.575.043
Financial Investments	10	--	112.562.283
Trade Receivables		2.316.000.620	1.903.572.302
<i>Due From Related Parties</i>	3-5	--	--
<i>Trade Receivables, Third Parties</i>	5	2.316.000.620	1.903.572.302
Other Receivables		33.603.917	64.089.474
<i>Due From Related Parties</i>	3-6	--	--
<i>Other Receivables, Third Parties</i>	6	33.603.917	64.089.474
Inventories	8	3.793.699.091	4.154.742.412
Prepaid Expenses		538.951.257	767.792.364
<i>Due From Related Parties</i>	3-9	6.121.236	7.048.723
<i>Prepaid Expenses, Third Parties</i>	9	532.830.021	760.743.641
Current Tax Assets	30	5.186.588	--
Other Current Assets	7	1.382.384.098	1.348.428.753
TOTAL CURRENT ASSETS		9.602.064.002	9.518.762.631
NON-CURRENT ASSETS			
Financial Investments	10	9.867.603	5.499.319
Other Receivables		3.861.739	4.187.655
<i>Due From Related Parties</i>	3-6	--	--
<i>Other Receivables, Third Parties</i>	6	3.861.739	4.187.655
<i>Right of Use Assets</i>	13	1.571.241.845	1.231.370.653
Investment Properties	11	330.000.000	436.466.948
Tangible Fixed Assets	12	11.357.900.682	9.793.633.277
Intangible Fixed Assets	14	901.270.242	785.179.361
Prepaid Expenses	9	183.435.242	280.180.232
TOTAL NON-CURRENT ASSETS		14.357.577.353	12.536.517.445
TOTAL ASSETS		23.959.641.355	22.055.280.076

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2025,
unless otherwise indicated)

LIABILITIES	Note	Audited 31 December 2025	Audited 31 December 2024
CURRENT LIABILITIES			
Financial Liabilities	15	1.949.285.579	1.981.386.921
Short Term Portion Of Long Term Financial Liabilities	15	836.232.504	2.917.451.735
Lease Payables	15	350.437.393	171.362.778
Trade Payables		3.233.668.722	1.767.557.355
<i>Due To Related Parties</i>	3-5	--	--
<i>Trade Payables, Third Parties</i>	5	3.233.668.722	1.767.557.355
Employee Benefit Obligations	16	279.196.460	260.656.064
Other Payables		2.412.757	2.365.042
<i>Due To Related Parties</i>	3-6	--	--
<i>Other Payables, Third Parties</i>	6	2.412.757	2.365.042
Deferred Income	9	753.277.306	1.052.052.445
Current Income Tax Liabilities	30	--	--
Provisions	17	11.252.147	8.317.209
Other Current Liabilities	7	49.737.035	56.337.533
TOTAL CURRENT LIABILITIES		7.465.499.903	8.217.487.082
NON-CURRENT LIABILITIES			
Financial Liabilities	15	3.659.123.391	1.280.197.612
Lease Payables	15	385.159.288	271.514.330
Deferred Income	9	116.381.396	11.793.096
Provisions		184.941.369	185.227.197
<i>Provision For Employee Benefits</i>	18	184.941.369	185.227.197
Deferred Tax Liabilities	30	1.384.312.909	1.554.173.453
TOTAL NON-CURRENT LIABILITIES		5.729.918.353	3.302.905.688
EQUITY			
Paid-In Capital	20	149.798.932	149.798.932
Inflation Adjustment on Capital	20	1.962.830.183	1.962.830.183
Buy-Back Shares (-)	20	(313.064.093)	(313.064.093)
Other Comprehensive Income Not To Be Reclassified To Profit Or Loss		1.709.526.648	1.434.545.466
<i>Gains/ Losses On Revaluation And Remeasurement</i>	20	1.778.899.942	1.484.369.245
<i>Actuarial Gain/Loss Arising From Defined Benefit Plans</i>	20	(69.373.294)	(49.823.779)
Other Comprehensive Income To Be Reclassified To Profit Or Loss		(141.562.326)	17.347.266
<i>Currency Translation Differences</i>	20	(141.562.326)	17.347.266
Restricted Reserves	20	549.429.674	549.429.674
Retained Earnings	20	6.733.999.878	6.498.588.922
Net Income For The Period		113.264.203	235.410.956
Non-Controlling Interests		--	--
EQUITY HOLDERS OF THE PARENT		10.764.223.099	10.534.887.306
TOTAL LIABILITIES		23.959.641.355	22.055.280.076

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2025 AND 2024

(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2025,
unless otherwise indicated)

INCOME/LOSS	Note	Audited 1 January- 31 December 2025	Audited 1 January- 31 December 2024
Revenue	21	22.658.162.029	21.170.416.075
Cost Of Sales (-)	22	(14.880.417.575)	(14.453.254.907)
Gross profit		7.777.744.454	6.717.161.168
Research And Development Expenses (-)	23	(106.612.965)	(127.698.029)
Marketing, Selling And Distribution Expenses (-)	23	(5.522.924.852)	(4.792.404.899)
General Administrative Expenses (-)	23	(885.857.464)	(840.000.475)
Other Income From Operating Activities	24	1.302.608.764	1.691.929.978
Other Expenses From Operating Activities (-)	25	(480.833.933)	(790.318.204)
Operating Profit / Loss		2.084.124.004	1.858.669.539
Income From Investment Activities	26.1	17.858.680	239.546.024
Expenses From Investment Activities (-)	26.2	(106.466.948)	--
OPERATING INCOME BEFORE FINANCIAL INCOME		1.995.515.736	2.098.215.563
Financial Income	28	127.596.659	70.026.769
Financial Expenses (-)	29	(2.846.660.041)	(2.549.169.171)
Monetary Gain / (Loss)	27	1.294.114.672	1.069.667.483
PROFIT BEFORE TAX		570.567.026	688.740.644
Tax income/(expense)		(457.302.823)	(453.329.688)
Taxes On Income	30	8.695.525	--
Deferred Tax Income/(Expense)	30	(465.998.348)	(453.329.688)
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		--	--
PERIOD PROFIT / LOSS		113.264.203	235.410.956
Earnings Per Share			
Earnings Per Share (Kır)	31	0,76	1,57
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income/Expense Not To Be Reclassified To Profit Or Loss		274.981.182	1.398.008.505
Revaluation of tangible assets	12	--	2.249.858.198
Actuarial Gain/Loss Arising From Defined Benefit Plans	18	(26.066.020)	(115.147.653)
Taxes Related to Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss		301.047.202	(736.702.040)
Deferred Tax (Expense) Income	30	301.047.202	(736.702.040)
Other Comprehensive Income/Loss To Be Reclassified To Profit Or Loss		(158.909.592)	66.481.080
Currency Translation Differences	20	(158.909.592)	66.481.080
OTHER COMPREHENSIVE INCOME (LOSS)		116.071.590	1.464.489.585
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		229.335.793	1.699.900.541

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 1 JANUARY - 31 DECEMBER 2025 AND 2024
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2025, unless otherwise indicated)

				Other Comprehensive Income/Expense Not to Be Reclassified To Profit Or Loss		Other Comprehensive Income/Loss to Be Reclassified To Profit Or Loss				
	Paid In Capital (Note 20)	Inflation Adjustment on Capital (Note 20)	Buy-Back Shares (Note 20)	Gains/ Losses On Revaluation And Remeasurement (Note 20)	Actuarial Gain/Loss Arising from Defined Benefit Plans (Note 20)	Currency Translation Differences (Note 20)	Restricted Reserves (Note 20)	Retained Earnings (Note 20)	Net Income for The Period (Note 20)	Total Equity (Note 20)
Balance as of January 1, 2024	149.798.932	1.962.830.183	(313.064.093)	--	36.536.961	(49.133.814)	549.429.674	5.175.066.857	1.323.522.065	8.834.986.765
Transfer of Previous Period's Profit	--	--	--	--	--	--	--	1.323.522.065	(1.323.522.065)	--
Total Comprehensive Income	--	--	--	1.484.369.245	(86.360.740)	66.481.080	--	--	235.410.956	1.699.900.541
Balance as of December 31, 2024	149.798.932	1.962.830.183	(313.064.093)	1.484.369.245	(49.823.779)	17.347.266	549.429.674	6.498.588.922	235.410.956	10.534.887.306
Transfer of Previous Period's Profit	--	--	--	--	--	--	--	235.410.956	(235.410.956)	--
Total Comprehensive Income	--	--	--	294.530.697	(19.549.515)	(158.909.592)	--	--	113.264.203	229.335.793
Balance as of December 31, 2025	149.798.932	1.962.830.183	(313.064.093)	1.778.899.942	(69.373.294)	(141.562.326)	549.429.674	6.733.999.878	113.264.203	10.764.223.099

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED AT 1 JANUARY – 31 DECEMBER 2025 AND 2024
(Amounts expressed in Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2025, unless otherwise indicated)

	Note	Audited 1 January- 31 December 2025	Audited 1 January- 31 December 2024
Cash Flows from Operating Activities		4.928.307.266	3.621.349.385
Profit (Loss) for the Period		113.264.203	235.410.956
Profit (Loss) for the Period from Continuing Operations		113.264.203	235.410.956
Adjustments for Reconciliation of Net Profit (Loss) for the Period		3.442.844.151	3.671.273.592
Adjustments for depreciation and amortization expense	12-13-14	1.372.191.119	1.110.865.986
Adjustments for impairment losses (reversals)		26.072.654	11.911.468
- Adjustments for impairment losses (reversals) on receivables	5	11.801.509	6.486.478
- Adjustments for impairment losses (reversals) on inventories	8	14.271.145	5.424.990
Adjustments for provisions		48.328.161	16.284.146
- Adjustments for provisions (reversals) for employee benefits	18	43.430.251	12.130.342
- Adjustments for other provisions (reversals)	17	4.897.910	4.153.804
Adjustments for interest income and expenses		1.216.242.557	1.718.090.852
- Deferred financing expenses arising from credit purchases	5	(164.686.742)	(122.626.555)
- Unearned financing income arising from credit sales	5	85.854.052	71.904.992
- Adjustments for interest income	28	(77.387.957)	(35.241.252)
- Adjustments for interest expenses	29	1.372.463.204	1.804.053.667
Adjustments for fair value losses (gains)	26	106.466.948	(178.487.741)
Adjustments for tax income (expense)	30	457.302.823	453.329.688
Adjustments for monetary position gains and losses		216.239.889	539.279.193
Changes in Working Capital		1.372.198.912	(285.335.163)
Decrease (increase) in financial investments	10	108.193.999	(93.930.569)
Adjustments for decrease (increase) in trade receivables	3-5	(501.909.802)	1.175.201.526
Adjustments for decrease (increase) in other receivables related to operations	3-6	30.811.473	(52.880.672)
Adjustments for decrease (increase) in inventories	8	352.793.758	(213.290.985)
Decrease (increase) in prepaid expenses	3-9	325.586.097	245.465.476
Adjustments for increase (decrease) in trade payables	3-5	1.630.798.109	(906.630.871)
Increase (decrease) in payables related to employee benefits	16	60.526.076	(204.270.053)
Adjustments for increase (decrease) in other payables related to operations	6	(503.663)	4.483.582
Increase (decrease) in deferred income	9	(194.186.839)	94.282.389
Adjustments for other increase (decrease) in working capital		(40.555.843)	(14.131.898)
- Decrease (increase) in other assets related to operations	7	(33.955.345)	12.272.556
- Increase (decrease) in other liabilities related to operations	7	(6.600.498)	(26.404.454)
Payments related to provisions for employee benefits	16	(68.051.700)	(29.372.193)
Tax refunds (payments)	30	(331.302.753)	(290.260.895)
Cash Flows from Investing Activities		(2.399.268.720)	(1.059.812.744)
Cash inflows from the sale of property, plant and equipment and intangible assets	12-14	27.048.490	8.717.377
Cash outflows for the purchase of property, plant and equipment and intangible assets	12-14	(2.426.317.210)	(1.068.481.417)
Cash outflows for the purchase of investment properties	11	-	(48.704)
Cash Flows from Financing Activities		(1.729.902.345)	(1.986.509.156)
Net cash inflows from borrowings / (repayments)	15	8.418.429.999	6.220.796.183
Cash outflows for repayment of borrowings	15	(8.162.804.006)	(5.972.196.405)
Cash outflows for lease liabilities	15	(804.488.370)	(577.650.694)
Interest paid	29	(1.258.427.925)	(1.692.699.492)
Interest received	28	77.387.957	35.241.252
Net Increase (Decrease) in Cash and Cash Equivalents Before Effect of Foreign Currency Translation		799.136.201	575.027.485
Differences		799.136.201	575.027.485
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents	20	(158.909.592)	66.481.080
Net Increase (Decrease) in Cash and Cash Equivalents		640.226.609	641.508.565
Cash and Cash Equivalents at the Beginning of the Period	4	1.167.575.043	994.164.299
Effect of Inflation on Cash and Cash Equivalents		(275.563.221)	(468.097.821)
Cash and Cash Equivalents at the End of the Period	4	1.532.238.431	1.167.575.043

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

YATAŞ YATAK VE YORGAN SANAYİ TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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NOTE 1 – ORGANIZATION OF THE GROUP

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi ("Parent Company") and its subsidiaries are referred as "Group" on the notes to the consolidated financial statements.

