YÜKSELEN ÇELİK ANONİM ŞİRKETİ
AND
SUBSIDIARIES

PREPARED AS OF JUNE 30, 2026

CONSOLIDATED FINANCIAL STATEMENTS

LIMITED REVIEW REPORT

HSY Danışmanlık ve Bağımsız Denetim A.Ş.
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YÜKSELEN ÇELİK A.Ş. AND SUBSIDIARIES
FOR THE PERIODS OF JANUARY 01 – JUNE 30
REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS
LIMITED REVIEW REPORT

YÜKSELEN ÇELİK A.Ş. AND SUBSIDIARIES
To the General Assembly

Introduction

We have performed a limited review of the consolidated statement of financial position of Yükselen Çelik A.Ş. (the "Company") as of June 30, 2026, and the condensed consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and other explanatory notes (the "interim financial information") for the six-month period ended on that date. The Company's management is responsible for the preparation and fair presentation of the interim condensed financial information in accordance with TAS 34 "Interim Financial Reporting" published by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on interim-condensed financial information based on our limited review.

Scope of Limited Review

Our limited review was conducted in accordance with International Standard on Review Engagements (ISRE) 2410, " Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review of interim financial information consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other limited review procedures. The scope of a limited review of interim financial information is substantially narrower than the scope of an independent audit conducted in accordance with Independent Auditing Standards, the objective of which is to express an opinion on the financial statements. Accordingly, a limited review of interim financial information does not provide assurance that all significant matters that might be identified in an independent audit would be identified. Therefore, we do not express an independent audit opinion.

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Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information of Yükselen Çelik A.Ş. (the "Company") does not present fairly, in all material respects, the financial position as of June 30, 2026, and its financial performance and cash flows for the six-month period then ended, in accordance with TAS 34.

The engagement partner responsible for this limited independent review is Hakan Kılıç.

Istanbul, August 14, 2026.

HSY Danışmanlık ve Bağımsız Denetim Anonim Şirketi
Member, Crowe Global

Hakan Kılıç
Responsible Auditor, CPA

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(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

	Note	Current Period 30.06.2026 TRY	Prior Period 31.12.2025 TRY
ASSETS		**2.049.817.014**	**1.835.353.269**
Current Assets		**1.440.555.575**	**1.245.872.373**
Cash and Cash Equivalents	53	25.485.519	26.805.910
Financial Investments	8	42.320.957	21.533.593
Trade Receivables	7	420.152.637	426.204.928
- Trade Receivables from Non-Related Parties	7	420.152.637	426.204.928
Other Receivables	9,6	14.596.648	5.729.463
- Other Receivables from Related Parties	6	906.867	1.827.001
- Other Receivables from Non-Related Parties	9	13.689.781	3.902.462
Inventories	10	817.052.479	735.710.051
Prepaid Expenses	12	111.107.197	17.900.757
- Prepaid Expenses to Non-Related Parties	12	111.107.197	17.900.757
Current Tax Assets	40	74.067	962.706
Other Current Assets	29	9.766.071	11.024.965
Subtotal		**1.440.555.575**	**1.245.872.373**
Total Current Assets		**1.440.555.575**	**1.245.872.373**
Fixed Assets		**609.261.439**	**589.480.896**
Investments in Associates, Joint Ventures, and Subsidiaries	4	2.139.340	2.139.340
Tangible Fixed Assets	14	526.258.258	486.999.206
Right-of-Use Assets	20	50.489.807	62.284.851
Intangible Fixed Assets	17	1.460.169	1.597.737
-Other Intangible Fixed Assets	17	1.460.169	1.597.737
Deferred Tax Asset	40	28.913.865	36.459.762
Total Fixed Assets		**609.261.439**	**589.480.896**
TOTAL ASSETS		**2.049.817.014**	**1.835.353.269**

The following notes form an integral part of the financial statements.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

	Note	Current Period 30.06.2026 TRY	Prior Period 31.12.2025 TRY
LIABILITIES AND EQUITY		**2.049.817.014**	**1.835.353.269**
Short-Term Liabilities		**1.007.269.094**	**906.439.933**
Short-Term Borrowings	47	21.490.076	2.702.632
- Short-Term Borrowings from Non-Related Parties	47	21.490.076	2.702.632
Short-Term Portion of Long-Term Borrowings	47	436.937.556	370.226.559
- Short-Term Portion of Long-Term Borrowings from Non-Related Parties	47	436.937.556	370.226.559
Obligations Arising from Leasing Transactions	20	12.056.812	12.665.242
- Obligations Arising from Leasing Transactions with Related Parties	6	6.829.691	8.047.706
- Obligations Arising from Leasing Transactions with Non-Related Parties	20	5.227.121	4.617.535
Trade Payables	7	251.803.131	213.899.042
- Trade Payables to Non-Related Parties	7	251.803.131	213.899.042
Liabilities Under Employee Benefits	27	8.027.682	4.654.396
Other Payables	9	259.794.328	286.144.915
- Other Payables to Related Parties	6	256.852.522	279.529.658
- Other Payables to Non-Related Parties	9	2.941.806	6.615.257
Deferred Revenues	12	15.047.500	14.897.968
- Deferred Revenues from Non-Related Parties	12	15.047.500	14.897.968
Short-Term Provisions	25	2.112.009	1.249.180
- Short-Term Provisions for Employee Benefits	25	2.112.009	1.249.190
Subtotal		1.007.269.094	906.439.934
Total Short-Term Liabilities		**1.007.269.094**	**906.439.934**
Long-Term Liabilities		**35.463.865**	**23.845.651**
Long-Term Borrowings	47	15.233.770	--
- Long-Term Borrowings from Non-Related Parties	47	15.233.770	--
Obligations Arising from Leasing Transactions	20	13.637.155	17.636.012
- Obligations Arising from Leasing Transactions with Related Parties	6	3.042.967	6.907.902
- Obligations Arising from Leasing Transactions with Non-Related Parties	20	10.594.188	10.728.110
Long-Term Provisions	25	6.592.940	6.209.639
- Long-Term Provisions for Employee Benefits	25	6.592.940	6.209.639
Total Long-Term Liabilities		**35.463.865**	**23.845.651**
EQUITY		**1.007.084.055**	**905.067.685**
Equity Attributable to the Parent Company		**1.007.084.055**	**905.067.685**
Paid-in Capital	30	500.000.000	499.326.608
Capital Adjustment Differences	30	1.289.000.143	1.288.880.555
Capital Advance	30	50.094.660	--
Accumulated Other Comprehensive Income	30	2.238.316	886.833
- Accumulated Other Comprehensive Income (Expenses) Not to be Reclassified to Profit or Loss	30	(677.130)	(677.130)
- Revaluation and Measurement Gains (Losses)	30	(677.130)	(677.130)
- Defined Benefit Plans Remeasurement Gains (Losses)	30	(677.130)	(677.130)
- Accumulated Other Comprehensive Income (Expenses) to be Reclassified to Profit or Loss	30	2.915.446	1.563.963
- Foreign Currency Translation Differences	30	2.915.446	1.563.963
Restricted Reserves Allocated from Profit	30	70.245.077	70.245.077
Retained Earnings/Losses from Previous Years	30	(958.820.560)	(633.205.762)
Net Profit/Loss for the Period		54.326.419	(321.065.626)
Total Equity		**1.007.084.055**	**905.067.685**
TOTAL SOURCES		**2.049.817.014**	**1.835.353.269**

The following notes form an integral part of the financial statements.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT SUBJECT TO LIMITED REVIEW AS OF JUNE 30, 2026

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

	Note	Current Period 1.01.2026 30.06.2026 TRY	Prior Period 1.01.2025 30.06.2025 TRY	Prior Period 1.04.2026 30.06.2026 TRY	Prior Period 1.04.2025 30.06.2025 TRY
Revenue	31	838.847.451	634.634.534	384.818.255	265.022.049
Cost of Sales (-)	31	(576.141.228)	(518.703.260)	(274.748.969)	41.781.270
GROSS PROFIT (LOSS) FROM COMMERCIAL ACTIVITIES		**262.706.223**	**115.931.274**	**110.069.286**	**306.803.319**
GROSS PROFIT (LOSS)		**262.706.223**	**115.931.274**	**110.069.286**	**306.803.319**
General Administrative Expenses (-)	28,33	(97.313.075)	(77.406.549)	(50.399.584)	(40.863.038)
Marketing Expenses (-)	28,33	(41.262.542)	(71.490.784)	(18.970.904)	(31.271.199)
Other Income from Main Activities	34	35.280.314	74.479.045	6.930.830	23.637.293
Other Expenses from Main Activities (-)	34	(32.867.479)	(110.156.564)	963.018	(16.045.433)
PROFIT (LOSS) FROM MAIN ACTIVITIES		**126.543.441**	**(68.643.578)**	**48.592.646**	**242.260.942**
Income from Investment Activities	**35**	3.129.968	8.726.307	1.360.583	5.877.904
Impairment Gains (Losses) and Reversals of Impairment Losses Determined in Accordance with IFRS 9	**35**	4.914.214	(457.504)	8.609.618	(1.251.040)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		**134.587.623**	**(60.374.775)**	**58.562.847**	**246.887.806**
Financial Income	37	5.612.712	11.729.218	3.320.138	6.952.041
Financial Expenses (-)	37	(94.764.488)	(173.461.308)	(49.229.991)	(100.215.304)
Net Monetary Position Gains (Losses)	45	10.937.809	3.563.974	(27.710.629)	53.732.662
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**56.373.656**	**(218.542.891)**	**(15.057.635)**	**207.357.205**
Tax (Expense) Income from Continuing Operations		**(2.047.237)**	**95.381.022**	**(5.881.175)**	**(62.994.034)**
-Deferred Tax (Expense) Income	40	(2.047.237)	95.381.022	(5.881.175)	(62.994.034)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**54.326.419**	**(123.161.869)**	**(20.938.810)**	**144.363.171**
PROFIT (LOSS) FOR THE PERIOD		**54.326.419**	**(123.161.869)**	**(20.938.810)**	**144.363.171**
Allocation of Profit (Loss) for the Period		**54.326.419**	**(123.161.869)**	**(20.938.810)**	**144.363.171**
-Parent Company Shares	41	54.326.419	(123.161.869)	(20.938.810)	144.363.171
Earnings (Loss) Per Share	41	**0,11**	**(0,49)**	**(0,04)**	**0,58**
-Basic Earnings (Loss) Per Share from Continuing Operations	41	0,11	(0,49)	(0,04)	0,58
Diluted Earnings (Loss) Per Share	41	**0,11**	**(0,49)**	**(0,04)**	**0,58**
-Diluted Earnings (Loss) Per Share from Continuing Operations	41	0,11	(0,49)	(0,04)	0,58
PROFIT (LOSS) FOR THE PERIOD		**54.326.419**	**(123.161.869)**	**(20.938.810)**	**144.363.171**
OTHER COMPREHENSIVE INCOME	38	1.351.483	1.492.500	1.672.006	1.510.024
Items That Will Not Be Reclassified to Profit or Loss, Before Tax	38	**--**	**175.324**	**--**	**95.234**
Remeasurement Gains (Losses) on Defined Benefit Plans	38	--	140.259	--	76.187
Taxes Related to Other Comprehensive Income Items That Will Not Be Reclassified to Profit or Loss	38	--	35.065	--	19.047
-Remeasurement Gains (Losses) on Defined Benefit Plans, Tax Effect	38	--	35.065	--	19.047
Items That Are or May Be Reclassified to Profit or Loss, Before Tax	38	**1.351.483**	**1.317.176**	**1.672.006**	**1.414.790**
Foreign Currency Translation Differences for Translation of Foreign Operations	38	1.351.483	1.317.176	1.672.006	1.414.790
-Gains (Losses) from Foreign Currency Translation Differences for Translation of Foreign Operations	38	1.351.483	1.317.176	1.672.006	1.414.790
Total Other Comprehensive Income, Before Tax		**1.351.483**	**1.492.500**	**1.672.006**	**1.510.024**
OTHER COMPREHENSIVE INCOME		**1.351.483**	**1.492.500**	**1.672.006**	**1.510.024**
TOTAL COMPREHENSIVE INCOME (EXPENSE)		**55.677.902**	**(121.669.369)**	**(19.266.804)**	**145.873.195**
Distribution of Total Comprehensive Income					
-Non-Controlling Interests		--	--	--	--
-Parent Company Shares		55.677.902	(121.669.369)	(19.266.804)	145.873.195

The following notes form an integral part of the financial statements.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

					Accumulated Other Comprehensive Income or Expenses Not to Be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income or Expenses to Be Reclassified to Profit or Loss					
					Revaluation and Remeasurement Gains / Losses	Revaluation and Remeasurement Gains / Losses		Accumulated Profit			
	Note	Paid-in Capital	Capital Adjustment Differences	Capital Advance	Remeasurement Gains/Losses on Defined Benefit Plans	Foreign Currency Translation Differences	Restricted Reserves Allocated from Profit	Retained Earnings/Losses from Previous Years	Net Profit/Loss for the Period	Equity Attributable to the Parent Company	Total Equity
CURRENT PERIOD											
Balances as of 01.01.2026 (beginning of period)		**499.326.608**	**1.288.880.555**	**50.094.660**	**(677.130)**	**1.563.963**	**70.245.077**	**(633.205.762)**	**(321.065.626)**	**955.162.345**	**955.162.345**
Amount After Adjustments		**499.326.608**	**1.288.880.555**	**50.094.660**	**(677.130)**	**1.563.963**	**70.245.077**	**(633.205.762)**	**(321.065.626)**	**955.162.345**	**955.162.345**
Transfers	30		119.588	--	--	--	--	(324.941.406)	321.065.626	(3.756.192)	(3.756.192)
Total Comprehensive Income (Expense)	30	--	--	--	--	1.351.483	--	--	54.326.419	55.677.902	55.677.902
Net Profit (Loss) for the Period	30	--	--	--	--	--	--	--	54.326.419	54.326.419	54.326.419
Total Other Comprehensive Income	30	--	--	--	--	1.351.483	--	--	--	1.351.483	1.351.483
Capital Increase	30	673.392	--	--	--	--	--	(673.392)	--	--	--
Increase (Decrease) Due to Other Changes	30	--	--	--	--	--	--	--	--	--	--
Total Increase (Decrease) in Equity Items	30	500.000.000	1.289.000.143	50.094.660	(677.130)	2.915.446	70.245.077	(958.820.560)	54.326.419	1.007.084.055	1.007.084.055
Balances as of 30.06.2026 (end of period)		**500.000.000**	**1.289.000.143**	**50.094.660**	**(677.130)**	**2.915.446**	**70.245.077**	**(958.820.560)**	**54.326.419**	**1.007.084.055**	**1.007.084.055**
PRIOR PERIOD											
Balances as of 01.01.2025 (beginning of period)		250.000.000	1.244.600.383	**--**	**(981.445)**	**544.612**	**70.245.077**	**(166.193.256)**	**(532.246.098)**	**865.969.272**	**865.969.272**
Amount After Adjustments		**250.000.000**	**1.244.600.383**	**--**	**(981.445)**	**544.612**	**70.245.077**	**(166.193.256)**	**(532.246.098)**	**865.969.272**	**865.969.272**
Transfers	30	**--**	--	--	--	--	--	(564.625.493)	532.246.098	(32.379.395)	(32.379.395)
Total Comprehensive Income (Expense)	30	--	--	--	140.259	1.317.176	--	--	(123.161.869)	(121.704.434)	(121.704.434)
Net Profit (Loss) for the Period	30	--	--	--	--	--	--	--	(123.161.869)	(123.161.869)	(123.161.869)
Total Other Comprehensive Income	30	--	--	--	140.259	1.317.176	--	--	--	1.457.435	1.457.435
Total Increase (Decrease) in Equity Items	30	250.000.000	1.244.600.383	--	(841.185)	1.861.788	70.245.077	(730.818.749)	(123.161.869)	711.885.444	711.885.444
Balances as of 30.06.2025 (end of period)		**250.000.000**	**1.244.600.383**	**--**	**(841.185)**	**1.861.788**	**70.245.077**	**(730.818.749)**	**(123.161.869)**	**711.885.444**	**711.885.444**

The following notes form an integral part of the financial statements.

(All amounts are presented in Turkish Lira (“TRY”) based on the purchasing power as of June 30, 2026, unless otherwise stated.)

	Note	Current Period 1.01.2026 30.06.2026 TRY	Prior Period 1.01.2025 30.06.2025 TRY
A. CASH FLOWS FROM MAIN ACTIVITIES		**109.400.584**	**777.709.080**
Profit/loss for the period (+/-)		**54.326.419**	**(123.161.869)**
-Profit (Loss) for the Period from Continuing Operations	39	54.326.419	(123.161.869)
Adjustments for reconciliation of profit/loss for the period		**129.387.793**	**57.902.082**
Adjustments for depreciation and amortization expenses	14,17,20	46.979.806	44.535.341
Adjustments for impairment/reversal of impairment (+/-)	**7**	**(3.031.692)**	**32.706.025**
-Adjustments for Impairment (Reversal) of Receivables	7	(3.031.692)	32.706.025
Adjustments for provisions (+/-)	**25**	**107.201**	**4.887.618**
-Adjustments for Provisions (Reversal) for Employee Benefits	25	107.201	4.887.618
Adjustments for interest income and expenses (+/-)	**34,37**	**68.623.501**	**182.133.551**
-Adjustments for Interest Income	37	(4.936.917)	(10.502.499)
-Adjustments for Interest Expenses	37	77.214.726	196.853.260
-Deferred Finance Expense Arising from Term Purchases	34	19.578.586	62.931.677
-Unearned Finance Income Arising from Term Sales	34	(23.232.894)	(67.148.887)
Adjustments for Unrealized Foreign Currency Translation Differences	46	1.164.480	944.347
Adjustments for Tax (Income) Expense	40	18.674.465	(198.578.493)
Adjustments for Losses (Gains) from Disposal of Fixed Assets	**14**	**(3.129.968)**	**(8.726.307)**
-Adjustments for Losses (Gains) from Disposal of Tangible Fixed Assets	14	(3.129.968)	(8.726.307)
Changes in Working Capital		**(170.656.374)**	**620.255.802**
Decrease (Increase) in Financial Investments	8	(21.758.789)	(1.712.672)
Adjustments for Decrease (Increase) in Trade Receivables	**7**	**101.215.602**	**266.220.814**
-Decrease (Increase) in Trade Receivables from Non-Related Parties	7	101.215.602	266.220.814
Adjustments for Decrease (Increase) in Other Receivables Related to Operations	**9**	**(8.243.235)**	**4.047.988**
-Decrease (Increase) in Other Receivables from Related Parties	6	1.080.532	8.391.704
-Decrease (Increase) in Other Receivables from Non-Related Parties	9	(9.323.767)	(4.343.716)
Adjustments for Decreases (Increases) in Inventories	10	(42.590.180)	115.094.644
Decrease (Increase) in Prepaid Expenses	12	(110.797.280)	(30.856.622)
Adjustments for Increase (Decrease) in Trade Payables	**6,7**	**(26.201.447)**	**(151.564.350)**
-Decrease (Increase) in Trade Payables to Non-Related Parties	7	(26.201.447)	(151.564.350)
Increase (Decrease) in Liabilities Under Employee Benefits	27	(1.188.809)	4.145.018
Adjustments for Increase (Decrease) in Other Payables Related to Operations	**9**	**(70.217.856)**	**489.650.660**
-Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	(64.834.272)	488.958.538
-Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	(5.383.584)	692.122
Increase (Decrease) in Deferred Revenues (Excluding Liabilities Arising from Customer Contracts)	12	(2.644.410)	16.786.068
Adjustments Related to Other Increase (Decrease) in Working Capital	**29**	**11.770.030**	**(91.555.746)**
-Decrease (Increase) in Other Assets Related to Operations	29	11.770.030	(91.555.746)
Net cash flow from operating activities (+/-)		**13.057.838**	**554.996.015**
Lease Payments	20	--	(41.617.529)
Tax Refunds (Payments)	40	986.125	1.623.299
Impact of Inflation on Operating Activities		95.356.621	262.707.295
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(13.510.328)**	**99.214.604**
Cash Outflows Due to Acquisition of Shares or Capital Increase of Subsidiaries and/or Joint Ventures	4	--	(358.680)
Cash Inflows from Sale of Tangible and Intangible Fixed Assets	**14**	**8.544.757**	**66.320.619**
-Cash Inflows from Sale of Tangible Fixed Assets	14	8.544.757	66.320.619
Cash Outflows from Acquisition of Tangible and Intangible Fixed Assets	**14**	**(73.190.603)**	**(112.565.897)**
-Cash Outflows from Acquisition of Tangible Fixed Assets	14	(73.190.603)	(112.479.682)
-Cash Outflows from Acquisition of Intangible Fixed Assets	17	--	(86.214)
Impact of Inflation on Investing Activities		51.135.518	145.818.561
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(15.103.999)**	**(704.143.741)**
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments		**673.392**	**--**
-Cash Inflows from Issuance of Shares	28	673.392	--
Cash Inflows from Borrowings	**47**	**346.172.231**	**221.879.829**
-Cash Inflows from Loans	47	346.172.231	221.879.829
Cash Outflows Related to Debt Payments	**47**	**(237.792.992)**	**(842.006.087)**
-Cash Outflows Related to Loan Repayments	47	(237.792.992)	(842.006.087)
Cash Outflows Related to Debt Payments Arising from Lease Contracts	20,47	(16.828.476)	(6.684.799)
Interest Paid	37	(77.214.726)	(196.853.260)
Interest Received	37	4.936.917	10.502.499
Impact of Inflation on Financing Activities		(35.050.345)	109.018.077
D. Impact of Inflation		(86.149.370)	(123.818.536)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		**(5.363.113)**	**48.961.407**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(5.363.113)**	**48.961.407**
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**53**	**26.805.910**	**17.872.282**
G. Impact of Inflation on Cash and Cash Equivalents		**4.042.721**	**2.554.137**
CASH AND CASH EQUIVALENTS AT PERIOD END (A+B+C+D+E+F+G)	**53**	**25.485.518**	**69.387.826**