The summarized information of entities which are consolidated with "complete consolidation method" is comprised of the following;

Yataş Yatak ve Yorgan Sanayi Ticaret Anonim Şirketi

Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş. ("Company") was established in 1987. The Company's engaged in the production of bed, furniture, quilt, armchair, sofa, home textile and home furniture. The Company acquired and merged with İstanbul Pazarlama Yatak ve Yorgan Sanayi Ticaret A.Ş. ("Yataş İstanbul Pazarlama A.Ş.") on 28 February 2011. The Company established 'Yatas Europe GMBH' On 10.07.2015 as owner of 100% shares. Therefore the Company begin to prepare its consolidated financial statements in complete consolidation method.

For the period ended at 31 December 2025, 3.217 personnel are employed at the Company (31 December 2024: 3.700).

Company registered on the Kayseri Chamber of Industry with the number of 14222 and its legal adres Organize Sanayi Bölgesi 18. Cadde No:6 Melikgazi / Kayseri. The Company's operating activities located on Turkey. The Company has 95 stores located on Turkey.

The Company is registered to the Capital Markets Board ("CMB") and its shares have been quoted on the Borsa İstanbul ("BIST") since 1996.

Company's shareholding structure is mentioned in Note 20.

Yatas Europe GMBH

Yatas Europe GmbH ("Yatas Europe") was established in 10.07.2015 in Germany. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture.

For the period ended at 31 December 2024, 8 personnel are employed by the Company (31 December 2024: 8 Personnel).

Yatas Europe's shareholding structure as of 31 December 2025 in EUR are as following;

	31 December 2025		31 December 2024	
	Share Percentage	Share Amount (EUR)	Share Percentage	Share Amount (EUR)
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	100.000	%100,00	100.000
Total	%100,00	100.000	%100,00	100.000

Yatas Rus Ltd.

Yatas Rus Limited Şirketi ("Yatas Rus"), was established in 03.07.2019 in Russia. The capital of Yataş Rus Limited Şirketi, which is a 100% subsidiary of the Company, is 3,500,000 rubles, fully paid as of the reporting date. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture.

For the period ended at 31 December 2025, 10 personnel are employed by the Yatas Rus. Yatas Rus's shareholding structure as of (31 December 2024: 10 Personnel).

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31 December 2025 in RUBLE is as following;

Shareholders	31 December 2025		31 December 2024	
	Share Percentage	Share Amount (RUB)	Share Percentage	Share Amount (RUB)
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	3.500.000	%100,00	3.500.000
Total	%100,00	3.500.000	%100,00	3.500.000

EnzaHome International Inc.

EnzaHome International Inc. ("EnzaHome"), was established in 21.02.2020 in ABD. The capital of EnzaHome, which is a 100% subsidiary of the company, is USD 50,000, fully paid as of the reporting date. The Company's engaged in export and import of Bed, Furniture, Quilt, Armchair, Sofa, Home Textile and Home Furniture.

For the period ended at 31 December 2025, 5 personnel are employed by the EnzaHome. EnzaHome's shareholding structure as of (31 December 2024: 5 Personnel).

31 December 2025 in USD is as following;

Shareholders	31 December 2025		31 December 2024	
	Share Percentage	Share Amount (USD)	Share Percentage	Share Amount (USD)
Yataş Yatak ve Yorgan Sanayi Ticaret A.Ş.	%100,00	50.000	%100,00	50.000
Total	%100,00	50.000	%100,00	50.000

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.a. Basis of Presentation

Compatibility Statement

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Financial Reporting Standards (TFRS) issued by Public Oversight Accounting and Auditing Standards Authority (POAASA). TFRS contains Turkish Financial Reporting Standards (TFRS) and its addendum and interpretations. The consolidated financial statements of the Group are prepared as per the CMB announcement of 3 July 2024 relating to financial statements presentations. Comparative figures are reclassified, where necessary, to conform to changes in the presentation of the current year's consolidated financial statements.

The Company maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. Subsidiaries and associates operating in foreign countries have prepared their statutory financial statements in accordance with the laws and regulations of the country in which they operate. The consolidated financial statements, except for the financial asset/liabilities and land, buildings presented with their fair values, are maintained under historical cost conversion in TRY. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

Going Concern

The consolidated financial statements including the accounts of the parent company, its subsidiaries and associates have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

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Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors and granted authority to publish on March 11, 2026. With no intention, the Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Financial Statements Correction in High Inflation Period

In accordance with the decision dated 28 December 2024 and numbered 81/1820 of the Capital Markets Board ("CMB"), it has been decided to apply inflation accounting by applying the provisions of TAS 29 starting from the annual financial statements of issuers subject to accounting/financial reporting standards and capital market institutions as of the year ended 31 December 2024.

In accordance with the announcement and "Practice Guide on Financial Reporting in High Inflationary Economies" published by the Public Oversight Accounting and Auditing Standards Authority ("POAASA") on 23 November 2023, the Group has prepared its consolidated financial statements for the year ended 31 December 2025 using the TAS 29 "Financial Reporting in High Inflationary Economies" Standard. Pursuant to this standard, financial statements prepared based on the currency of a high inflationary economy are expressed in terms of the purchasing power of that currency at the balance sheet date, and comparative information for prior periods is also expressed in the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of 31 December 2024 in terms of purchasing power as of 31 December 2025.

The adjustments made in accordance with TAS 29 have been made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TSI"). As of 31 December 2025, the indices and adjustment coefficients used in the correction of the consolidated financial statements are as follows:

Date	Index	Correction Coefficient	Three-Year Compound Inflation Rate
December 31, 2025	3.513,87	1,00000	%211
December 31, 2024	2.684,55	1,30892	%291

The main elements of the adjustment process undertaken by the Group for financial reporting in high inflationary economies are as follows:

- Current period consolidated financial statements prepared in Turkish Lira (TRY) are expressed in terms of the purchasing power at the reporting date, and amounts for previous reporting periods are also adjusted to reflect the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the reporting date. If the inflation-adjusted values of non-monetary items exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 are applied, respectively.
- Non-monetary assets and liabilities as well as equity items not expressed in terms of the current purchasing power during the reporting period are adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except those affecting the comprehensive income statement of non-monetary items in the financial position statement, are indexed using coefficients calculated based on the periods when income and expense accounts were initially recognized in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the consolidated income statement as a loss on net monetary position.

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Currency

The financial statements and the prior period financial statements for comparison purpose, in the accompanying statements are prepared in terms of Turkish Lira (TRY).

Subsidiaries Operating in Countries Other Than Turkey's Financial Statements

The financial statements of subsidiaries operating in countries other than Turkey are prepared in accordance with the laws and regulations applicable in the country where they operate, and necessary adjustments and classifications have been reflected for the correct presentation in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards and their related appendices and interpretations published by the Public Oversight Accounting and Auditing Standards Authority.

The assets and liabilities of the related subsidiaries are converted into Turkish Lira using the exchange rate at the date of the consolidated financial position table, and income and expenses are converted using the average exchange rate for the accounting period ending on the same date. The exchange differences arising from the use of the exchange rate at the date of the financial position table and the average rate are shown under the "Foreign Currency Conversion Differences" item in the financial position table.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Basis of Consolidation

The companies are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company. Parent Company has controlling rights if it is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The companies which have continuous relationship on management and power to govern Parent Company's policies and/or which have direct or indirect capital and management relationship or which have voting share of Parent Company between the rates 20-50% are accounted by using equity pick-up method.

Complete Consolidation Method

The principles of consolidation followed in the preparation of the accompanying financial statements are as follows:

- The financial statements of the consolidated subsidiaries have been equipped according to the accounting principles of the Parent Company.
- The share of the Parent Company in the shareholders equity of subsidiaries is eliminated from the financial of subsidiaries these are adjusted according to the accounting principles of financials of the Parent Company.
- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of subsidiaries held in an audit period are based on the investment date and the items after the holding date are included.
- The minority part of shareholders' equity including paid capital of the companies subject to consolidation is classified as "Minority Interest" in accompanying financial statement.

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The portion of the third parties other than consolidated companies in the net profit or losses of the subsidiaries are classified as "Minority Interest" in the income statements. The 100% shares of the subsidiary is owned by the Parent Company therefore minority interest is not occurred.

As of 31 December 2025, the Company that are subject to "Complete Consolidation Method" if directly or indirectly 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding companies' operations are belonging to the Parent Company are as below;

Subsidiaries	Ownership of the Parent Company	
	(Direct)	(Direct+ Indirect)
Yatas Europe Gmbh	100,00%	100,00%
Yatas Rus Limidet	100,00%	100,00%
EnzaHome International Inc.	100,00%	100,00%

2.b. Amendments in Turkish Financial Reporting Standards ("TFRS")

As of December 31, 2025, the accounting policies used in the preparation of the consolidated financial statements are consistent with those applied in the previous year, except for the new and revised TFRS standards and TFRIC interpretations effective as of January 1, 2025, summarized below.

The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) Amendments and interpretations effective from 2025

TAS 21 (Amendments) Lack of Exchangeability

TFRS 10 and TMS 28 (Amendments) – Asset Sales or Contributions Made by the Investor to its Subsidiary or Joint Venture

TAS 21 (Amendments) Lack of Exchangeability

These amendments provide guidance on when a currency is exchangeable and how exchange rates should be determined when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The potential effects of these standards, amendments, and improvements on the Group's consolidated financial position and performance are being evaluated.

TFRS 10 and TMS 28 (Amendments) – Asset Sales or Contributions Made by the Investor to its Subsidiary or Joint Venture

These amendments provide new guidance on the accounting for asset sales and contributions made by investor entities to their subsidiaries or joint ventures, offering clarity on how such transactions should be reported in the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

The potential effects of these standards, amendments, and improvements on the Group's consolidated financial position and performance are being evaluated.

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b) Standards, amendments and interpretations to existing standards that are not yet effective

The Group's consolidated has not yet adopted the following standards, amendments and interpretations to existing standards that are not yet effective

TFRS 17 Insurance Contracts

TFRS 17 (Amendments) Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information

TFRS 10 and TAS 28 (Amendments) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

TFRS 9 and TFRS 7 (Amendments) – Classification and Measurement of Financial Instruments

TFRS 9 and TFRS 7 (Amendments) – Contracts Based on Renewable Electricity (Nature-Based Power Contracts)

TFRS 18 – Presentation and Disclosure in Financial Statements (New Standard)

TFRS 19 – Subsidiaries without Public Accountability: Disclosures, Annual Improvements and Amendments to TFRS Accounting Standards

TFRS 17 - Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts as at 1 January 2026.

The impact of this amendment on the Group's consolidated financial position and performance is being evaluated.

TFRS 17 (Amendments) Insurance Contracts and First-time Adoption of TFRS 17 and TFRS 9 - Comparative Information

Amendments have been made to TFRS 17 to reduce implementation costs and facilitate disclosure of results and transition.

In addition, the amendment on comparative information permits entities that are first-time adopters of TFRS 7 and TFRS 9 to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had previously been applied to that financial asset. These amendments will be applied when TFRS 17 is first adopted.

The potential effects of these standards, amendments, and improvements on the Group's consolidated financial position and performance are being evaluated.

TFRS 10 and TAS 28 (Amendments) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Public Oversight, Accounting and Auditing Standards Authority (POA) has indefinitely deferred the effective date of the amendments to TFRS 10 and tAS 28, pending the outcome of its ongoing research project on the equity method. However, early application remains permitted.

The potential effects of these standards, amendments, and improvements on the Group's consolidated financial position and performance are being evaluated.

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TFRS 9 and TFRS 7 (Amendments) – Classification and Measurement of Financial Instruments

In August 2025, the Public Oversight, Accounting and Auditing Standards Authority (POA) issued amendments to TFRS 9 and TFRS 7 relating to the classification and measurement of financial instruments. The amendment clarifies that financial liabilities shall be derecognized when they are extinguished.

However, with this amendment, an accounting policy option is introduced to exclude financial liabilities settled through electronic payment systems from the financial statements before their maturity date, provided certain conditions are met. Furthermore, the amendment introduces explanatory provisions on how to assess the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-related or other similar contingent features, as well as on the treatment of assets that do not give rise to unlimited liability and contractual financial instruments. Furthermore, with this amendment, additional disclosures have been added to TFRS 7 for financial assets and liabilities containing contractual provisions that refer to a contingent event (including ESG-related ones) and for equity-linked financial instruments measured at fair value with the difference recognized in other comprehensive income.

The amendment will take effect in the annual reporting period beginning on or after January 1, 2026. Entities may early adopt the amendments related to the classification of financial assets and related disclosures and adopt the other amendments subsequently. The new provisions will be applied retrospectively by adjusting the opening balance of the retained earnings (losses) item.

TFRS 9 and TFRS 7 (Amendments) – Contracts Based on Renewable Electricity (Nature-Based Power Contracts)

In August 2025, the Public Oversight, Accounting and Auditing Standards Authority (POA) issued the “Contracts Based on Renewable Electricity” amendment to TFRS 9 and TFRS 7. The amendment clarifies the application of the own-use exemption and permits hedge accounting when such contracts are used as hedging instruments. Furthermore, it introduces new disclosure requirements to enhance investors’ understanding of the effects of these contracts on an entity’s financial performance and cash flows.

The potential effects of these standards, amendments, and improvements on the Group’s consolidated financial position and performance are being evaluated.

TFRS 18 – Presentation and Disclosure in Financial Statements (New Standard)

In May 2025, the Public Oversight, Accounting and Auditing Standards Authority (POA) issued TFRS 18 – Presentation and Disclosure in Financial Statements, which replaces TAS 1 Presentation of Financial Statements. TFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of specified totals and subtotals. The Standard requires entities to present all income and expenses recognized in the statement of profit or loss within one of the following five defined categories: operating, investing, financing, income taxes, and discontinued operations. Additionally, TFRS 18 requires entities to disclose management-defined performance measures and introduces new requirements regarding the aggregation and disaggregation of financial information in the primary financial statements and the notes, in line with their defined functions.

With the issuance of TFRS 18, certain consequential amendments have also been made to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. TFRS 18 and the related amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Standard shall be applied retrospectively.

The potential effects of these standards, amendments, and improvements on the Group’s consolidated financial position and performance are being evaluated.

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TFRS 19 – Subsidiaries without Public Accountability: Disclosures, Annual Improvements and Amendments to TFRS Accounting Standards

In August 2025, the Public Oversight, Accounting and Auditing Standards Authority (POA) issued TFRS 19 – Subsidiaries without Public Accountability: Disclosures, which provides an option for certain entities to apply reduced disclosure requirements when applying the recognition, measurement, and presentation requirements of TFRS. Unless otherwise stated, entities within the scope that elect to apply TFRS 19 will not be required to apply the disclosure requirements in other TFRSs.

An entity that is a subsidiary, does not have public accountability, and has a parent (intermediate or ultimate) that makes its consolidated financial statements publicly available and complies with TFRSs, may elect to apply TFRS 19.

TFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. When early application is chosen, this fact shall be disclosed in the notes to the financial statements.

In the first reporting period (annual or interim) in which this Standard is applied, comparative-period disclosures shall be aligned with the disclosures presented for the current period in accordance with TFRS 19.

Annual Improvements to TFRSs – Volume 11

In September 2025, the POA issued “*Annual Improvements to TFRSs – Volume 11*”, which includes the following amendments:

- TFRS 1 – First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: The amendment was introduced to eliminate potential confusion arising from inconsistencies between the wording in TFRS 1 and the hedge accounting requirements under TFRS 9.
- TFRS 7 – Financial Instruments: Disclosures – Gains or Losses on Derecognition: The amendment modifies the terminology relating to unobservable inputs and adds a reference to TFRS 13.
- TFRS 9 – Financial Instruments – Derecognition of a Lease Liability by a Lessee and Transaction Price: The amendment clarifies that when a lease liability is extinguished by a lessee, the lessee shall apply the derecognition requirements in TFRS 9 and recognize any resulting gain or loss in profit or loss. Additionally, the reference to “transaction price” has been removed from TFRS 9.
- TFRS 10 – Consolidated Financial Statements – Determination of a ‘De Facto Agent’: The amendment addresses inconsistencies within the paragraphs of TFRS 10 related to identifying a de facto agent.
- TAS 7 – Statement of Cash Flows – Cost Method: Following previous amendments that eliminated the term “cost method,” the remaining references to this term have been deleted from the Standard.

The potential effects of these standards, amendments, and improvements on the Group’s consolidated financial position and performance are being evaluated.

2.c. Changes in Accounting Policies

The Group changes accounting policies when it is believed that the change will lead to better presentation of transactions and events in the financial statements. When the intentional change can affect the prior period results, the change is applied retrospectively as though it was already applied before. Accounting policy changes arising from the application of a new standard are applied considering the transition principles of the related standard, if any, retrospectively or forward. If no transition principle for the standard exists, the changes are applied retrospectively.

2.d. Changes in Accounting Estimates and Errors

The accompanying consolidated financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements. Changes in accounting estimates and errors explained in title of "Comparative Information and Previous Periods Financial Statements Adjustments".

Comparative Information and Previous Periods Adjustments

For the purpose of conducting a comparison of financial position and performance trend, Group's current financial statements are prepared comparative with previous periods. Comparative information is reclassified to be compatible with the presentation of current financial statements, when necessary.

2.e. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets affected by the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(i) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method, are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

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Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income - Other' line item in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described.

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Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item;. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment's revaluation reserve.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

(c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where IFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Company does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. The impact of the Master Netting Agreements on the Group's financial position is disclosed in. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract as the hedging instrument for all of its hedging relationships involving forward contracts.

Movements in the hedging reserve in equity are detailed in.

Trade Receivables

Group has preferred to apply "simplified approach" defined in TFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Buy-Back Shares

The buy back shares are reflected in the "Buy-Back Shares disclosure" account under shareholders' equity in the Consolidated Financial Statements in accordance with the II-22.1 of the CMB's Communiqué on "Acquisition of Buy Back Shares". In addition, the shares are classified in "Restricted reserves" in accordance with the related communiqué.

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Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. For the periods ended there is no capitalized borrowing cost.

Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the "weighted average" method. Cost elements included in inventories are materials, labour and factory overheads. The cost of borrowings is not included in the costs of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

Tangible Fixed Assets and Amortisations

Tangible fixed assets except lands, buildings are carried at cost, restated by deduction of the yearly accumulated depreciation. Land and buildings are valued with their fair values. Borrowing costs are recognized in accordance with TAS-23 as an element of the book value of assets that are manufactured by the entity. Entities may subject their tangible assets to revaluation. Depreciation is calculated on a straight-line basis over the adjusted amounts and at the rates that reflect the economic useful lives of the following assets Land is considered as limitless useful life, so it is not subject to depreciation. Expected useful life, residual value and amortization method are reviewed for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates.

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

	<u>Useful Life</u>
Buildings	5-50 years
Land improvements	6-20 years
Property, plant and equipment	4-35 years
Motor vehicles	4-10 years
Furniture, fixtures and office equipment	2-25 years
Leasehold improvements	5-10 years

Property, plant and equipment are reviewed for possible impairment and the carrying value of the tangible asset is reduced to its recoverable amount if the recoverable amount is greater than its recoverable amount. The recoverable amount is recognized as the higher of net cash flows from the current use of the property, plant and equipment and net selling price.

Appraisal reports containing fair value of property, plant and equipment held for sale is not obtained, Therefore method of deducting selling prices from fair value has not been applied. Property, plant and equipment held for sale are stated at cost in the financial statements.

Intangible Fixed Assets

Intangible fixed assets comprise of rights and they are recorded at acquisition cost. Intangible fixed assets are amortized on a straight-line method with prorated basis over period of between 2-15 years from the date of acquisition.

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Investment Property

Investment properties, which are properties, held to earn rentals and/or for capital appreciation are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

IFRS 16 Leases (It will be implemented as of January 1, 2019.)

The Group – as a lessee

At inception of a contract, the Group assesses whether a 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. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
 - b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
 - c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
 - d) the Group has the right to direct use of the 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 use of asset if either:
- i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- a) 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

To apply a cost model, the Group measure 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 straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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The Group apply IAS 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 measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee's incremental borrowing rate.

At the commencement date, 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) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure 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, or to reflect revised in substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the rightof- use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

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The Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments. In that case, the Group use an unchanged discount rate.

The Group account for a lease modification as a separate lease if both:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
 - b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.
- Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of TFRS 16 and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

Sale and Leaseback Transactions

In sale and leaseback transactions, the Group assesses whether the transfer of the relevant asset qualifies as a sale in accordance with IFRS 15 "Revenue from Contracts with Customers." If control of the transferred asset passes to the counterparty, the transaction is accounted for as a sale and the asset is derecognized from the statement of financial position. In such cases, any gain or loss arising from the sale is recognized only to the extent of the rights transferred to the buyer-lessor, and the lease agreement arising from the same transaction is accounted for in accordance with the provisions of IFRS 16 "Leases."

If the transfer of the asset does not qualify as a sale under IFRS 15, the transaction is accounted for as a financing transaction. In this case, the relevant asset is not derecognized from the statement of financial position and the proceeds received from the transaction are recognized as a financial liability.

Differences between the accounting treatments applied under the Tax Procedure Law (VUK) and the accounting policies applied in the TFRS financial statements in relation to sale and leaseback transactions are taken into consideration in the calculation of deferred tax where temporary differences arise.

Impairment of Assets

The Group evaluates whether there is an indicator for the decrease in value related to the asset for the rest of every assets of financial assets which are shown with the deferred tax and fair value, or not, at the every financial statement date. If there is an indicator, the regain amount of this asset is estimated. Impairment occurred if the topic assets or the net book value of unit which is belong to assets that produce cash is higher than the regain amount which was gained with the help of using or sale. In the related period, impairment lost is accounted in the income statement. Impairment loss of assets is reversed in the manner of not passing the amount of impairment which was saved before, in the situation of association an amount which was occur at the period which is following registration of impairment with the following increase in regain amount of this assets.

Severance Pay Provision / Employee Benefits

• **Severance Pay**

Under Turkish Labor Law, Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies.

The Group has reflected the severance pay liability calculated on the balance sheet date on the financial statements using the expected inflation rate and the real discount rate based on the principles stated above for the financial statements.

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The Group has calculated severance pay liability on the financial statements in the accompanying consolidated financial statements using the "Projection Method" based on the experience gained over the past years by the Group in completing the personnel service period and entitlement to termination indemnity and discounting it with the government treasury rate at the balance sheet date. All calculated gains and losses are reflected in the income table.

• Social Insurance Premium

Group pays social security contribution to social security organization compulsorily. So long as Group pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Fair value estimation:

The Group's various accounting policies and footnote disclosures require fair value for both financial and non-financial assets and liabilities. The fair values are determined by the following methods for valuation and / or disclosure purposes.

Where feasible, the assumptions used in the determination of fair value are presented in the footnotes related to the asset or liability as additional information. Level-by-level valuation methods are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Tax

In the accompanying Consolidated Financial Statements, the tax consists of corporate tax provision and deferred tax. The corporation tax that will be arise from the results of the period's operations have set aside a provision for the income tax liabilities at the statutory tax rates that are valid at the balance sheet date.

The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with TFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and TFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset.