The following notes form an integral part of the financial statements.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

General Information

Yükselen Çelik Anonim Şirketi (the "Company") was established on March 20, 1989, in Istanbul under the name "Yükselen Çelik Ticaret Limited Şirketi". Yükselen Çelik Ticaret Limited Şirketi changed its name to Yükselen Çelik Anonim Şirketi with the title change published in the Turkish Trade Registry Gazette dated January 7, 2013, and numbered 8230.

The main activity of the Company is the production, import, export, domestic purchase, and sale of all kinds of iron and steel products, including carbon, manufacturing, construction, alloyed and unalloyed, tool stainless, qualified and unqualified steel, to be used in all industrial sectors, especially in machinery, automotive, mold, iron and steel, shipbuilding, construction, and railway industries.

The registered address of the Company is Osmangazi Mahallesi 2647 sokak No:40/1 Esenyurt İSTANBUL.

Liaison Office 1:

Kocaeli Kobi OSB Köseler Mahallesi 4. Cad. No:19 Dilovası/Kocaeli

Liaison Office 2:

Mehmet Akif Ersoy 1. Öteyaka Kümeevleri 61/1B Kemalpaşa/İzmir

Liaison Office 3:

Ataköy Towers A Blok No:142 Çobançeşme E-5 Yanyol Bakırköy/İSTANBUL

As of June 30, 2026, and December 31, 2025, the capital and ownership structure are as follows:

		30.06.2026		**31.12.2025**
	Share Amount	**Share Percentage**	**Share Amount**	**Share Percentage**
Barış GÖKTÜRK	124.033.817	24,81%	124.033.817	24,81%
Yüksel GÖKTÜRK	114.394.765	22,88%	114.394.765	22,88%
Burak GÖKTÜRK	61.922.533	12,38%	61.922.533	12,38%
Ferhan GÖKTÜRK	3.521.127	0,70%	3.521.127	0,70%
Publicly Traded Portion (*)	196.127.758	39,23%	196.127.758	39,23%
Total Capital	**500.000.000**	**100%**	**500.000.000**	**100%**

(*) As of June 30, 2026, and December 31, 2025, 400.000 shares, representing 0,20% of the publicly traded portion, belong to Barış Göktürk, and 901.812 shares, representing 0,46%, belong to Yüksel Göktürk. (As of December 31, 2025, 200.000 shares, representing 0,08% of the publicly traded portion, are held by Barış Göktürk, and 450.906 shares, representing 0,18% of the publicly traded portion, are held by Yüksel Göktürk.)

In order to remain within the Group's registered capital ceiling of 2.500.000.000 TRY, the Group's entire issued capital of 250.000.000 TRY will be paid in cash, and the 250.000.000 TRY (Paid-in) to 500.000.000 TRY, resulting in an increase of 250.000.000 TRY in nominal value shares, the Prospectus prepared regarding these shares
was approved by the Capital Markets Board ("CMB") at its meeting No. 63/2188 held on December 4, 2025.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basis of Presentation

- **Applied financial reporting standards**

The accompanying financial statements have been prepared in accordance with Turkish Accounting Standards ("TAS") and their appendices and interpretations, which have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"). The financial statements and notes are presented in accordance with the TAS taxonomy published by the POA on April 05, 2019, and revised on July 03, 2024.

- **Comparative information and restatement of prior period financial statements**

The numerical data in the financial statements are presented comparatively with the prior period. When the presentation or classification of items in the financial statement changes, the prior period financial statements are reclassified accordingly to ensure comparability, and explanations are provided regarding these matters.

- **Going concern assumption**

The financial statements have been prepared on a going concern basis, if the Group will obtain benefits from its assets and fulfill its liabilities within the next year and in the normal course of its operations.

- **Consolidation**

Full Consolidation:

The consolidated financial statements include the financial statements of the subsidiary managed by the Group as described in Note 1.

The Group's control is achieved through its exposure to, and rights to, variable returns from these companies and its ability to affect those returns through their power over them. Subsidiaries are consolidated using the full consolidation method from the date control is transferred to the Group. They are deconsolidated from the date control ceases.

As of June 30, 2026, and December 31, 2025, the subsidiaries consolidated within the Parent Company have been consolidated using the "full consolidation method" due to the Group's control.

The consolidation principles applied are as follows:

(i) The balance sheets and income statements of the subsidiaries are consolidated item by item, and the carrying netbook value of the Parent Company's investment is eliminated against the related equity items. The effects of intercompany transactions and balances between the Parent Company and its subsidiaries, as well as the profit margins remaining in the balance sheets related to these transactions, have been eliminated.
(ii) The operating results of subsidiaries have been included in the consolidation from the date on which control over these companies was transferred to the Parent Company.
(iii) Non-controlling interests in the net assets and operating results of subsidiaries, if any, are presented separately in the consolidated statement of financial position and consolidated income statement as non-controlling interests.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

The direct and indirect participations subject to the consolidated financial statements prepared as of June 30, 2026, and December 31, 2025, are as follows:

	30.06.2026		31.12.2025	
	Direct	**Indirect**	**Direct**	**Indirect**
Rising Steel Incorporated	%100	--	%100	--

- **Functional and reporting currency**

Each item in the Group's financial statements has been accounted for using the currency ("functional currency") that is effective in the primary economic environment in which the Group operates. The financial statements are presented using TRY, which is the Group's functional and reporting currency.

- **Restatement of consolidated financial statements in periods of high inflation**

On November 23, 2023, the POA issued a clarification regarding the scope and application of TAS 29. It stated that the financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after June 30, 2026, should be restated for the effects of inflation in accordance with the relevant accounting principles in TAS 29.

In this context, inflation adjustment was made in accordance with TAS 29 when preparing the financial statements as of June 30, 2026, and December 31, 2025.

The financial statements and the corresponding figures for prior periods have been restated for changes in the general purchasing power of the functional currency, and consequently, the financial statements and the corresponding figures for prior periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements. In the presence of hyperinflation in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be expressed in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power over the last three years according to the Consumer Price Index ("CPI") is over 100%, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for reporting periods ending on or after December 31, 2023.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

The following table shows the inflation rates for the relevant years calculated by considering the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Restatement coefficient
30.06.2026	4137,93	1.000
31.12.2025	3 513,87	1,1775

Restatement of consolidated financial statements in periods of high inflation

The main outlines of TAS 29 indexing operations are as follows:

- All items other than those shown at current purchasing power as of the balance sheet date have been indexed using the relevant price index coefficients. Amounts for previous years have also been indexed in the same way.

- Monetary assets and liabilities have not been indexed as they are expressed at the current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.

- Tangible fixed assets, subsidiaries, and similar assets have been indexed at their acquisition values, not exceeding their market values. Depreciation has been adjusted similarly. Amounts included in equity have been restated as a result of applying general price indices for the periods in which these amounts were contributed to or generated within the company.

- All items in the income statement, except for those non-monetary items in the balance sheet that affect the income statement, have been indexed using coefficients calculated based on the periods in which income and expense accounts were first reflected in the financial statements.

- The gain or loss resulting from general inflation on the net monetary position is the difference in the adjustments made to non-monetary assets, equity items, and income statement accounts. This gain or loss calculated on the net monetary position has been included in net profit.

The effect of applying TAS 29 Financial Reporting in Hyperinflationary Economies is summarized below: Restatement of the Statement of Financial Position

Amounts in the Statement of Financial Position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated as they are already expressed in terms of the monetary unit current at the end of the reporting period. Non-monetary items are required to be restated unless they are already stated at current amounts at the end of the reporting period.

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

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Restatement of the Income Statement

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

The cost of inventories sold has been adjusted using the restated inventory balance.

Depreciation and amortization expenses have been adjusted using the restated balances of tangible fixed assets, intangible fixed assets, investment properties, and right-of-use assets.

Restatement of the Statement of Cash Flows

All items in the Statement of Cash Flows are expressed in terms of the measuring unit current at the end of the reporting period.

Comparative figures

The corresponding figures for the prior reporting period are restated by applying the general price index to present the comparative financial statements in terms of measuring unit current at the end of the reporting period. Information disclosed for earlier periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.2) Statement of Compliance with TAS

The accompanying financial statements have been prepared in accordance with Turkish Accounting Standards ("TAS") and their appendices and interpretations, which have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"). The financial statements and notes have been presented in accordance with the "financial statement examples and usage guide" announced by the POA with its principle decision dated June 07, 2019. The financial statements have been presented in accordance with the formats determined by the POA, published on April 05, 2019, and revised on July 03, 2024 ("Announcement on TAS Taxonomy").