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Revenue recognition

Group recognises revenue based on the following five principles in accordance with the TFRS 15 - "Revenue from Contracts with Customers Standard" effective from 1 January 2019:

- 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

Group evaluates each contracted obligation separately and respective obligations, committed to deliver the goods or perform services, are determined as separate performance obligations

Group determines at contract inception whether the performance obligation is satisfied over time or at a point in time. When the Group transfers control of a good or service over time, and therefore satisfies a performance obligation over time, then the revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers.

Following indicators are considered while evaluating the transfer of control of the goods and services:

- a) presence of Group's collection right of the consideration for the goods or services,
- b) customer's ownership of the legal title on goods or services,
- c) physical transfer of the goods or services,
- d) customer's ownership of significant risks and rewards related to the goods or services,
- e) customer's acceptance of goods or services.

If Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the promised amount of consideration for the effects of a significant financing component is not adjusted. On the other hand, when the contract effectively constitutes a financing component, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised on an accrual basis as other operating income.

Interest income

Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

Dividend and other incomes

Dividend income which obtained from share investments, is recorded when shareholders' have the right to get dividend.

Other incomes are recorded with the possibility of having the worth giving service or accrual of the facts related with income, making the transfer of risk and benefit, determination of income amount and enrolment of economic benefits related with the procedure.

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Accounting Estimates

The accompanying consolidated financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by the Group management to be compatible with statements required by Public Oversight Accounting and Auditing Standards Authority. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements. Comments those would have significant effect on balances reflected in the financial statements and important expectations and valuations considering present or future expectation as of report date, are as following.

Provision for inventories

Inventories are valued at the lower of cost or net realizable value. The Group management has determined that some of its inventories cost value are higher than the their net realizable value as of the balance sheet date. Management of the company has estimated the future cash flow amounts, replacement costs and the sales prices may be generated in the ordinary business activity from the sale of inventories in the calculation of the impairment.

Provision for doubtful receivables

Provision for doubtful receivables reflects the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which is subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables is presented in Note 5.

Useful lifetime of tangible and intangible assets

Group reserves provision for depreciation regarding to Note 2.d that refers to useful lifetime on fixed assets. Information about useful lifetime is described in Note 2.d.

Provision for lawsuits

While setting provision for lawsuits, it has considered probability to lose lawsuit, then the consequences of losing case by the legal advisor of the Group. Details of the lawsuits provisions are in Note 17 based on the estimation by utilizing information given by Group Management.

Severance pay provision

Severance pay provision is calculated with actuarial expectation based on assumptions like discount rates, salary increase in the future and probability to quit the job. This planning covers long term concerns. Hence assumptions involve vital uncertainty. Provisions for employee benefits are given in detail in Note 18.

Deferred Tax

The Group recognizes deferred tax on the temporary timing differences between the carrying amounts of assets and liabilities in the financial statements prepared in accordance with IFRS and statutory financial statements which is used in the computation of taxable profit. The related differences are generally due to the timing difference of the tax base of some income and expense items between statutory and IFRS financial statements. The Group has deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, which could reduce taxable income in the future periods. All or partial amounts of the realizable deferred tax assets are estimated in current circumstances.

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The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring, the carry-forward period associated with the deferred tax assets, future reversals of existing taxable temporary differences that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the revaluation, as of reporting date, temporary differences due to tax incentives can be foreseen and the fraction falls in continuity of tax incentives within the context of tax legislations, can be benefited from and is to be tax assets and accounted. As of balance sheet date, the details regarding deferred tax calculations are stated in Note 30.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities and Assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of the Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Foreign Currency Assets and Liabilities

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange profit and loss are reflected to the income statements.

	31 December 2025	31 December 2024
USD	42,8623	35,2233
EUR	50,4532	36,7429
GBP	57,8159	44,2458
CHF	54,2141	38,9510
RUBLE	0,54456	0,33482
CNY	6,0977	4,7985

Effects of Change in Currency Rate

Assets and liabilities in foreign currency and purchase and sale commitments create exchange risk. Foreign exchange risk stemming from depreciation or appreciation of Turkish Lira managed by top management by following the currency position of Group and taking position according to approved limits.

Earnings Per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year. In Turkey, companies can increase their share capital by making distribution of "bonus shares" to existing shareholders from inflation adjustment difference in shareholder's equity. For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of "bonus shares" issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

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Other Balance Sheet Items

Other balance sheet items are mainly reflected at book value.

Cash Flow Statement

The Group prepares statement of cash flows to inform users of financial statements about changes in net assets and ability to direct financial structure, amounts and timing of cash flows according to changing situations. In the statement of cash flows, current period cash flows are grouped according to operating, financing, and investing activities. Operating cash flows resulting from activities in scope of Group's main operating scope. Cash flows related to investing activities are cash flows resulting from investing activities (fixed investments and financial investments) of the company. Cash flows related to financing activities comprise of funds used in financing activities of the Group and their repayments. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value.

Post Balance Sheet Events

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements. In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 36).

Reporting of Financial Information by Segments

The Group does not have an activity area to report activity according to the departments.

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. For the purpose of these financial statements shareholders are referred to as related parties. Related parties also include individuals that are principle owners, management and members of the Group's Board of Directors and their families. In the course of conducting its business, the Group conducted various business transactions with related parties on commercial terms:

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NOTE 3 – RELATED PARTY TRANSACTIONS

	31 December 2025		31 December 2024	
	Trading	Non-Trading	Trading	Non-Trading
Prepaid Expenses (Note 9)				
Bostancı Otelcilik ve Turizm İşletmesi A.Ş.	--	6.121.236	--	7.048.723
Other Current Assets (Note 7)				
Shareholders (Advances)	86.402.274	--	--	--
Total	86.402.274	6.121.236	--	7.048.723

Sales to and / or income from related parties:

None (31 December 2024: None).

Purchases and / or expenses from related parties:

	1 January – 31 December 2025	
	Service Purchase	Rent Expenses
Bostancı Otelcilik ve Turizm İşletmesi A.Ş.	730.355	--
Shareholders	--	12.790.020
Total	730.355	25.580.039

	1 January – 31 December 2024	
	Service Purchase	Rent Expenses
Bostancı Otelcilik ve Turizm İşletmesi A.Ş.	3.730.590	--
Shareholders	--	13.789.816
Total	3.730.590	13.789.816

The total amount of benefits provided to the senior management such as the chairman and members of the board of directors, general manager, general coordinator, and general manager of the Group for the period ended 31 December 2025 is TRY 243.077.825 (31 December 2024: TRY 218.363.563).

4 – CASH AND CASH EQUIVALENTS

As of 31 December 2025, and 31 December 2024, the details of cash and cash equivalents are as follows:

	31 December 2025	31 December 2024
Cash	370.154	162.949
Banks	921.022.670	593.447.298
-Demand deposits	522.815.654	314.286.640
-Time deposits	398.207.016	279.160.658
Liquid funds ⁽¹⁾	610.845.607	573.964.796
Total	1.532.238.431	1.167.575.043

⁽¹⁾Liquid funds consist of receivables arising from credit card sales.

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5 – TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Short Term Trade Receivables

	31 December 2025	31 December 2024
Trade Receivables	1.763.837.052	1.414.840.275
Notes Receivables	638.017.620	560.637.019
Unearned Interest (-)	(85.854.052)	(71.904.992)
Doubtful trade receivables	38.261.401	34.633.969
Provision for doubtful trade receivables (-)	(38.261.401)	(34.633.969)
Total	2.316.000.620	1.903.572.302

The maturity schedule of receivables are as follows:

	31 December 2025	31 December 2024
Past due	163.648.622	--
Up to 3 months	1.385.852.684	1.222.669.898
3 to 12 months	852.353.366	752.807.396
Total	2.401.854.672	1.975.477.294

The movement schedule of provision for doubtful trade receivables is as follows:

	31 December 2025	31 December 2024
Opening balance	34.633.969	40.639.001
Additional provisions in the period	11.815.687	6.486.478
Cancellation of provision in period (-)	(14.178)	--
Monetary Loss/Gain	(8.174.077)	(12.491.510)
Total (End of the period)	38.261.401	34.633.969

Trade Payables

Short Term Trade Payables

	31 December 2025	31 December 2024
Trade payables	2.557.438.310	1.801.425.956
Notes payables	840.917.154	88.757.954
Unearned interest (-)	(164.686.742)	(122.626.555)
Total	3.233.668.722	1.767.557.355

Long Term Trade Payables

None (31 December 2024: None).

As of 31 December 2025, and 31 December 2024 maturity schedule of payables are as follows:

	31 December 2025	31 December 2024
Up to 3 months	2.950.829.303	1.734.977.830
3 to 12 months	447.526.161	155.206.080
Total	3.398.355.464	1.890.183.910

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6 – OTHER RECEIVABLES AND PAYABLESShort Term Other Receivables

	31 December 2025	31 December 2024
Receivables from personnel	4.322.195	3.908.972
Deposits and guarantees given	227.039	1.947.792
Receivables from the Tax Office	29.036.583	46.944.395
Doubtful other receivables	6.829.662	8.939.504
Provision for doubtful other receivables (-)	(6.829.662)	(8.939.504)
Other	18.100	11.288.315
Total	33.603.917	64.089.474

The movement schedule of provision for doubtful other receivables is as follows:

	31 December 2025	31 December 2024
Opening balance	8.939.504	12.906.745
Additional provisions in the period	--	--
Cancellation of provision in period (-)	--	--
Monetary Loss/Gain	(2.109.842)	(3.967.241)
Total (End of the period)	6.829.662	8.939.504

Long Term Other receivables:

	31 December 2025	31 December 2024
Deposits and guarantees given	3.861.739	4.187.655
Total	3.861.739	4.187.655

The aging of the Group's other receivables according to their maturities is as follows:

	31 December 2025	31 December 2024
3 to 12 months	33.603.917	64.089.474
1 to 5 Years	3.861.739	4.187.655
Total	37.465.656	68.277.129

Short Term Other Payables

	31 December 2025	31 December 2024
Deposits and guarantees received	1.239.115	1.332.846
Other sundry payables	1.173.642	1.032.196
Total	2.412.757	2.365.042

The aging of the company's other liabilities according to their maturities is as follows:

	31 December 2025	31 December 2024
3 to 12 months	2.412.757	2.365.042
Total	2.412.757	2.365.042

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7 – OTHER ASSETS AND LIABILITIES

Other Current Assets

	31 December 2025	31 December 2024
Deferred VAT	1.273.330.112	1.278.626.081
Business Advances	2.550.790	2.041.546
Advances Given to Personnel	86.705.565	52.294.517
Other VAT	19.797.631	15.466.609
Total	1.382.384.098	1.348.428.753

Other Current Liabilities

	31 December 2025	31 December 2024
Taxes and dues payable	46.077.460	53.342.744
Other liabilities	3.659.575	2.994.789
Total	49.737.035	56.337.533

8 – INVENTORIES

	31 December 2025	31 December 2024
Raw materials	1.305.460.163	1.204.950.327
Work in process	118.825.853	72.671.141
Finished goods	1.370.565.191	1.679.425.300
Merchandises	969.787.760	1.152.126.744
Other inventories	62.823.430	71.082.643
Provision for Stock Value Decrease (-)	(33.763.306)	(25.513.743)
Total	3.793.699.091	4.154.742.412

The related inventory items are reported net by deducting their provisions for impairment. As of 31 December 2025, there is insurance coverage amounting to TRY 2.794.765.000 on inventories (31 December 2024: TRY 3.123.261.114)

The movements in the provision for stock value decrease are as follows:

	31 December 2025	31 December 2024
Beginning of period provision amount	25.513.743	29.003.896
Additional provisions allocated during the period	14.271.145	5.424.990
Monetary loss/gain	(6.021.582)	(8.915.143)
End of period total provision amount	33.763.306	25.513.743

9 – PREPAID EXPENSES

Short-Term Prepaid Expenses

	31 December 2025	31 December 2024
Advances Given for Orders	375.631.311	610.118.023
-Order Advances Given to Related Parties (Note 3)	6.121.236	7.048.723
-Order Advances Given to Other Parties	369.510.075	603.069.300
Expenses for Future Months	163.319.946	157.674.341
Total	538.951.257	767.792.364

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Long-Term Prepaid Expenses

	31 December 2025	31 December 2024
Advances Given for Orders	65.548.305	98.083.785
Expenses for Future Years	83.277.382	99.672.535
Advances Given for Fixed Asset Orders	34.609.555	82.423.912
Total	183.435.242	280.180.232

Short-Term Deferred Income

	31 December 2025	31 December 2024
Advances received	753.277.306	1.052.052.445
Total	753.277.306	1.052.052.445

Long-Term Deferred Income

	31 December 2025	31 December 2024
Revenues for future years	116.381.396	11.793.096
Total	116.381.396	11.793.096

10 – FINANCIAL INVESTMENTS

The fair values of financial investments are classified as follows due to the data used to determine the levels. As of 31 December 2025, and 2024 financial investments is as following;

Short-Term Financial Investments:

	31 December 2025	31 December 2024
Private Cut Bond Bill Bond	--	112.562.283
Total	--	112.562.283

Long term financial investments (Available-for-sale financial assets)

	31 December 2025		31 December 2024	
	(%)	TRY	(%)	TRY
Kay-Ser A.Ş.	0,31%	30.690	0,56%	30.690
Startup-1 Venture Capital Investment Fund	99,69%	9.836.913	99,44%	5.468.629
Total	100%	9.867.603	100%	5.499.319

The fair values of financial investments are classified as follows due to the data used to determine the levels.

31 December 2025	Level 1	Level 2	Level 3
Kay-Ser A.Ş.	--	--	30.690
Startup-1 Venture Capital Investment Fund	9.836.913	--	--
31 December 2024	Level 1	Level 2	Level 3
Kay-Ser A.Ş.	--	--	30.690
Startup-1 Venture Capital Investment Fund	5.468.629	--	--

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11 – INVESTMENT PROPERTIES

Cost	Lands	Buildings	Total
1 January 2024	156.677.388	89.987.828	246.665.216
Addition	48.704	--	48.704
Fair value increase (Note 26)	122.228.479	56.259.262	178.487.741
Transfer	282.777	10.982.510	11.265.287
Disposals	--	--	--
31 December 2024	279.237.348	157.229.600	436.466.948
Addition	--	--	--
Fair value effect (*) (Note 26)	(88.798.163)	(17.668.785)	(106.466.948)
Transfer	--	--	--
Disposals	--	--	--
31 December 2025	190.439.185	139.560.815	330.000.000
Accumulated depreciation (-)			
1 January 2024	--	--	--
Charge for the period	--	--	--
Disposals	--	--	--
31 December 2024	--	--	--
Charge for the period	--	--	--
Disposals	--	--	--
31 December 2025	--	--	--
Net book value, 31 December 2024	279.237.348	157.229.600	436.466.948
Net book value, 31 December 2025	190.439.185	139.560.815	330.000.000

(*) Land and buildings are recognized in the financial statements under the revaluation model, based on the fair values determined as a result of the valuation study conducted as of 31 December 2025 by Yeditepe Grup Gayrimenkul Değerleme ve Danışmanlık A.Ş., which is included in the list of valuation companies authorized by the Capital Markets Board of Türkiye (CMB).

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12 - TANGIBLE FIXED ASSETS

Cost	Lands	Land improvements	Buildings	Plants, machinery and equipment	Vehicles	Fixtures and fittings	Leasehold improvements	Construction in progress	Total
1 January 2024	900.528.547	6.242.628	3.921.080.689	2.388.915.630	126.182.773	1.953.368.029	1.435.855.227	1.073.490.405	11.805.663.928
Addition	49.106.469	--	9.790.223	71.250.413	1.445.223	115.052.870	95.128.887	368.119.229	709.893.314
Transfer	(282.777)	--	(12.558.112)	--	--	--	--	--	(12.840.889)
Fair value increase	1.832.749.551	--	417.108.647	--	--	--	--	--	2.249.858.198
Disposals	--	--	--	(63.384.427)	(2.253.381)	(8.432.743)	(7.193.704)	--	(81.264.255)
31 December 2024	2.782.101.790	6.242.628	4.335.421.447	2.396.781.616	125.374.615	2.059.988.156	1.523.790.410	1.441.609.634	14.671.310.296
Addition	12.219.007	--	7.374.332	19.668.305	77.491.680	390.835.366	29.744.369	1.598.162.082	2.135.495.141
Transfer	--	--	1.525.903.474	1.498.804.693	--	11.326.738	64.670	(3.037.152.847)	(1.053.272)
Disposals	--	--	--	--	(10.116.119)	(42.315.057)	(29.388.553)	--	(81.819.729)
31 December 2025	2.794.320.797	6.242.628	5.868.699.253	3.915.254.614	192.750.176	2.419.835.203	1.524.210.896	2.618.869	16.723.932.436
Accumulated depreciation (-)									
1 January 2024	--	2.596.632	594.358.853	1.329.910.282	85.956.301	1.246.228.425	1.124.452.374	--	4.383.502.867
Charge for the period	--	225.738	92.580.708	149.546.704	11.360.682	186.706.387	127.876.416	--	568.296.635
Transfer	--	--	(1.575.605)	--	--	--	--	--	(1.575.605)
Disposals	--	--	--	(57.781.556)	(2.144.463)	(5.784.642)	(6.836.217)	--	(72.546.878)
31 December 2024	--	2.822.370	685.363.956	1.421.675.430	95.172.520	1.427.150.170	1.245.492.573	--	4.877.677.019
Charge for the period	--	225.741	91.685.540	150.294.786	22.107.028	175.567.038	103.277.971	--	543.158.104
Disposals	--	--	--	--	(10.091.801)	(29.242.137)	(15.469.431)	--	(54.803.369)
31 December 2025	--	3.048.111	777.049.496	1.571.970.216	107.187.747	1.573.475.071	1.333.301.113	--	5.366.031.754
Net book value, 31 December 2024	2.782.101.790	3.420.258	3.650.057.491	975.106.186	30.202.095	632.837.986	278.297.837	1.441.609.634	9.793.633.277
Net book value, 31 December 2025	2.794.320.797	3.194.517	5.091.649.757	2.343.284.398	85.562.429	846.360.132	190.909.783	2.618.869	11.357.900.682

As of 31 December 2025, there is insurance amounting to TRY 11.384.089.500 on property, plant and equipment. The liability amounts for fixed assets are mentioned in Note:19 (31 December 2024: TRY 8.184.813.130).

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13 - RIGHT OF USE ASSETS

The movement table of the right of use assets as of 31 December 2025 is as follows:

	Vehicles	Buildings	Total
1 January 2024 balance	101.760.318	1.895.219.907	1.996.980.225
Additions	--	--	--
Disposals	--	--	--
31 December 2024 balance	101.760.318	1.895.219.907	1.996.980.225
Additions	119.033.749	874.118.128	993.151.877
Disposals	--	--	--
31 December 2025	220.794.067	2.769.338.035	2.990.132.102
Accumulated depreciation (-)			
1 January 2024 balance	29.873.856	346.709.963	376.583.819
Charge for the period	36.268.200	352.757.553	389.025.753
31 December 2024 balance	66.142.056	699.467.516	765.609.572
Charge for the period	52.277.952	601.002.733	653.280.685
31 December 2025	118.420.008	1.300.470.249	1.418.890.257
Net book value of 31 December 2024	35.618.262	1.195.752.391	1.231.370.653
Net book value of 31 December 2025	102.374.059	1.468.867.786	1.571.241.845

14 - INTANGIBLE FIXED ASSETS

Cost	Patents / Brands / Licenses / Other	Active Development Costs	Total
1 January 2024	861.291.498	238.870.424	1.100.161.922
Addition	235.023.598	123.564.505	358.588.103
Disposals	(23.959)	--	(23.959)
31 December 2024	1.096.291.137	362.434.929	1.458.726.066
Addition	157.883.460	132.938.609	290.822.069
Transfer	1.053.272	--	1.053.272
Disposals	(76.046)	--	(76.046)
31 December 2025	1.255.151.823	495.373.538	1.750.525.361
Accumulated depreciation (-)			
1 January 2024	477.058.151	42.968.915	520.027.066
Charge for the period	104.628.835	48.914.763	153.543.598
Disposals	(23.959)	--	(23.959)
31 December 2024	581.663.027	91.883.678	673.546.705
Charge for the period	124.952.784	50.799.546	175.752.330
Disposals	(43.916)	--	(43.916)
31 December 2025	706.571.895	142.683.224	849.255.119
Net book value, 31 December 2024	514.628.110	270.551.251	785.179.361
Net book value, 31 December 2025	548.579.928	352.690.314	901.270.242

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The distribution of depreciation expenses is as follows:

	31 December 2025	31 December 2024
Tangible fixed assets	543.158.104	568.296.635
Intangible fixed assets	175.752.330	153.543.598
Right of use assets	653.280.685	389.025.753
Total	1.372.191.119	1.110.865.986

15 - FINANCIAL BORROWINGS

As of December 31, 2025 and December 31, 2024, the details of the financial debts are as follows;

Short Term Financial Borrowings

	31 December 2025	31 December 2024
Bank Loans	1.749.336.540	1.959.659.613
Debts from Leasing Transactions	350.437.393	171.362.778
Financial Leasing Debts	308.016.657	24.473.967
Deferred Financial Leasing Borrowing Costs (-)	(132.753.862)	(3.622.651)
Other Financial Debts	24.686.244	875.992
Total	2.299.722.972	2.152.749.699

Current Instalments of Long-Term Financial Liabilities

	31 December 2025	31 December 2024
Current Instalments of Long-Term Financial Liabilities	836.232.504	2.917.451.735
Total	836.232.504	2.917.451.735

Long Term Financial Borrowings

	31 December 2025	31 December 2024
Bank Loans	1.691.170.460	1.248.293.374
Debts from Leasing Transactions	385.159.288	271.514.330
Financial Leasing Debts	2.275.862.897	35.230.010
Deferred Financial Leasing Borrowing Costs (-)	(307.909.966)	(3.325.772)
Total	4.044.282.679	1.551.711.942

Liabilities given for bank borrowings are mentioned in Note 19.

The details of the bank loans are as follows:

31 December 2025

Currency Type	Maturity Range	Weighted Average Effective Interest Rate	Short Term	Long Term
TRY	February 2026 – December 2034	41,46%	928.708.061	361.045.813
USD	February 2026 – October 2027	6,94%	209.552.713	136.600.007
EUR	January 2026 – May 2028	6,78%	1.181.267.936	852.053.440
CNY	April 2026 – July 2027	5,31%	266.040.334	341.471.200
Total			2.585.569.044	1.691.170.460

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31 December 2024

Currency Type	Maturity Range	Weighted Average Effective Interest Rate	Short Term	Long Term
TRY	January 2025 – February 2033	46,68%	2.770.363.419	646.438.303
USD	March 2025 – September 2026	7,77%	172.279.280	31.927.433
EUR	January 2025 – September 2029	6,82%	1.746.688.862	569.927.638
CNY	January 2025 – September 2025	7,10%	187.779.787	--
Total			4.877.111.348	1.248.293.374

The details of the financial leases are as follows;

31 December 2025

	Currency	Amount	TRY Value
Short-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	6.104.997	308.016.657
Minus: Interest expense for future months	EUR	(2.631.228)	(132.753.862)
Total			175.262.795

Long-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	45.108.395	2.275.862.897
Minus: Interest expense for future months	EUR	(6.102.883)	(307.909.966)
Total			1.967.952.931

The principal amount of financial lease liabilities shown in the financial statements **2.143.215.726**

31 December 2024

	Currency	Amount	TRY Value
Short-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	381.661	24.473.967
Minus: Interest expense for future months	EUR	(60.002)	(3.622.651)
Total			20.851.316

Long-term financial lease liabilities			
Financial lease debts (principal + interest)	EUR	859.750	35.230.010
Minus: Interest expense for future months	EUR	(84.475)	(3.325.772)
Total			31.904.238

The principal amount of financial lease liabilities shown in the financial statements **52.755.554**

Maturity schedule of banks borrowings are as follows:

	31 December 2025	31 December 2024
Up to 3 months	1.152.499.296	1.797.455.612
3 to 12 months	1.983.456.180	3.272.745.822
1 to 5 years	3.301.657.273	1.200.369.574
Over 5 years	742.625.406	351.342.368
Total	7.180.238.155	6.621.913.376

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16 – EMPLOYEE BENEFIT LIABILITIES