2.3) Changes in Turkish Financial Reporting Standards

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the accounting period ended June 30, 2026, have been applied consistently with those used in the prior year, except for the new and amended Turkish Accounting Standards ("TAS")/TFRS and TAS/TFRS interpretations effective as of January 01, 2026, summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in Turkish Financial Reporting Standards (Continued)

Amendments and interpretations effective from 2026:

- ***Amendments to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments***

In August 2025, the POA issued amendments to the classification and measurement of financial instruments (related to TFRS 9 and TFRS 7). The amendment clarified that financial liabilities will be derecognized at their "expiration date." However, the amendment introduces an accounting policy choice to derecognize financial liabilities fulfilled through an electronic payment system before their expiration date, provided certain conditions are met. Furthermore, the amendment provides explanatory provisions on how to assess the contractual cash flow characteristics of financial assets with Environmental, Social, and Governance (ESG)-linked or other similar conditional features, as well as applications for assets that do not create unlimited liability and contractually linked financial instruments. In addition, with this amendment, additional disclosures have been added to TFRS 7 for financial assets and liabilities containing contractual provisions that refer to a conditional event (including ESG-linked ones) and equity instruments measured at fair value through other comprehensive income. This amendment is effective for annual reporting periods beginning on or after January 1, 2026. Entities may early apply the changes related to the classification of financial assets and related disclosures and subsequently apply other changes. The new provisions will be applied retrospectively by making an adjustment to the opening balance of retained earnings (losses).

The said change has not had a significant impact on the Group's financial position or performance.

- ***Amendments to IFRS 9 and IFRS 7 – Contracts for Electricity Based on Nature***

In August 2025, the POA published the "Contracts for Electricity Based on Nature" amendment (related to IFRS 9 and IFRS 7). The amendment clarifies the application of the provisions for the "own use" exemption and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements to enable investors to understand the impact of these contracts on the entity's financial performance and cash flows. The amendment is effective for annual periods beginning on or after January 1, 2026. Early application is permitted, and if applied early, this fact is disclosed in the notes. The clarifications related to the "own use" provisions are applied retrospectively, but the provisions permitting hedge accounting are applied prospectively to new hedging relationships designated on or after the date of initial application.

The said change has not had a significant impact on the Group's financial position or performance.

- ***Annual Improvements to IFRS – Volume 11***

In September 2025, the POA published "Annual Improvements to IFRS – Volume 11," which includes the following amendments:

IFRS 1 First-time Adoption of Turkish Financial Reporting Standards – Hedge accounting performed by an entity applying IFRS for the first time: The amendment was made to eliminate potential confusion arising from inconsistencies between the wording in IFRS 1 and the hedge accounting provisions in IFRS 9.

IFRS 7 Financial Instruments: Disclosures – Gains or losses on derecognition: In IFRS 7, the expression of unobservable inputs has been changed, and a reference to IFRS 13 has been added.

IFRS 9 Financial Instruments – Derecognition of a lease liability by a lessee and transaction price: IFRS 9 has been amended to clarify that when a lease liability is extinguished for a lessee, the lessee is required to apply the derecognition provisions in IFRS 9, and the resulting gain or loss is recognized in profit or loss. Additionally, IFRS 9 has been amended to remove the reference to "transaction price."

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Changes in Turkish Financial Reporting Standards (Continued)

IFRS 10 Consolidated Financial Statements – Determining the "de facto agent": The Standard has been amended to address inconsistencies in the paragraphs of IFRS 10. TAS 7 Statement of Cash Flows – Cost method: Following the removal of the term "cost method" in previous amendments, this term has been deleted from the Standard.
The said change has not had a significant impact on the Group's financial position or performance.

Standards and amendments published but not yet effective as of June 30, 2026:

- ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 "Presentation and Disclosure in Financial Statements" was published in the Official Gazette on May 8, 2025. It is effective for annual reporting periods beginning on or after January 1, 2027. This is a new standard on the presentation and disclosure of financial statements, focusing on updates to the income statement. The key new concepts introduced in IFRS 18 relate to: - The income statement: - Required disclosures in the financial statements for certain profit or loss performance measures reported outside the entity's financial statements - Improved principles for aggregation and disaggregation that generally apply to the primary financial statements and notes.

The Group will evaluate the effects of these amendments after the aforementioned standards are finalized.

- ***IFRS 19 Subsidiaries without Public Accountability***

In August 2025, the POA issued IFRS 19, which offers an option for certain entities to provide reduced disclosures when applying the recognition, measurement, and presentation requirements in IFRS. It is effective for annual reporting periods beginning on or after January 1, 2027. Early application is permitted. This new standard is applied in conjunction with other IFRS. A qualifying subsidiary applies the provisions of other IFRS Accounting Standards, except for the disclosure requirements, and instead applies the reduced disclosure requirements in IFRS 19. The reduced disclosure requirements of IFRS 19 balance the information needs of users of financial statements of eligible subsidiaries with cost savings for financial statement preparers. IFRS 19 is a voluntary standard for qualifying subsidiaries. A subsidiary qualifies if: - It is a subsidiary that is not publicly accountable or traded on a stock exchange, and - It has a parent or intermediate parent that produces consolidated financial statements that are available for public use and comply with IFRS.

The effects of the said standard on the Group's financial position and performance are being evaluated.

Amendments issued by the International Accounting Standards Board (IASB) but not yet issued by the POA as of June 30, 2026

Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency The amendments issued by the IASB in November 2025 mandate the use of the closing rate for translation from a non-hyperinflationary functional currency to a hyperinflationary presentation currency. Accordingly, an entity whose functional currency is not that of a hyperinflationary economy, but whose presentation currency is that of a hyperinflationary economy, uses the closing rate at the end of the current period for all relevant amounts (i.e., assets, liabilities, equity items, income, and expenses), including comparative amounts, when translating its operating results and financial position. However, an entity whose functional currency and presentation currency are both those of a hyperinflationary economy expresses comparative amounts of a foreign operation whose functional currency is not that of a hyperinflationary economy in the current unit of measurement by applying a general price index in accordance with IAS 29. These amendments also introduce certain additional disclosure requirements.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Changes in Accounting Estimates and Errors

The effect of a change in an accounting estimate is recognized prospectively in the financial statements, reflecting it in the determination of net profit or loss for the current period if it affects only that period, or for both the current and future periods if it affects future periods as well. The amount of error correction is recognized retrospectively. An error is corrected by restating the comparative amounts for the prior periods in which the error occurred, or by restating the opening accumulated profit balance for the period if the error occurred before the earliest prior period presented. If restating the information would incur excessive cost, comparative information for prior periods is not restated, and the accumulated profit balance of the subsequent period is restated for the cumulative effect of the error before the beginning of that period.

2.5) Summary of Significant Accounting Policies

- **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits held with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and current accounts with banks (Note 53).

- **Financial assets**

Classification

The Group accounts for its financial assets in three classes: "measured at amortized cost," "fair value through other comprehensive income," and "fair value through profit or loss." Classification is based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The Group determines the classification of its financial assets at the date of initial recognition.

Financial assets are not reclassified after initial recognition, except in situations where the Group's business model for managing financial assets changes; in such a case, financial assets are reclassified on the first day of the reporting period following the change in the business model.

Recognition and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets held within a business model whose objective is to collect contractual cash flows, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets accounted for at amortized cost include "cash and cash equivalents," "trade receivables," "other receivables," and "financial investments." These assets are initially recognized in the financial statements at their fair value and subsequently measured at their discounted amounts using the effective interest method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of Significant Accounting Policies (Continued)

- **Related Parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity).

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity;
- is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity itself is such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified in (a).
- if a person has significant influence over the business or is a member of the key management personnel of the business (or its parent company).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Trade receivables and impairment

Trade receivables arising from the provision of goods or services to a customer by the Group are presented net of unearned finance income ("unearned finance income from forward sales"). Unearned finance income is calculated by discounting the amounts to be collected in subsequent periods from receivables recorded at their original invoice value using the "effective interest method". The effective interest rate is the rate that discounts the estimated future cash collections or payments over the expected life of the financial asset to its present value. The discounting process is performed on a "compound interest basis". The rate used in this method and determined on a compound interest basis is called the "effective interest rate". Short-term receivables without a determined interest rate are presented at their cost values if the effect of the effective interest rate is not significant (Note 7).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Trade receivables and impairment (Continued)

The Group has chosen to apply the "simplified approach" in TFRS 9 for calculating the impairment of its trade receivables, which are accounted for at amortized cost in its financial statements and do not contain a significant financing component.

Under the "simplified approach" of TFRS 9, when trade receivables are deemed not to be impaired for valid reasons as regulated in TFRS 9, the loss allowances for trade receivables are measured at an amount equal to "lifetime expected credit losses".

Instead of the "incurred credit losses model" in TAS 39 "Financial Instruments: Recognition and Measurement", which was in effect before January 1, 2018, the "expected credit losses model" is defined in TFRS 9 "Financial Instruments". Expected credit losses are a probability-weighted estimate of credit losses that are likely to occur over the expected life of financial instruments, based on past statistics. In calculating expected credit losses, the Group's future-oriented estimates are also taken into account, along with past credit loss experiences.

Considering the Group's ordinary business cycle, for trade receivables that extend beyond this ordinary business cycle, the Group evaluates whether to set aside a provision for doubtful receivables by assessing factors such as whether the receivable is under administrative and/or legal follow-up, whether it is secured or unsecured, and whether there is an objective indication of impairment. The amount of this provision is the difference between the carrying amount of the receivable and the amount that can be collected. The amount that can be collected is the current value of expected cash inflows, including amounts that can be collected from collateral and guarantees, discounted using the original effective interest rate of the initially recognized receivable.

The Group accounts for an expected credit loss provision for its trade receivables equal to lifetime expected credit losses under TFRS 9, even when trade receivables are not impaired for specific reasons, along with actual impairment losses. The expected credit loss provision is calculated using an expected credit loss rate determined by the Group based on its past credit loss experience and forward-looking macroeconomic indicators. Changes in expected credit loss provisions are recorded in the "Impairment Gains (Losses) and Reversals of Impairment Losses Determined Under TFRS 9" account.

Following the provision for doubtful receivables, if all or part of the doubtful receivable is collected, the collected amount is deducted from the doubtful receivable provision and recorded as other income from main activities.

Trade Payables

Trade payables represent mandatory payments for goods and services obtained from suppliers for the Group's ordinary operations. If the expected payment period for trade payables is one year or less (or longer but within the entity's normal operating cycle), these payables are classified as short-term liabilities. Otherwise, they are classified as long-term liabilities (Note 7).

Trade payables are initially recorded at their fair value and subsequently accounted for at their discounted value using the effective interest method, with an impairment provision recognized.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Revenue

Revenues are measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion is determined as follows:

- Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the elapsed time to the estimated total time for completion of the installation at the reporting date.
- Servicing fees included in the price of products sold are recognized by reference to the total cost of the services provided in relation to the products sold, taking into consideration the number of services provided in prior product sales.
- Revenue from contracts based on time spent is recognized at the contract rates as labor hours and direct expenses are incurred.