	31 December 2025	31 December 2024
Personnel wage liabilities	160.659.194	153.402.166
Taxes and funds to be paid related to personnel	45.061.914	40.918.671
Social security deductions to be paid related to personnel	73.475.352	66.335.227
Total	279.196.460	260.656.064

17 – PROVISIONS

	31 December 2025	31 December 2024
Expense accruals	10.846.618	5.893.918
Provisions for litigation	405.529	2.423.291
Total	11.252.147	8.317.209

18 – PROVISIONS FOR EMPLOYEE BENEFITS

The movement of the provision for employee benefits is as follows;

	31 December 2025	31 December 2024
Balance at the beginning	185.227.197	82.313.638
Cost of services	75.710.026	38.974.047
Actuarial gain / (loss)	26.066.020	115.147.653
Interest cost	9.705.905	3.465.404
Severance pay paid in the period	(68.051.700)	(29.372.193)
Monetary Loss/Gain	(43.716.079)	(25.301.352)
Closing balance	184.941.369	185.227.197

	31 December 2025	31 December 2024
Discount rate	28,60%	28,87%
Inflation rate	22,20%	22,70%
Net discount rate	5,24%	4,21%
Real wage increase rate	22,20%	22,70%
Probability of leaving the job by receiving severance pay	97,25%	97,32%
Severance pay ceiling	64.949	46.655

19 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

Given GSM (Guarantee-Security-Mortgage) by Group	31 December 2025	31 December 2024
A. Total Amount of GSM Given on Behalf of Legal Entity	1.400.520.795	1.331.598.588
B. Total Amount of GSM Given for Partnerships which are Included in Full Consolidation	--	--
C. Total Amount of GSM Given for the Purpose of Guaranteeing Third Party Loans to Carry the Regular Trade Activities	--	--
D. Total Amount of Other GSM Given	--	--
<i>i. Total Amount of GSM Given for the Parent Company</i>	--	--
<i>ii. Total Amount of GSM Given for Other Group Companies not Included in B and C Clauses</i>	--	--
<i>iii. Total Amount of GSM Given for Third Parties not Included in C Clause</i>	--	--
Total	1.400.520.795	1.331.598.588

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Letters of guarantee - As of 31 December 2025, the Group has given letters of guarantee amounting to TRY 1.136.342.475 to the suppliers and other corporations. The details of the letters of guarantee are as below:

31 December 2025	Currency	Foreign Currency Amount	TL Equivalent
Electricity distribution companies	TRY	4.452.603	4.452.603
Enforcement office	TRY	9.647.889	9.647.889
Customs directorate	TRY	37.854.312	37.854.312
Gas distribution companies	TRY	172.245	172.245
Private sector	TRY	51.952.794	51.952.794
Private sector	EUR	97.280	4.908.087
Private sector	RUB	37.000.000	20.148.720
Private sector	USD	572.000	24.517.236
Turkish export credit bank	EUR	7.183.419	362.426.474
Turkish export credit bank	CNY	79.240.000	483.181.748
Turkish export credit bank	USD	1.021.000	43.762.408
Turkish export credit bank	TRY	74.817.959	74.817.959
National lottery administration	TRY	16.125.000	16.125.000
State supply office	TRY	2.375.000	2.375.000
Total			1.136.342.475

31 December 2024	Currency	Foreign Currency Amount	TL Equivalent
Electricity distribution companies	TRY	1.048.003	1.048.003
Enforcement office	TRY	12.638.338	12.638.338
Customs directorate	TRY	24.000.676	24.000.676
Gas distribution companies	TRY	225.455	225.455
Private sector	TRY	85.437.449	85.437.449
Private sector	EUR	97.280	4.677.696
Private sector	RUB	135.000.000	57.791.254
Private sector	USD	1.072.000	49.504.109
Turkish export credit bank	EUR	7.703.297	370.412.016
Turkish export credit bank	CNY	32.300.000	203.201.819
Turkish export credit bank	USD	1.775.000	81.968.090
Turkish export credit bank	TRY	102.311.988	102.311.988
National lottery administration	TRY	22.415.311	22.415.311
State supply office	TRY	3.769.699	3.769.699
Total			1.019.401.903

As at 31 December 2025, mortgages on various tangible assets of the Group amounting to TRY 264.178.320 (31 December 2024: TRY 312.196.685).

	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Foreign currency		TRY equivalent	
Bills given (CNY)	90.900.303	29.897.106	554.282.778	188.085.027
Bills given (EUR)	1.150.000	--	7.012.355	--
Total	92.050.303	29.897.106	561.295.133	188.085.027

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Contingent Asset

	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Foreign currency		TRY equivalent	
Letters of Guarantee (TRY)	1.559.744.000	1.488.518.867	1.559.744.000	1.488.518.867
Letters of Guarantee (USD)	3.953.500	--	169.456.103	--
Letters of Guarantee (EUR)	805.000	--	40.614.826	--
Mortgages (TRY)	687.787.500	744.243.963	687.787.500	744.243.963
Mortgages (Abroad) (USD)	1.775.000	--	76.080.583	--
Checks Received (TRY)	2.650.000	3.468.647	2.650.000	3.468.647
Total			2.536.333.012	2.236.231.477

20 – SHARE CAPITAL

20.1 Paid in Capital

The authorized share capital ceiling of the Parent Company was increased from TRY 300,000,000 to TRY 2,000,000,000 in accordance with the Board of Directors' resolution dated 24 February 2025, with the approval of the Capital Markets Board of Türkiye (CMB) dated 27 February 2025. The related amendment to the Articles of Association was approved at the General Assembly meeting held on 21 April 2025 and was registered on 6 May 2025 and announced in the Turkish Trade Registry Gazette No. 11325. The authorized share capital ceiling of the Parent Company is TRY 2,000,000,000 (31 December 2024: TRY 300,000,000).

The shareholding structure of the parent company as of 31 December 2025 and 31 December 2024 is as follows;

	31 December 2025		31 December 2024	
	Amount TRY	Share (%)	Amount TRY	Share (%)
Hacı Nuri Öztaşkın	12.427.403	8,30%	12.427.403	8,30%
Yılmaz Öztaşkın	10.940.192	7,30%	10.940.192	7,30%
Bostancı Otelcilik ve Turizm İşletmesi A.Ş	8.467.847	5,65%	8.467.847	5,65%
Other ⁽¹⁾	117.963.490	78,75%	117.963.490	78,75%
Total	149.798.932	100,00%	149.798.932	100,00%
Inflation Adjustment on Capital	1.962.830.183		1.962.830.183	
Total	2.112.629.115		2.112.629.115	

⁽¹⁾ Includes nominal repurchase shares amounting to TRY 6.035.734 at the rate of 4,03% stated.

⁽²⁾Capital Restatement Differences represent the difference between the total amount of cash and cash-equivalent additions to capital adjusted for inflation accounting and their pre-adjustment amounts. Capital restatement differences can only be used for addition to capital and have no other purpose.

20.2 Previous Years Profits, Restricted Reserves, Fair Value Reserves and Other Capital Reserves

Public companies distribute dividends in accordance with the Communiqué on Dividends (II-19.1) of the Capital Markets Board of Türkiye (CMB), which entered into force on 1 February 2014. The main provisions and explanations included in the Communiqué on Dividends are summarized below. Dividend distributions are made by resolution of the General Assembly within the framework of the Dividend Distribution Policy to be determined by the General Assembly. While determining their dividend distribution policies, companies shall also decide whether or not dividends will be distributed. Accordingly, dividend distribution is, in principle, discretionary. The CMB may determine different principles regarding dividend distribution policies depending on the characteristics of the companies.

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In the profit distribution policies of the partnership:

- Whether the profit is not to be distributed and distributed,
- Profit share ratios and the account to be applied to these ratios,
- Payment methods and time,
- Whether the dividend will be distributed as cash or bonus shares (for companies traded on the stock exchange)
- There are issues to be distributed and not to distribute profit share advance.

The upper limit of the profit share to be distributed is the distributable amount of the relevant profit distribution resources included in the statutory records. The dividend is distributed equally to all of the existing shares as a rule at the date of distribution. The acquisition and export dates of the shares are not taken into account. It can not be decided to allocate another reserves and to transfer the profit to the next year unless reserve is made in accordance with the Turkish Commercial Law and the dividend foreseen for the shareholders in the articles of association and profit distribution policy.

On condition that whether it is in the Articles of incorporation, dividends distributable to privileged shareholders or non-beneficial owner of the shares, members of the board of directors, employees. However, dividends can not be distributed to usufruct shareholders, members of the board of directors, employees and other people without paying cash dividends determined for shareholders. In principle, the Communiqué presumes that the amount to be distributed may be up to ¼ of the profit share distributed to the shareholders, unless a determination is made in the main agreement regarding the amount of the dividends to be paid to the listed persons, except for the preferential shares. If the dividend is to be distributed to people outside the shareholder and payment by instalments is in question, the instalment amounts shall be paid according to the instalments to be paid to the shareholders and according to the same principles.

The new Capital Markets Law and the new Communiqué provide the opportunity for donations from partnerships. However, it is sought to make provision in the substantive contracts. The CMB will be able to set an upper limit, as the amount of donations can be determined by the general assemblies.

Companies whose shares are quoted in the stock exchange:

- Proposal of board of directors for dividend distribution
- Or the decision of the board of directors on the distribution of dividends
- Dividend distribution table or profit share advance distribution table

announced to the public. It is obligatory for the dividend distribution chart to be disclosed to the public at the latest when the ordinary general assembly schedule is announced.

Restricted reserves that are separated from profits

	31 December 2025	31 December 2024
Beginning of the Period	549.429.674	549.429.674
Total of those allocated in the current period	--	--
Increase/Decrease Due to Share Repurchase Transactions	--	--
Increase/Decrease Due to Other Changes	--	--
Total	549.429.674	549.429.674

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Actuarial gain on severance pay/ loss (-)

	31 December 2025	31 December 2024
Beginning of the Period	1.434.545.466	36.536.961
Revaluation of tangible assets	--	2.249.858.198
Defined benefit plan remeasurement gains/losses (actuarial gain loss)	(26.066.020)	(115.147.653)
Taxes Related to Other Comprehensive Income Not to be Reclassified to Profit or Loss	301.047.202	(736.702.040)
Total	1.709.526.648	1.434.545.466

Foreign currency conversion differences

Currency conversion differences as of 31 December 2025 and 31 December 2024 are as follows;

	31 December 2025	31 December 2024
1 January	17.347.266	(49.133.814)
Addition	(158.909.592)	66.481.080
Total	(141.562.326)	17.347.266

Foreign currency translation differences consist of foreign currency exchange differences arising from the translation of foreign currency financial statements from the current currency to the reporting currency.

Buy back shares (-)

As 31 December 2025 and 31 December 2024 buy back shares as following;

	31 December 2025	31 December 2024
Beginning of the period	(313.064.093)	(313.064.093)
Buy back shares	--	--
Total	(313.064.093)	(313.064.093)

In accordance with II-22.1 "Communiqué on Buy Back Shares" issued by the CMB, the Group has purchased the shares quoted in the Exchange Market.

As of 31 December 2025, the Group has Purchased 6.035.734 shares amounting to TRY 36.439.256 that is 4,03% of its total capital and reflected it in the accompanying financial statements under "Buy back shares in Equity".

In addition, in accordance with the related communiqué, the amount of buy back shares is reclassified in "restricted reserves".