Revenue from construction contracts is recognized in accordance with the accounting policy detailed below.

Royalties

Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Production, sales, and other measurements are recognized in accordance with the terms of the royalty agreement's underlying basis.

Dividend and interest income

Dividend income from equity investments is recognized when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest in income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rental income from properties is recognized on a straight-line basis over the lease term.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Land and plots are not depreciated and are shown at cost less accumulated impairment losses.

Assets under construction for administrative purposes or other currently undefined purposes are shown at cost, less any impairment losses. Legal fees are also included in the cost. Borrowing costs are capitalized for assets that require a significant amount of time to be ready for use and sale. When the construction of these assets is completed and they are ready for use, they are classified under the relevant tangible fixed asset item. Such assets are depreciated when they are ready for use, similar to the depreciation method used for other fixed assets.

Land and buildings are stated at their revalued amounts. The revalued amount is determined by deducting accumulated depreciation and accumulated impairment losses incurred after the fair value determined at the revaluation date. Revaluations are made at regular intervals to ensure that the fair value to be determined at the balance sheet date does not differ significantly from the carrying amount.

Depreciable assets are depreciated using the straight-line method based on their estimated economic lives. Economic life and depreciation methods are regularly reviewed to ensure that the method and depreciation period are in line with the economic benefits to be derived from the related asset. Depreciation periods are as follows: (Note 13)

Buildings	40-50 Years
Plant, machinery and equipment	5-15 Years
Vehicles	4 Years
Fixtures	3-15 Years

Assets acquired under finance leases are depreciated over their expected useful lives, similar to owned tangible fixed assets. If it is not certain whether ownership will be obtained at the end of the finance lease term, the asset is depreciated over the shorter of its expected useful life and the lease term.

A tangible fixed asset is derecognized from the statement of financial position (balance sheet) when it is disposed of or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the disposal of tangible fixed assets or the retirement of a tangible fixed asset are determined as the difference between the sales proceeds and the carrying amount of the asset and are included in the income statement.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. They are initially measured at cost, including transaction costs. After initial recognition, investment properties are valued at fair value, reflecting market conditions as of the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognized from the balance sheet when they are sold or become unusable, and it is determined that no future economic benefits can be obtained from their sale. The profit/loss arising from the expiration of the useful life or sale of an investment property is included in the income statement in the period in which it arises.

Transfers are made when there is a change in the use of investment properties. In a transfer from an investment property measured at fair value to an owner-occupied property, the estimated cost in the subsequent accounting transaction is the fair value of the said property at the date the change in use occurred. If an owner-occupied property is converted to an investment property to be shown at fair value, the entity applies the accounting policy applied to "Tangible Fixed Assets" until the date the change in use occurred.
The estimated cost in the subsequent accounting transaction is the fair value of the said property at the date the change in use occurred. If an owner-occupied property is converted to an investment property to be shown at fair value, the entity applies the accounting policy applied to "Tangible Fixed Assets" until the date the change in use occurred.

Leasing Transactions

The Group has applied the accounting policy changes arising from the initial application of "TFRS 16 Leases" standard, among the new standards, amendments, and interpretations effective from January 1, 2019, in accordance with the transition provisions of the relevant standard.

The accounting policy changes arising from the said standard and the effects of the initial application of the relevant standards are as follows:

<u>The Group - As a Lessee</u>

A contract is considered to be a lease or to contain a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses at contract inception whether a contract is, or contains, a lease. The Group considers the following conditions when assessing whether a contract conveys the right to control the use of an identified asset for a period of time:

- The existence of an explicitly or implicitly identifiable asset that is the subject of the lease contract,

- The lessee having the right to obtain substantially all of the economic benefits from the use of the identified asset that is the subject of the lease contract,

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Leasing Transactions (Continued)

- The lessee has the right to direct the use of the identified asset that is the subject of the lease contract. In the following cases, the lessee is considered to have the right to direct the use of the identified asset that is the subject of the lease contract:
- The lessee has the right to operate the asset throughout the period of use (or to direct others to operate the asset as it determines) and the lessor does not have the right to change these operating instructions, or,
- The lessee has designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

If the contract meets these conditions, the Group recognizes a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

<u>Right-of-use asset</u>

A right-of-use asset is initially accounted for at cost and comprises:

- The initial measurement amount of the lease liability to be recognized as a right-of-use asset,
- From the initial measurement amount of the lease liability recognized as a right-of-use asset, all lease incentives and discounts related to the lease,
- All direct costs incurred by the Group related to the lease, to be recognized as a right-of-use asset and added to the initial measurement amount of the lease liability, and
- Estimated costs to be incurred by the Group related to dismantling and removing the identified asset, restoring the site on which it is located, or restoring the identified asset to the condition required by the terms and conditions of the lease are also added to the initial measurement amount.

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

- At its cost less any accumulated depreciation and accumulated impairment losses, and
- Adjusted for any remeasurement of the lease liability. The Group applies the depreciation provisions in TAS 16 Tangible Fixed Assets when depreciating the right-of-use asset. It applies TAS 36 Impairment of Assets to determine whether the right-of-use asset has suffered impairment and to account for any impairment loss identified.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. 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 lessee's incremental borrowing rate is used.

The lease payments included in the measurement of the Group's lease liability that are not paid at the commencement date consist of the following:

- The amount obtained by deducting any lease incentives receivable from fixed payments,
- Lease payments that depend on an index or a rate, initially measured using an index or rate at the commencement date,
- Penalty payments for terminating the lease, if the lease term indicates that the lessee will exercise an option to terminate the lease.

After the commencement date, the Group measures the lease liability as follows:

- Increases the carrying amount to reflect interest on the lease liability,
- Reduces the carrying amount to reflect the lease payments made, and
- Remeasures the carrying amount to reflect any reassessments or lease modifications. The Group recognizes the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

Extension and early termination options

Lease liabilities are determined by considering extension and early termination options in contracts. The majority of extension and early termination options in contracts consist of options that can be jointly exercised by the Group and the lessor. However, if such extension and early termination options are at the Group's discretion according to the contract and the exercise of the options is reasonably certain, the lease term is determined by taking this into account. If there is a significant change in conditions, the assessment is reviewed by the Group.

Practical expedients

Short-term lease contracts with a lease term of 12 months or less and leases identified by the Group as low value are considered under the exception granted by TFRS 16 Leases Standard, and payments related to these contracts continue to be recognized as expenses in the period in which they occur.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Intangible Fixed Assets

Acquired Intangible Assets

Acquired intangible fixed assets with a finite life are presented at their cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and amortization methods are reviewed annually to identify the potential effects of changes in estimates, and changes in estimates are accounted for prospectively. Acquired intangible fixed assets with an indefinite life are presented at their cost less accumulated impairment losses.

Trademarks and licenses

Acquired trademarks and licenses are presented at their historical cost. Trademarks and licenses have finite useful lives and are presented at their cost less accumulated amortization. Acquired trademarks and licenses are amortized using the straight-line method over their expected useful lives (15-20 years).

Computer software

Acquiring computer software is capitalized at the cost incurred during its acquisition and until it is ready for use. Such costs are amortized over their useful lives (10 years).

Costs associated with developing and maintaining computer software are recorded in the income statement in the period in which they are incurred. Expenditures that are directly attributable to identifiable and unique software products, are under the control of the Group, and are expected to generate economic benefits exceeding their cost for more than one year and are treated as intangible fixed assets. Costs include the costs of employees developing the software and a portion of general production expenses.

Computer software development costs treated as fixed assets are amortized over their useful lives (not exceeding 3 years).

Contractual customer relationships

Contractual customer relationships acquired through a business combination are accounted for at their fair value at the acquisition date. Contractual customer relationships have a definite economic life and are accounted for at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated life of the customer relationships.

Intangible fixed assets acquired through business combinations

Intangible fixed assets acquired through a business combination and identified separately from goodwill are accounted for at their fair value at the acquisition date. Intangible fixed assets acquired through a business combination are presented at their costless accumulated amortization and accumulated impairment losses, similar to separately acquired intangible fixed assets, after initial recognition.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Internally generated intangible fixed assets – research and development expenses

Research expenses are recorded in the income statement in the period in which they are incurred.

Internally generated intangible fixed assets resulting from development activities (or the development phase of an in-house project) are recognized only when all of the following conditions are met:

- It is technically feasible to complete the intangible fixed asset so that it will be available for use or sale.
- There is an intention to complete the intangible fixed asset and use or sell it.
- The intangible fixed asset is available for use or sale.
- How the asset will generate probable future economic benefits is clearly demonstrated.
- Adequate technical, financial, and other resources are available to complete the development of the intangible fixed asset and to use or sell it.
- The development cost of the asset can be measured reliably during the development process.

The amount of internally generated intangible assets is the total amount of expenditures incurred from the moment the intangible fixed asset meets the recognition criteria mentioned above. When internally generated intangible assets cannot be recognized, development expenditures are recorded as expenses in the period in which they are incurred.

Subsequent to initial recognition, internally generated intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, similar to separately acquired intangible fixed assets.

Derecognition of Intangible Assets

An intangible fixed asset is derecognized from the Statement of Financial Position (balance sheet) upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible fixed asset, if any, is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amounts. This difference is recognized in profit or loss when the related asset is derecognized from the Statement of Financial Position (balance sheet).

Impairment of Tangible Fixed Assets and Intangible Fixed Assets Other Than Goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible fixed assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets, if any, is estimated to determine the impairment amount. In cases where the recoverable amount of an asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent allocation basis can be determined, the company's assets are allocated to cash-generating units. Where this is not possible, the Company's assets are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be determined.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Intangible fixed assets with indefinite useful lives and those not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of an assets or cash-generating unit's fair value, less costs to sell and its value in use. Value in use is the present value of the future cash flow expected to be derived from an asset or cash-generating unit. In calculating the value in use, a pre-tax discount rate is used that reflects current market assessments of the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted.

When the recoverable amount of an asset (or cash-generating unit) is less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Unless the related asset is measured at a revalued amount, the impairment loss is recognized directly in profit or loss. In this case, the impairment loss is considered as a revaluation decrease.

When an impairment loss is reversed in subsequent periods, the carrying amount of the asset (or the related cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that would have been determined for the asset (or the related cash-generating unit) had no impairment loss been recognized for the asset in prior periods. Unless the asset is shown at a revalued amount, the reversal of the impairment loss is recognized directly in profit or loss. The reversal of an impairment loss for a revalued asset is considered a revaluation increase.

Borrowing Costs

For assets that necessarily take a substantial period of time to get ready for their intended use or sale (qualifying assets), borrowing costs directly attributable to the acquisition, construction, or production of such assets are capitalized as part of the cost of the asset until the asset is ready for its intended use or sale. All other borrowing costs are expensed in the Income Statement in the period in which they are incurred.

Financial Instruments

<u>Financial assets</u>

The Group has classified its financial assets as "financial assets at fair value through profit or loss," "held-to-maturity investments," "available-for-sale financial assets," and "loans and receivables." The classification is determined at initial recognition, depending on the purpose and nature of the financial asset. Financial assets that are bought and sold in the ordinary course of business are recognized on the trade date (settlement date). Financial assets are measured at fair value upon initial recognition. For financial assets or financial liabilities not at fair value through profit or loss, transaction costs directly attributable to the acquisition of the related financial asset are also added to the fair value upon initial recognition.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading purposes. A financial asset is classified in this category when it is acquired for the purpose of short-term disposal. Derivative products that are not designated as effective hedging instruments against financial risk are also classified as financial assets at fair value through profit or loss. These financial assets are stated at their fair values, and gains and losses arising from valuation are recognized in the income statement.

Held-to-maturity investments

Fixed-term debt instruments with fixed or determinable payment schedules, for which the Group has a positive intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are recognized at amortized cost using the effective interest method, less any impairment losses, and related income is calculated using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

Equity instruments quoted on an active market and certain debt securities held by the Group are classified as available-for-sale financial assets and are stated at fair value. The Group holds unquoted equity instruments that are not traded in an active market and are classified as available-for-sale financial assets, but since their fair values cannot be reliably measured, they are stated at cost. Gains and losses arising from changes in fair value, other than impairment losses recognized in the income statement, interest calculated using the effective interest method, and foreign exchange gains/losses related to monetary assets, are recognized in other comprehensive income and accumulated in the financial asset's revaluation reserve. Upon disposal or impairment of the investment, the cumulative gain/loss accumulated in the financial asset's revaluation reserve is reclassified to the income statement.

Available-for-sale equity instruments that do not have a current market price in an active market and whose fair value cannot be reliably determined, and derivative instruments linked to such equity instruments and settled by delivery of such assets, are measured at cost less any impairment losses determined at the end of each reporting period.

Loans and receivables

Trade and other receivables and loans with fixed or determinable payments that are not quoted in an active market are classified in this category. Loans and receivables (trade and other receivables, bank balances, cash, and others) are stated at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized using an effective interest rate method, except in cases where the effect of rediscount is not significant.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are classified under 'Loans and Receivables'.

Recognition and derecognition of financial assets

The Group recognizes financial assets and liabilities only when it becomes a party to the contractual provisions of the financial instrument. The Group derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognizes its continuing involvement in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group derecognizes a financial liability only when the obligation specified in the contract is discharged or cancelled or expires.

<u>Financial Liabilities</u>

Financial liability is measured at fair value upon initial recognition. For financial liabilities not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial liability are also added to its fair value upon initial recognition. Financial liabilities are subsequently accounted for at amortized cost using the effective interest method, including interest expense calculated using the effective interest rate.

<u>Derivative Financial Instruments and Hedge Accounting</u>

Changes in the fair value of derivative financial instruments designated as and effective in hedging future cash flows are recognized directly in equity, while the ineffective portion is recognized directly in the income statement.

When a cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of an asset or a liability, the gains or losses on the derivative financial instrument previously recognized in equity are included in the initial measurement of the related asset or liability. In a hedging transaction that does not result in the recognition of an asset or a liability, the amounts recognized in equity are reclassified to the income statement in the period when the hedged item affects the income statement. Changes in the fair value of derivative financial instruments that do not meet the criteria for hedge accounting are recognized in the income statement in the period in which they arise.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Hedge accounting is discontinued when the hedging instrument expires, is sold or exercised, or when it no longer meets the criteria for hedge accounting. At that date, the cumulative gain or loss on the hedging instrument recognized in equity continues to be held in equity until the forecast transaction occurs. If the forecasted transaction is no longer expected to occur, the cumulative net gain or loss in equity is recognized in profit or loss for the period.

Effects of Changes in Foreign Exchange Rates

The Group's financial statements are presented in the currency of the primary economic environment in which they operate (functional currency). The financial position and operating results of each entity are expressed in TRY, which is the Group's functional currency and the presentation currency for the financial statements.

During the preparation of each entity's financial statements, transactions denominated in foreign currencies (currencies other than TRY) are recorded using the exchange rates prevailing at the dates of the transactions. Foreign currency denominated monetary assets and liabilities included in the Statement of Financial Position are translated into Turkish Lira using the exchange rates prevailing at the Statement of Financial Position date. Foreign currency denominated non-monetary items measured at fair value are translated into TRY using the exchange rates prevailing at the date when the fair value was determined. Non-monetary items in foreign currency measured at historical cost are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise, except for the following cases:

- Exchange differences on foreign currency denominated borrowings that are treated as an adjustment to interest costs and included in the cost of assets under construction for future use,
- Exchange differences arising from transactions undertaken to provide financial protection against foreign currency risks (accounting policies for providing financial protection against risks are described below),
- Exchange differences arising from monetary receivables and payables from foreign operations that form part of the net investment in a foreign operation, are accounted for in translation reserves, and are associated with profit or loss upon disposal of the net investment, with no intention or likelihood of settlement.

The exchange rates prevailing at the Statement of Financial Position dates are as follows:

	30.06.2026	**31.12.2025**
USD / TRY	46,5747	42,8623
Euro / TRY	53,0866	50,4532
GBP / TRY	61,5332	57,8159

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Events After the Reporting Period

Events after the reporting period comprise all events that occur between the Statement of Financial Position date and the date when the financial statements are authorized for issue, even if they occur after any public announcement of profit or other selected financial information.

The Group adjusts the amounts recognized in the financial statements in accordance with new conditions, should adjust events after the reporting period arise.

Provisions, Contingent Assets and Liabilities

Provisions are recognized in the financial statements when there is a present obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is equal to the present value of those cash flows.
Where some or all of the economic benefits required to settle a provision are expected to be recovered from a non-related party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

Onerous Contracts

Present obligations arising from onerous contracts are calculated and accounted for as provisions. An onerous contract is deemed to exist when the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract.

Restructuring

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has either started to implement the restructuring plan or announced its main features to those affected by it, thereby creating a valid expectation in those affected. The calculation of the restructuring provision relates only to direct expenditures arising from the restructuring and includes amounts required for the restructuring that are not associated with the ongoing activities of the entity.

Guarantees
Provisions for guarantee costs are recognized at the date of sale of the related products, based on the best estimate of expenditures required by management to settle the Group's obligations.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Government Grants and Incentives

Government grants are not recognized in the financial statements until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are financing instruments, instead of being recognized in profit or loss to net off the expenditure item they finance, should be associated with the statement of financial position (balance sheet) as unearned income and recognized in profit or loss systematically over the economic life of the related assets.

Government grants given to compensate for expenses or losses already incurred or to provide immediate financial support to the entity without any future related costs are recognized in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market interest rate is treated as a government grant. The benefit of the low interest rate is measured as the difference between the initial carrying amount of the loan and the proceeds received.

Taxes on Corporate Earnings

As Turkish tax legislation does not permit the preparation of a consolidated tax return for the parent company and its subsidiaries, tax provisions have been calculated separately for each entity, as reflected in the accompanying financial statements.

Income tax expense comprises the sum of current tax and deferred tax expense.

Current Tax

The current year's tax liability is calculated based on the taxable portion of the period's profit. Taxable profit differs from the profit presented in the income statement because it excludes items that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax liability has been calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using the balance sheet method and enacted tax rates. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Such assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability (other than in a business combination) in a transaction that affects neither accounting profit nor taxable profit/loss, or from goodwill.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax for the period

Tax is included in the income statement unless it relates to a transaction that is accounted for directly in equity. In such cases, the tax is also accounted for in equity together with the related transaction.

Employee Benefits

Severance pay

In Turkey, under existing laws and collective bargaining agreements, severance pay is paid upon retirement or termination of employment. In accordance with the revised TAS 19 Employee Benefits Standard ("TAS 19"), such payments are classified as defined benefit plans.

The severance pay liability recognized in the Statement of Financial Position is calculated based on the net present value of the future obligations expected to arise from the retirement of all employees and is reflected in the financial statements. All actuarial gains and losses calculated are recognized under other comprehensive income.

Profit share and bonus payments

The Group recognizes profit share and bonuses as a liability and expense, calculated based on a method that considers the profit attributable to the company's shareholders after certain adjustments. The Group makes provisions where there is a contractual obligation or a past practice creating a constructive obligation.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of Significant Accounting Policies (Continued)

Cash Flow Statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities.

Capital and Dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded as a deduction from accumulated profit in the period the dividend decision is made.

Netting / Offsetting

Financial assets and liabilities are presented net when there is a legally enforceable right to offset, an intention to settle the assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.6) Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the financial statements requires Group management to make assumptions and estimates that affect the reported amounts of assets and liabilities, contingent liabilities, and commitments at the date of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Estimates are reviewed regularly, necessary adjustments are made, and they are reflected in the income statement in the period in which they occur.
The significant assumptions made by management regarding estimates that may have a material impact on the amounts reflected in the financial statements, considering the primary sources of estimates existing at the balance sheet date or that may occur in the future, are as follows:

- Severance pay is determined using actuarial assumptions such as discount rates, future salary increases, and employee turnover rates. The estimates involve significant uncertainties arising from these long-term plans.

- When making provisions for lawsuits, the likelihood of losing the lawsuits and the resulting liabilities in case of loss are evaluated by Group management, taking into account the opinions of the Group's Legal Counsel and expert opinions. Group management determines the amount of the lawsuit provision based on the best estimates.

- Group management has made certain significant assumptions based on the experience of technical personnel in determining the useful lives of tangible and intangible fixed assets.

- Deferred tax assets and liabilities are recorded for temporary differences between the carrying amounts of assets and liabilities and their tax bases, largely using the tax rates in effect. Based on available evidence, it has been assessed whether it is probable that all or a portion of deferred tax assets will be realized or not. The main factors considered include the potential for future period income, accumulated losses from prior years, tax planning strategies to be implemented if necessary, and the nature of the income that can be used to realize the deferred tax asset.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 3 – BUSINESS COMBINATIONS

None. (December 31, 2025 – None.)