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As of December 31, 2025, the comparison of the related Equity items presented in the financial statements of the Group adjusted for inflation, with the amounts adjusted for inflation in the financial statements prepared according to legal legislation, is as follows:

	Amounts adjusted for inflation in Financial statements prepared according to Legal Legislation	Amounts adjusted for inflation in financial statements prepared according to TFRS	Differences observed in past year profits
Inflation Adjustment on Capital	1.527.747.844	2.112.629.115	584.881.271
Restricted reserves that are separated from profits	165.663.572	276.614.833	110.951.261

21 – REVENUE

For the periods ended at 31 December 2025 and 2024, the details of sales are as following;

	1 January – 31 December 2025	1 January – 31 December 2024
Domestic sales	25.940.961.042	22.623.266.840
Export sales	1.546.849.474	1.727.640.629
Other sales	71.167.910	167.643.021
Gross Sales	27.558.978.426	24.518.550.490
Sales returns (-)	(539.709.781)	(498.860.377)
Sales discounts (-)	(4.333.836.883)	(2.832.628.183)
Other discounts (-)	(27.269.733)	(16.645.855)
Sales returns and Discounts (-)	(4.900.816.397)	(3.348.134.415)
Net Sales	22.658.162.029	21.170.416.075

22 – COST OF SALES (-)

For the periods ended at 31 December 2025 and 2024, the details of cost of sales are as following;

	1 January – 31 December 2025	1 January – 31 December 2024
Cost of finished goods sold	10.080.040.984	9.619.077.125
Cost of merchandise	4.579.390.579	4.422.294.076
Cost of services sold	220.986.012	411.883.706
Total	14.880.417.575	14.453.254.907

23 – RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (-)

	1 January – 31 December 2025	1 January – 31 December 2024
Research and development expenses	106.612.965	127.698.029
Marketing, sales and distribution expenses	5.522.924.852	4.792.404.899
General administrative expenses	885.857.464	840.000.475
Total	6.515.395.281	5.760.103.403

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EXPENSES BY NATURE (-)

	1 January – 31 December 2025	1 January – 31 December 2024
Personnel Expenses	2.009.930.083	1.964.047.417
Depreciation Expense	1.249.512.777	813.061.013
Advertising Expenses	1.124.728.038	893.408.545
Transportation Expenses	533.085.955	595.106.993
Sales Channel Setup and Logistics Expenses	336.819.455	304.671.190
E-commerce Commission Expenses	127.107.207	129.229.233
Material Expense	116.880.938	49.501.109
Taxes, Duties, and Fees Expenses	90.988.195	87.116.990
Consulting Expense	85.857.778	89.474.417
Export Expenses	64.004.360	69.746.747
Store Common Area Expenses	62.118.790	53.787.920
Decoration Expense	61.851.697	51.007.591
Electricity, Water, and Heating Expenses	59.006.975	62.666.626
Travel, Transportation, and Accommodation Expenses	53.296.654	67.108.787
Exhibition Expenses	52.780.047	58.373.554
Rent Expenses	50.390.062	159.191.454
Turnover Bonus Expenses	45.911.473	97.192.556
Maintenance and Repair Expenses	44.316.675	31.129.231
Insurance Expenses	31.645.782	9.182.569
Dealer Opening Support	7.306.168	16.457.092
Communication Expenses	6.398.218	25.243.697
Other Expenses	301.457.954	133.398.672
Total	6.515.395.281	5.760.103.403

24 – OTHER INCOME FROM OPERATING ACTIVITIES

	1 January – 31 December 2025	1 January – 31 December 2024
Exchange rate difference income	529.070.748	397.527.777
Interest income from deferred payment terms	346.200.936	1.058.963.419
Incentive revenues	123.300.098	45.391.306
Discounts, rebates and turnover premiums	85.106.975	77.804.925
Bank commission income	90.152.073	43.423.403
Solar power plant (SPP) income	8.309.325	--
Reversal of provisions no longer required	14.178	--
Other revenues	120.454.431	68.819.148
Total	1.302.608.764	1.691.929.978

25 – OTHER EXPENSE FROM OPERATING ACTIVITIES (-)

	1 January – 31 December 2025	1 January – 31 December 2024
Exchange rate losses	201.055.171	111.444.460
Interest expenses arising from deferred payment terms	216.247.292	626.927.540
Donation Expenses	1.972.767	1.263.835
Provision Expenses	11.815.687	6.486.478
Other Expenses	49.743.016	44.195.891
Total	480.833.933	790.318.204

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26 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

26.1 Income from Investing Activities

	1 January – 31 December 2025	1 January – 31 December 2024
Investment Property Value Increase (Note:11)	--	178.487.750
Investment Property Rental Income	10.843.069	9.217.332
Fixed Asset Sale Profits	6.616.897	49.898.174
Investment fund capital gains	398.714	1.730.723
Dividend Income	--	212.045
Total	17.858.680	239.546.024

26.2 Expenses from Investing Activities (-)

	1 January – 31 December 2025	1 January – 31 December 2024
Impairment of investment property (Note:11)	106.466.948	--
Total	106.466.948	--

27 – EXPLANATIONS ON NET MONETARY POSITION GAINS/(LOSSES)

	1 January – 31 December 2025	1 January – 31 December 2024
Paid-in capital	(498.608.538)	(649.374.448)
Retained earnings and other equity components	(2.090.038.510)	(2.171.799.822)
Inventories	(6.420.681)	103.868.533
Financial investments	1.267.482	650.387
Property, plant and equipment	2.115.736.216	1.974.918.133
Intangible assets	128.064.176	148.871.176
Investment properties	103.012.000	83.565.665
Right-of-use assets	173.745.773	286.372.329
Prepaid expenses	6.918.247	51.847.158
Deferred income	(18.308.667)	(18.299.296)
Revenue	(2.010.753.303)	(2.597.191.032)
Cost of sales	2.038.288.674	2.622.626.860
Research and development expenses	20.589.429	29.323.314
Marketing expenses	1.029.793.399	912.965.805
General administrative expenses	104.763.273	135.426.501
Other income from operating activities	(104.930.627)	(210.780.479)
Other expenses from operating activities	49.045.641	105.668.975
Income from investing activities	(928.292)	(8.577.347)
Expenses from investing activities	--	--
Finance income	(11.804.641)	(7.554.105)
Finance expenses	264.683.621	277.139.176
Total	1.294.114.672	1.069.667.483

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28 – FINANCIAL INCOME

	1 January – 31 December 2025	1 January – 31 December 2024
Foreign exchange income	50.208.702	34.785.517
Interest income	77.387.957	35.241.252
Total	127.596.659	70.026.769

29 – FINANCIAL EXPENSES (-)

	1 January – 31 December 2025	1 January – 31 December 2024
Foreign exchange losses	899.395.957	281.569.834
Interest expenses	1.268.407.138	1.731.778.012
Bank commission expenses	521.747.621	407.223.748
Lease payables interest accruals	122.772.187	72.275.655
Guarantee letter commison expenses	15.097.878	25.740.527
Other financial expenses	19.239.260	30.581.395
Total	2.846.660.041	2.549.169.171

30 – TAX ASSETS AND LIABILITIES

In Turkey, as of December 31, 2025, the corporate tax rate is 25% (2024: 25%).

As of the period ending on December 31, 2025, in accordance with tax legislation, provisional tax is calculated and paid at a rate of 25% (2024: 25%) on the earnings formed every three months, and the amounts paid in this way are offset from the tax calculated on the annual income.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years, and tax accounts can be revised. Dividend payments made to real persons who are resident and non-resident in Turkey and to legal persons who are not resident in Turkey by joint-stock companies resident in Turkey, except those who are not liable for corporate tax and income tax and those who are exempt, are subject to 15% income tax.

Dividend payments made by joint-stock companies resident in Turkey to other joint-stock companies resident in Turkey are not subject to income tax. Also, if the profit is not distributed or added to the capital, income tax is not calculated.

Assets Related to Current Tax

	31 December 2025	31 December 2024
Prepaid taxes	5.186.588	--
Total	5.186.588	--

Taxes in balance sheet

	31 December 2025	31 December 2024
Corporation tax	5.564.809	--
Prepaid taxes and funds (-)	(5.564.809)	--
Total	--	--

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Deferred Taxes in balance sheet

	31 December 2025	31 December 2024
Assets	--	--
Liabilities	(1.384.312.909)	(1.554.173.453)
Total	(1.384.312.909)	(1.554.173.453)

For the periods ended at 31 December 2025 and 2024, the details of tax income / expense are as following;

	1 January – 31 December 2025	1 January – 31 December 2024
Corporation tax	8.695.525	--
Deferred taxes in income statement	(465.998.348)	(453.329.688)
Total	(457.302.823)	(453.329.688)

	1 January – 31 December 2025	1 January – 31 December 2024
Recognized in other comprehensive income	301.047.202	(736.702.040)
End of term	301.047.202	(736.702.040)

	31 Dec. 2025	31 Dec. 2024	31 Dec. 2025	31 Dec. 2024
	Cumulative temporary difference	Cumulative temporary difference	Deferred tax assets / (liabilities)	Deferred tax assets / (liabilities)
Ertelenen Vergi Varlıkları ve Yükümlülükleri				
Adjustments related to receivable re-discounts	85.854.052	71.904.992	21.463.513	17.976.248
Adjustments related to payable re-discounts	(164.686.742)	(122.626.555)	(41.171.686)	(30.656.639)
Adjustments related to provisions for lawsuits	405.529	530.806	101.382	132.701
Adjustments related to other accounts	40.986.208	48.535.319	10.246.552	12.133.830
Adjustments related to other provisions	6.816.910	8.922.812	1.704.228	2.230.704
Adjustments related to provisions for employee severance benefits	184.941.369	185.227.197	46.235.343	46.306.800
Adjustments related to accrued loan interest	9.984.630	39.078.520	2.496.158	9.769.631
Adjustments related to right-of-use assets	(835.645.164)	(788.493.545)	(208.911.291)	(197.123.387)
Adjustments related to property, plant and equipment and intangible assets	(4.959.476.511)	(4.701.894.040)	(1.078.879.573)	(1.308.391.074)
Adjustments related to prepaid expenses	15.173.162	(1.925.206)	3.793.291	(481.302)
Adjustments related to inventory impairment	33.763.306	25.513.743	8.440.827	6.378.436
Adjustments related to inventories	(340.378.698)	(310.864.146)	(85.094.675)	(77.716.037)
Adjustments related to provision for doubtful receivables	28.814.399	22.268.568	7.203.600	5.567.143
Adjustments related to advances given	(14.172.383)	(16.459.390)	(3.543.096)	(4.114.848)
Adjustments related to investment properties	(273.589.918)	(362.630.476)	(68.397.482)	(90.657.618)
Tax losses carried forward	--	217.887.834	--	54.471.959
Deferred Tax Liabilities	(6.181.209.851)	(5.685.023.567)	(1.384.312.909)	(1.554.173.453)

31 – EARNING PER SHARE

Earnings / loss per share is determined by dividing the weighted average number of shares in the current year by the weighted average.

	1 January – 31 December 2025	1 January – 31 December 2024
Net period profit	113.264.203	235.410.956
Weighted average number of shares	149.798.932	149.798.932
Earnings per Share (TRY)	0,76	1,57

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32 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Instruments

Credit risk

Credit risk is defined as the risk that a financial instrument will cause a financial loss to the Group because one party can not fulfill its contractual obligation. The Group is exposed to credit risk as a result of trade receivables arising from forward sales and deposits held in banks. The Group management reduces the credit risk related to customers' receivables by setting credit limits separately for each customer and taking collateral if necessary and selling only through cash collection to customers who are considered risky. The collective risk of the Group mainly arises from its commercial receivables. Trade receivables are assessed by considering their past experience and current economic condition and are shown net in the statement of financial position after the provision for doubtful receivables is appropriated.

The Group's exposure to credit risk as of 31 December 2025 is as follows:

	Receivables				Bank Deposit	Financial Investment
	Trade receivables		Other receivables			
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	--	2.316.000.620	--	37.465.656	921.022.670	9.867.603
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	--	2.152.351.998	--	37.465.656	921.022.670	9.867.603
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	--	--	--	--	--	--
C. Book value of financial assets that are overdue but not impaired	--	163.648.622	--	--	--	--
-The part under guarantee with collateral etc	--	163.648.622	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross book value amount)	--	38.261.401	--	6.829.662	--	--
- Impairment (-)	--	(38.261.401)	--	(6.829.662)	--	--
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--
Non overdue (gross book value amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral	--	--	--	--	--	--
E. Factors Including Off-Balance Sheet Risk	--	--	--	--	--	--

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The Group's exposure to credit risk as of 31 December 2024 is as follows:

	Receivables				Bank Deposit	Financial Investment
	Trade receivables		Other receivables			
	Related Party	Other	Related Party	Other		
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	--	1.903.572.302	--	68.277.129	593.447.298	118.061.602
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A. Net book value of financial assets that are neither overdue nor impaired	--	1.903.572.302	--	68.277.129	593.447.298	118.061.602
B. Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	--	--	--	--	--	--
C. Book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
-The part under guarantee with collateral etc	--	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross book value amount)	--	34.633.969	--	8.939.504	--	--
- Impairment (-)	--	(34.633.969)	--	(8.939.504)	--	--
- The part of net value under guarantee with collateral etc	--	--	--	--	--	--
Non overdue (gross book value amount)	--	--	--	--	--	--
Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral	--	--	--	--	--	--
E. Factors Including Off-Balance Sheet Risk	--	--	--	--	--	--

Liquidity risk

Fair liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims at maintaining flexibility in funding by keeping committed credit lines. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities.