NOTE 4 – INVESTMENTS IN OTHER ENTITIES

The details of investments in Subsidiaries, Joint Ventures, and Associates are as follows:

	30.06.2026	31.12.2025
Rising Stahl Gmbh	2.139.340	2.139.340
Total	**2.139.340**	**2.139.340**

*Rising Steel GmbH. was established and commenced operations in Düsseldorf, Germany on 07.09.2023.

NOTE 5 – SEGMENT REPORTING

The Group's field of activity, the nature and economic characteristics of its services, the classification of customers by risk, and the methods used in the distribution of services are similar. Furthermore, the Group's organizational structure is considered as a single activity segment rather than being managed in separate segments comprising different activities, and the Group's operating results, the determination of resources to be allocated to these activities, and the examination of the performance of these activities are evaluated within this framework.

NOTE 6 – RELATED PARTY DISCLOSURES

Details of transactions between the Group and other related parties are explained below.

- **Short-Term Other Receivables**

	30.06.2026	31.12.2025
Rising Stahl Gmbh	906.867	1.827.001
Total	**906.867**	**1.827.001**

- **Short-Term Other Payables**

	30.06.2026	31.12.2025
Payables to shareholders(1)	256.852.522	279.529.658
Total	**256.852.522**	**279.529.658**

(1) 30% of the related amount was used for working capital purposes and 70% was used for the payment of the Group's bank debts.

- **Short-Term Obligations Arising from Leasing Transactions**

	30.06.2026	31.12.2025
Right-of-use liabilities	6.829.691	8.047.706
Total	**6.829.691**	**8.047.706**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 6 – RELATED PARTY DISCLOSURES (Continued)

- **Long-Term Obligations Arising from Leasing Transactions**

	30.06.2026	31.12.2025
Right-of-use liabilities	3.042.967	6.907.902
Total	**3.042.967**	**6.907.902**

- **Purchases**

The details of the Group's purchases from related parties are as follows:

	30.06.2026	31.12.2025
SKY Fuarcılık A.Ş. (*)	-	708.915
Individual Shareholders (**)	-	3.591.677
Barış Göktürk Metal Yatırımları A.Ş. (***)	187.000	-
Total	**187.000**	**4.300.592**

(*) 31.12.2025: The debt relationship with SKY Fuarcılık A.Ş. related party arises from service purchases.
(**) 31.12.2025: Includes rental payments for the office leased from Group shareholders Barış Göktürk, Ferhan Göktürk, and Yüksel Göktürk.
(***)31.03.2026, 31.12.2025: The debt relationship with Barış Göktürk Metal Yatırımları A.Ş. related party arises from rental expenses.

- **Sales**

None. (December 31, 2025 – None.)

- **Remuneration and Similar Benefits Provided to Key Management Personnel**

The details of remuneration and similar benefits provided to the Group's key management personnel are as follows:

	30.06.2026	31.12.2025
Salaries and attendance fees	3.191.432	8.294.187
Total	**3.191.432**	**8.294.187**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

- **Short-Term Trade Receivables**

The details of the Group's short-term trade receivables are as follows:

	30.06.2026	31.12.2025
Trade Receivables	272.553.262	206.375.809
Notes receivable	161.849.323	249.565.775
Rediscount on notes receivable (-)	(12.138.237)	(21.462.933)
Trade receivables TFRS 9 expected credit loss (-)	(2.111.711)	(8.273.723)
Doubtful trade receivables	23.672.151	31.391.468
Provision for doubtful trade receivables (-)	(23.672.151)	(31.391.468)
Total	**420.152.637**	**426.204.928**

The average collection period for trade receivables is 35 days (31.12.2025; 101 days). The Group makes a provision for impairment for trade receivables that become problematic. The provision amounts cover receivables for which it is believed that the relevant customers will not be able to repay or that the value of the collateral obtained for such receivables cannot be realized.

The Company has a credit insurance policy with Euler Hermes Sigorta A.Ş. for the insurance of trade receivables within the borders of Turkey, detailed below.

-The policy is for a 1-year period, from July 1, 2025, to June 30, 2026.

As of December 31, 2025, the Company has an insurance coverage limit of USD 7.682.971 allocated for 481 customers and EUR 1.732.310 allocated for 60 customers within Euler Hermes Sigorta A.Ş. Additionally, the Company has a DBS guaranteed limit of TRY 239.505.145 for 187 customers, which is 100% bank-guaranteed, allocated to its customers at 16 banks.

The movement table for the Provision for Doubtful Trade Receivables is presented below.

	30.06.2026	31.12.2025
Beginning of period	**(31.391.468)**	**(4.176.425)**
Increase during the period	--	(29.079.610)
Provisions no longer required	3.031.692	--
Presentation inflation difference	4.687.624	1.864.567
End of Period	**(23.672.151)**	**(31.391.468)**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 7- TRADE RECEIVABLES AND PAYABLES (Continued)

- **Short-Term Trade Payables**

The following table details the Group's trade payables:

	30.06.2026	31.12.2025
Suppliers	103.377.805	214.823.333
Notes payable	105.844.668	1.265.513
Other trade payables	47.587.542	6.571.945
Rediscount on payables (-)	(5.006.884)	(8.761.748)
Total	**251.803.131**	**213.899.042**

The average payment term for trade payables is 26 days (31.12.2025: 20 days).

The Group has no Long-Term Trade Payables as of June 30, 2026, and December 31, 2025.

NOTE 8 – FINANCIAL INVESTMENTS

	30.06.2026	31.12.2025
Private sector bonds and bills	42.320.957	21.533.593
Total	**42.320.957**	**21.533.593**

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

- **Short-Term Other Receivables**

The following table details the Group's short-term other receivables:

	30.06.2026	31.12.2025
Deposits and guarantees given	96.846	131.112
Receivables from personnel	966.900	591.626
Other receivables from related parties (Note:6)	906.867	1.827.001
Other miscellaneous receivables*	12.626.035	3.179.725
Total	**14.596.648**	**5.729.463**

*30.06.2026: Other miscellaneous receivables consist of TRY 12.621.876 from tax authorities.
*31.12.2025: Other miscellaneous receivables consist of TRY 3.174.829 from tax authorities.

- **Long-Term Other Receivables and Other Payables**

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

- **Short-Term Other Payables**

	30.06.2026	31.12.2025
Taxes and funds payable	2.941.806	6.615.257
Payables to Partners(*)	256.852.522	279.529.658
Total	**259.794.328**	**286.144.915**

(*) 30% of the related amount was used for working capital purposes and 70% for the repayment of the Group's bank debts.

NOTE 10 – INVENTORIES

The following table details the Group's inventories:

	30.06.2026	31.12.2025
Merchandise	817.052.479	735.710.051
Total	**817.052.479**	**735.710.051**

The Group has no inventory impairment as of June 30, 2026, and December 31, 2025.

NOTE 11 – BIOLOGICAL ASSETS

None. (December 31, 2025 – None.)

NOTE 12 – PREPAID EXPENSES AND DEFERRED REVENUES

- **Short-Term Prepaid Expenses**

The following table details the Group's short-term prepaid expenses:

	30.06.2026	31.12.2025
Advances on orders placed(*)	109.980.818	15.143.401
Expenses of future months	1.123.379	2.753.824
Business advances	3.000	3.533
Total	**111.107.197**	**17.900.757**

(*) The majority of the related amount consists of advances given for orders of goods and services.

- **Short-Term Deferred Revenues**

The following table details the Group's short-term deferred revenues:

	30.06.2026	31.12.2025
Obligations arising from customer contracts	15.047.500	14.897.968
Total	**15.047.500**	**14.897.968**

NOTE 13 – INVESTMENT PROPERTIES

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 14 – TANGIBLE FIXED ASSETS

The movements in the Group's tangible assets and related accumulated depreciation are as follows:

	1.01.2025	Additions	Disposals	31.12.2025	Additions	Disposals	30.06.2026
Cost							
Land and Plots	**111.848.684**	--	--	**111.848.684**	--	--	**111.848.684**
Buildings	**189.237.080**	--	(50.173.642)	**139.063.438**	829.167	--	**139.892.605**
Plant, machinery and equipment	**90.497.737**	1.260.415	(1.950.709)	**89.807.444**	1.044.737	(1.044.736)	**89.807.445**
Vehicles	**132.441.010**	21.059.680	(18.516.301)	**134.984.389**	3.761.109	(7.500.021)	**131.245.477**
Fixtures	**84.599.193**	103.404.022	(1.900.204)	**186.103.011**	67.555.590	--	**253.658.601**
Total	**608.623.705**	**125.724.117**	**(72.540.856)**	**661.806.966**	**73.190.603**	**(8.544.757)**	**726.452.812**
Accumulated depreciation (-)							
Buildings	**(946.184)**	(3.032.137)	501.736	**(3.476.585)**	(1.397.685)	--	**(4.874.270)**
Plant, machinery and equipment	**(38.127.259)**	(7.728.434)	241.403	**(45.614.289)**	(3.868.617)	17.412	**(49.465.494)**
Vehicles	**(47.675.014)**	(23.882.769)	10.290.757	**(61.267.027)**	(11.599.256)	5.268.547	**(67.597.736)**
Fixtures	**(42.704.316)**	(21.756.090)	10.546	**(64.449.860)**	(13.807.194)	--	**(78.257.054)**
Total	**(129.452.773)**	**(56.399.430)**	**11.044.442**	**(174.807.760)**	**(30.672.752)**	**5.285.959**	**(200.194.554)**
Net book value	**479.170.932**			**486.999.206**			**526.258.258**

As of June 30, 2026, the Group has no pledges or mortgages on its Tangible Fixed Assets.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 15 – RIGHTS OVER SHARES ARISING FROM DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None. (December 31, 2025 – None.)

NOTE 16 – MEMBERS' SHARES IN COOPERATIVE ENTERPRISES AND SIMILAR FINANCIAL INSTRUMENTS

None. (December 31, 2025 – None.)