As of 31 December 2025, liquidity risk table of the Group is as following;

Maturities According to Contract	Book Value	Cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years
Non-Derivative						
Financial Liabilities	7.180.238.155	8.922.508.383	1.264.714.796	2.401.918.707	4.387.208.481	868.666.399
Financial liabilities	6.444.641.474	7.513.817.149	1.088.502.566	2.039.295.543	3.581.259.662	804.759.378
Lease Liability	735.596.681	1.408.691.234	176.212.230	362.623.164	805.948.819	63.907.021
Expected Maturities						
Non-Derivative						
Financial Liabilities	3.236.081.479	3.400.768.221	2.950.829.303	449.938.918	--	--
Trade payables	3.233.668.722	3.398.355.464	2.950.829.303	447.526.161	--	--
Other payables	2.412.757	2.412.757	--	2.412.757	--	--
Total	10.416.319.634	12.323.276.604	4.215.544.099	2.851.857.625	4.387.208.481	868.666.399
Derivative						
Financial Liabilities	38.275.129	41.007.327	41.007.327	--	--	--
Derivative cash outflows	38.275.129	41.007.327	41.007.327	--	--	--

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The table below shows the liquidity risk of the Group as of 31 December 2024;

Maturities According to Contract	Book Value	Cash outflow	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years
Non-Derivative						
Financial Liabilities	6.621.913.376	7.812.769.170	1.896.672.400	3.946.898.511	1.912.834.288	56.363.971
Financial liabilities	6.179.036.268	6.853.676.937	1.802.353.558	3.759.444.324	1.291.879.055	--
Lease Liability	442.877.108	959.092.233	94.318.842	187.454.187	620.955.233	56.363.971
Expected Maturities						
Non-Derivative						
Financial Liabilities	1.769.922.397	1.892.548.952	1.734.977.830	157.571.122	--	--
Trade payables	1.767.557.355	1.890.183.910	1.734.977.830	155.206.080	--	--
Other payables	2.365.042	2.365.042	--	2.365.042	--	--
Total	8.391.835.773	9.705.318.122	3.631.650.230	4.104.469.633	1.912.834.288	56.363.971
Derivative						
Financial Liabilities	168.904.193	199.427.629	61.228.976	138.198.653	--	--
Derivative cash outflows	168.904.193	199.427.629	61.228.976	138.198.653	--	--

Interest rate risk

Fluctuations may occur in the value of financial instruments by changing prices in the market. Such fluctuations may be due to price changes in securities or factors specific to the issuer of such securities or affecting the entire market. The Group's interest rate risk is mainly due to bank loans.

Although the interest rates of interest bearing financial liabilities vary, interest bearing financial assets have a fixed interest rate, and future cash flows do not change with the size of these assets. First of all, the Group's risk exposure to changing market interest rates depends on the Group's floating interest rate debt obligations. The Group's policy in this regard is to manage interest costs by utilizing fixed-rate borrowings.

Capital risk management

In capital management, the Group aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations. The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet, trade and other payables and loans). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt. As of 31 December 2025, and 31 December 2024 net debt / total equity ratio is as follows:

	31 December 2025	31 December 2024
Total debts	7.180.238.155	6.621.913.376
Less: Liquid assets	(1.532.238.431)	(1.167.575.043)
Net debt	5.647.999.724	5.454.338.333
Total capital	10.764.223.099	10.534.887.306
Net Debt/Total Equity ratio	0,52	0,52

	31 December 2025	31 December 2024
Current Assets	9.602.064.002	9.518.762.631
Short-Term Liabilities	7.465.499.903	8.217.487.082
Current Assets/Short-Term Liabilities	1,29	1,16

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Foreign currency risk

The carrying amounts of foreign currency assets and liabilities held by the Group as of 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025					
	TRY equivalent functional currency	USD	EUR	GBP	RUBLE	CNY
1. Trade Receivables	985.769.350	11.492.402	5.861.595	17.917	360.670.000	--
2a. Monetary Financial Assets (including cash, banks)	347.343.902	965.840	5.875.571	5	17.439.000	1.238
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	149.265.473	1.500.855	643.042	--	--	8.608.467
4. Current Assets (1+2+3)	1.482.378.725	13.959.097	12.380.208	17.922	378.109.000	8.609.705
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	3.653.368	85.235	--	--	--	--
8. Non-Current Assets (5+6+7)	3.653.368	85.235	--	--	--	--
9. Total Assets (4+8)	1.486.032.093	14.044.332	12.380.208	17.922	378.109.000	8.609.705
10. Trade Payables	916.481.328	5.264.621	6.043.442	19.924	706.560.621	--
11. Financial Liabilities	1.832.123.778	4.888.975	26.886.911	--	--	43.629.620
12a. Other monetary financial liabilities	28.618.253	583.006	70.634	1.134	--	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	2.777.223.359	10.736.602	33.000.987	21.058	706.560.621	43.629.620
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	3.298.077.578	3.186.950	55.893.508	--	--	56.000.000
16a. Other monetary financial liabilities	--	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--	--
17. Non-Current Liabilities (14+15+16)	3.298.077.578	3.186.950	55.893.508	--	--	56.000.000
18. Total Liabilities (13+17)	6.075.300.937	13.923.552	88.894.495	21.058	706.560.621	99.629.620
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	(38.275.129)	(614.500)	(236.581)	--	--	--
19a. Hedged amount of assets	--	--	--	--	--	--
19b. Hedged amount of liabilities position	38.275.129	614.500	236.581	--	--	--
20. Net foreign currency position asset / liabilities (9-18+19)	(4.627.543.973)	(493.720)	(76.750.868)	(3.136)	(328.451.621)	(91.019.915)
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(4.742.187.685)	(1.465.310)	(77.157.329)	(3.136)	(328.451.621)	(99.628.382)

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	31 December 2024					
	TRY equivalent functional currency	USD	EUR	GBP	RUB	CNY
1. Trade Receivables	985.359.414	11.055.810	4.264.647	18.000	614.919.859	--
2a. Monetary Financial Assets (including cash, banks)	185.982.653	2.157.072	1.605.108	17	17.439.000	269.476
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	352.008.623	1.997.102	4.195.971	--	--	9.255.652
4. Current Assets (1+2+3)	1.523.350.690	15.209.984	10.065.726	18.017	632.358.859	9.525.128
5. Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7. Other	2.633.586	57.122	--	--	--	--
8. Non-Current Assets (5+6+7)	2.633.586	57.122	--	--	--	--
9. Total Assets (4+8)	1.525.984.276	15.267.106	10.065.726	18.017	632.358.859	9.525.128
10. Trade Payables	413.542.447	4.243.104	3.788.971	19.500	34.050	5.500.226
11. Financial Liabilities	2.127.599.245	3.736.705	36.640.162	--	289.255.000	29.897.106
12a. Other monetary financial liabilities	31.459.347	468.535	59.625	--	15.950.000	--
12b. Other non-monetary financial liabilities	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	2.572.601.039	8.448.344	40.488.758	19.500	305.239.050	35.397.332
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	633.759.309	692.500	12.625.650	--	--	--
16a. Other monetary financial liabilities	--	--	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--	--
17. Non-Current Liabilities (14+15+16)	633.759.309	692.500	12.625.650	--	--	--
18. Total Liabilities (13+17)	3.206.360.348	9.140.844	53.114.408	19.500	305.239.050	35.397.332
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	(168.904.193)	(3.663.500)	--	--	--	--
19a. Hedged amount of assets	--	--	--	--	--	--
19b. Hedged amount of liabilities position	168.904.193	3.663.500	--	--	--	--
20. Net foreign currency position asset / liabilities (9-18+19)	(1.849.280.265)	2.462.762	(43.048.682)	(1.483)	327.119.809	(25.872.204)
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.035.018.282)	4.072.038	(47.244.653)	(1.483)	327.119.809	(35.127.856)

Details of the import and export amounts of the Group as of 31 December 2025 and 2024 are as follows;

	1 January – 31 December 2025		1 January – 31 December 2024	
	Import	Export	Import	Export
USD	14.252.330	19.353.826	11.461.137	19.966.259
EUR	21.777.731	9.803.320	10.117.823	9.323.577
TRY	--	31.453.750	--	15.890.198
GBP	1.773	--	38.268	--
CHF	20.711	--	15.478	--
CNY	43.521.184	--	48.540.795	--
TRY equivalent	1.734.452.618	1.228.214.337	1.246.290.098	1.307.182.242

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Foreign Currency Risk Sensitivity Analysis

As of 31 December 2025, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure is as below:

Foreign Currency Risk Sensitivity Analysis Table		
31 December 2025		
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY at 10%		
1- USD net asset / liability	517.691	(517.691)
2- Part of hedged from USD risk (-)	(2.633.888)	2.633.888
3- USD net effect (1+2)	(2.116.197)	2.116.197
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(386.039.062)	386.039.062
5- Part of hedged from EUR risk (-)	(1.193.628)	1.193.628
6- EUR net effect (4+5)	(387.232.690)	387.232.690
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	(18.131)	18.131
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	(18.131)	18.131
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	(17.886.161)	17.886.161
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	(17.886.161)	17.886.161
In case of appreciation / depreciation of CNY against TRY at 10%		
13-CNY net asset/liability	(55.501.214)	55.501.214
14-Part of hedged from CNY risk (-)	--	--
15-CNY net effect (13+14)	(55.501.214)	55.501.214
Total (3+6+9+12+15)	(462.754.393)	462.754.393

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Foreign Currency Risk Sensitivity Analysis Table		
31 December 2024		
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY at 10%		
1- USD net asset / liability	28.244.884	(28.244.884)
2- Part of hedged from USD risk (-)	(16.890.419)	16.890.419
3- USD net effect (1+2)	11.354.464	(11.354.464)
In case of appreciation / depreciation of EUR against TRY at 10%		
4- EUR net asset / liability	(207.036.770)	207.036.770
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(207.036.770)	207.036.770
In case of appreciation / depreciation of GBP against TRY at 10%		
7-GBP net asset/liability	(8.589)	8.589
8-Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	(8.589)	8.589
In case of appreciation / depreciation of RUB against TRY at 10%		
10-RUB net asset/liability	14.336.146	(14.336.146)
11-Part of hedged from RUB risk (-)	--	--
12-RUB net effect (10+11)	14.336.146	(14.336.146)
In case of appreciation / depreciation of CNY against TRY at 10%		
13-CNY net asset/liability	(16.249.991)	16.249.991
14-Part of hedged from CNY risk (-)	--	--
15-CNY net effect (13+14)	(16.249.991)	16.249.991
Total (3+6+9+12+15)	(197.604.740)	197.604.740

33 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Company using available markets information in Turkey and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

Financial Assets

Balances denominated in foreign currencies are converted at period exchange rates. The fair value of certain financial assets carried at cost, including loans are considered to approximate their respective carrying amounts in the financial statements. The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values

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Financial Liabilities

The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of long-term bank borrowings, which are denominated in foreign currencies and translated at period/year-end exchange rates, are considered to approximate their carrying values. The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer settlements approximates its fair values.

34 – FEES FOR SERVICE RECEIVE FROM INDEPENDENT AUDITOR/ INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for services provided by independent audit firms, prepared based on the Board Decision published in the duplicate Official Gazette by the Public Oversight Accounting and Auditing Standards Authority (KGK) on March 30, 2021, and the preparation principles outlined in the KGK letter dated August 19, 2021, and calculated on a purchasing power basis as of December 31, 2025, is as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Audit and assurance fee	1.200.000	916.246
Tax consulting fee	--	--
Other assurance services fee	--	--
Other service fee apart from audit	--	--
Total	1.200.000	916.246

35 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSURE FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

None (31 December 2024: None).

36 – POST BALANCE SHEET EVENTS

None (31 December 2024: None).