NOTE 17 – INTANGIBLE FIXED ASSETS

The movements in the Group's intangible assets and related amortization are as follows:

	01.01.2025	Additions	Disposals	31.12.2025	Additions	Disposals	30.06.2026
Cost							
Rights	**4.252.150**	296.479	--	**4.548.629**	--	--	**4.548.629**
Total	**4.252.150**	**296.479**	**--**	**4.548.629**	**--**	**--**	**4.548.629**
Accumulated depreciation (-)							
Rights	**(2.619.661)**	(331.231)	--	**(2.950.892)**	(137.568)	--	**(3.088.460)**
Total	**(2.619.661)**	**(331.231)**	**--**	**(2.950.892)**	**(137.568)**	**--**	**(3.088.460)**
Net book value	**1.632.489**			**1.597.737**			**1.460.169**

NOTE 18 – GOODWILL

None. (December 31, 2025 – None.)

NOTE 19 – EXPLORATION AND EVALUATION OF MINERAL RESOURCES

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 20 – LEASING TRANSACTIONS

- **Right-of-Use Assets (IFRS-16)**

The balances of right-of-use assets as of January 1, 2026, June 30, 2026, and the depreciation and amortization expenses for the related period are as follows:

	1.01.2025	Additions	Disposals	31.12.2025	Additions	Disposals	30.06.2026
Cost							
Right-of-Use Assets	**81.163.817**	29.772.705	--	**110.936.522**	4.096.732	--	**115.033.254**
Special costs	**121.230.914**	98.032	--	**121.328.946**	277.710	--	**121.606.656**
Total	**202.394.731**	**29.870.736**	**--**	**232.265.468**	**4.374.442**	**--**	**236.639.910**
Right-of-Use Assets	**(40.581.908)**	(24.756.860)	--	**(65.338.768)**	(13.395.864)	--	**(78.734.632)**
Special costs	**(96.594.792)**	(8.047.056)	--	**(104.641.848)**	(2.773.622)	--	**(107.415.470)**
Accumulated depreciation (-)	**(137.176.700)**	**(32.803.917)**	**--**	**(169.980.617)**	**(16.169.486)**	**--**	**(186.150.103)**
Net book value	**65.218.031**			**62.284.851**			**50.489.807**

As of June 30, 2026, the total future minimum lease payments under non-cancellable operating leases are as follows:

	30.06.2026	**31.12.2025**
Liabilities from leasing transactions (Short-term)	12.056.812	12.665.242
Liabilities from leasing transactions (Long-term)	13.637.155	17.636.012
Total	**25.693.967**	**30.301.254**

Liabilities from leasing transactions consist of borrowings under "IFRS-16 Leases" provision for the lease of Ataköy office and Head office building as right-of-use assets.

NOTE 21 – CONCESSION SERVICE AGREEMENTS

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 22 – IMPAIRMENT OF ASSETS

	30.06.2026	**31.12.2025**
Doubtful trade receivables	23.672.151	31.391.468
Total	**23.672.151**	**31.391.468**

NOTE 23 – GOVERNMENT GRANTS AND INCENTIVES

None. (December 31, 2025 – None.)

NOTE 24 – BORROWING COSTS

There were no borrowing costs directly related to assets added to asset costs during the accounting period ended June 30, 2025. (December 31, 2025 – None) Borrowing costs have been included in the income statement.

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

- **Short-Term Provisions for Employee Benefits**

The detail of the Group's short-term provisions for employee benefits is as follows:

	30.06.2026	**31.12.2025**
Unused leave liability	2.112.009	1.249.180
Total	**2.112.009**	**1.249.180**

- **Other Short-Term Provisions**

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

- **Long-Term Provisions for Employee Benefits**

The detail of the Group's long-term provisions for employee benefits is as follows:

	30.06.2026	31.12.2025
Severance pay liability	6.592.940	6.209.639
Total	**6.592.940**	**6.209.639**

In accordance with the Turkish Labor Law, the Group is obliged to pay severance pay to every employee who has completed at least one year of service and retires after 25 years of work (58 for women, 60 for men), whose employment is terminated, who is called for military service, or who passes away. As of June 30, 2026, the severance pay to be paid is subject to a monthly ceiling of 64.948,77 TRY (December 31, 2025: 53.919,68 TRY).

The severance pay liability is not legally subject to any funding. The severance pay provision is calculated by estimating the present value of the Group's future probable liability arising from employees' retirement. TAS 19 Employee Benefits requires the Group's liabilities to be developed using actuarial valuation methods under defined benefit plans. Accordingly, the actuarial assumptions used in calculating the total liabilities are stated below:

	30.06.2026	31.12.2025
Inflation rate:	28,14%	28,14%
Interest rate:	31,89%	31,89%
Discount rate:	2,93%	2,93%

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the applied discount rate represents the expected real rate after adjusting for future inflation effects. For this reason, as of June 30, 2026, provisions in the accompanying financial statements are calculated by estimating the present value of the probable future liability arising from employees' retirement.

Significant estimates used in the calculation of severance pay liability are the discount rate and the probability of voluntary resignation.

	01.01.2026-30.06.2026	01.01.2025-31.12.2025
Beginning of period	**6.209.639**	**1.457.261**
Service cost	6.516.415	5.166.042
Interest cost	76.525	27.175
Monetary gain / (loss)	--	(96.907)
Presentation inflation difference	(6.209.639)	(343.933)
End of Period	**6.592.940**	**6.209.639**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 26 – COMMITMENTS

- **Guarantees Received**

None. (December 31, 2025 – None.)

- **Guarantees Given**

	30.06.2026	31.12.2025
Letters of guarantee given	277.070.137	376.720.186
Total	**277.070.137**	**376.720.186**

Information regarding the Group's guarantees given position is as follows:

	30.06.2026	31.12.2025
A. Total amount of guarantees, pledges, and mortgages (GPMs) given in its own legal entity name	277.070.137	376.720.186
B. Total amount of GPMs given in favor of entities included in full consolidation	--	--
C. Total amount of GPMs given to secure the debts of other non-related parties for the purpose of conducting ordinary commercial activities	--	--
D. Total amount of other GPMs given	--	--
i. Total amount of GPMs given in favor of the parent company	--	--
ii. Total amount of GPMs given in favor of other group companies not covered by items B and C	--	--
iii. Total amount of GPMs given in favor of non-related parties not covered by item C	--	--
Total	**277.070.137**	**376.720.186**
Ratio of other GPMs to the Company's equity	**--**	**--**

NOTE 27 – LIABILITIES UNDER EMPLOYEE BENEFITS

- **Liabilities Under Employee Benefits**

The detail of the Group's liabilities under employee benefits is as follows:

	30.06.2026	31.12.2025
Payables to personnel	5.592.218	2.693.238
Social security deductions payable	2.435.464	1.961.158
Total	**8.027.682**	**4.654.396**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 28 – EXPENSES BY NATURE

- **General Administrative Expenses (-)**

The detail of the Group's general administrative expenses is as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Personnel expenses	(45.142.035)	(47.343.771)	(13.059.468)	(11.334.604)
Depreciation and amortization expenses	(29.893.758)	(10.559.591)	(14.823.807)	(5.935.065)
Representation and entertainment expenses	(14.032.428)	(381.526)	(11.419.852)	(381.526)
Benefits and services obtained from external parties	(3.154.027)	(3.916.275)	(2.092.608)	(3.916.275)
Insurance expenses	(1.846.159)	(2.930.900)	(1.795.506)	(965.281)
Tax, duty, and fee expenses	(1.356.227)	(917.878)	(804.685)	(508.157)
Membership fee expenses	(1.039.315)	(2.402.610)	(513.316)	(2.402.610)
Electricity, water, natural gas expenses	(418.198)	(791.710)	(176.892)	(389.334)
Communication expenses	(201.467)	(181.377)	(102.827)	(8.462)
Stationery and office supply expenses	(61.940)	(280.806)	(4.860.748)	(7.321.622)
Commission expenses	--	(45.982)	(671.289)	(45.982)
Other expenses	(167.520)	(7.654.121)	(78.588)	(7.654.119)
Total	**(97.313.075)**	**(77.406.549)**	**(50.399.584)**	**(40.863.038)**

- **Marketing, Sales, and Distribution Expenses**

The details of the Group's marketing, sales and distribution expenses are as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Depreciation and amortization expenses	(15.467.873)	(15.847.952)	(6.169.727)	(8.065.968)
Personnel expenses	(9.557.873)	(41.043.135)	(2.952.368)	(11.728.736)
Shipping and freight expenses	(5.591.355)	(6.676.362)	(3.692.241)	(4.805.452)
Fair & advertising expenses & market research expenses	(4.234.410)	(2.833.578)	(3.134.442)	(2.833.578)
Travel expenses	(2.875.450)	(1.741.011)	(1.449.397)	(861.698)
Vehicle expenses	(1.088.142)	(1.017.593)	(635.398)	(465.280)
Benefits and services obtained from external parties	(960.089)	(792.513)	(571.224)	(1.164.373)
Maintenance and repair expenses	(357.722)	(363.473)	(196.140)	(188.978)
Other expenses	(1.129.628)	(1.175.166)	(169.967)	(1.157.136)
Total	**(41.262.542)**	**(71.490.784)**	**(18.970.904)**	**(31.271.199)**

- **Research and Development Expenses (-)**

None. (30.06.2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 29 – OTHER ASSETS AND LIABILITIES

- **Other Current Assets**

The details of the Group's other current assets is as follows:

	30.06.2026	31.12.2025
Carried-over Value Added Tax	9.766.071	11.023.787
Other VAT	--	1.178
Total	**9.766.071**	**11.024.965**

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

- **Paid-in Capital**

The Group's ownership structure is explained below.

	30.06.2026		31.12.2025	
	Share Amount	**Share Percentage**	**Share Amount**	**Share Percentage**
Barış GÖKTÜRK	124.033.817	24,81%	124.033.817	24,81%
Yüksel GÖKTÜRK	114.394.765	22,88%	114.394.765	22,88%
Burak GÖKTÜRK	61.922.533	12,38%	61.922.533	12,38%
Ferhan GÖKTÜRK	3.521.127	0,70%	3.521.127	0,70%
Publicly Traded Portion (*)	196.127.758	39,23%	196.127.758	39,23%
Nominal capital	**500.000.000**	**100%**	**500.000.000**	**100%**
Unpaid capital	**--**		**(673.392)**	
Capital inflation adjustment difference	1.289.000.143		1.288.880.555	
Total Capital	**1.789.000.143**		**1.788.207.163**	

(*) As of June 30, 2026, 400.000 shares, representing 0,20% of the publicly traded portion, are held by Barış Göktürk, and 901.812 shares, representing 0,46%, are held by Yüksel Göktürk. (As of December 31, 2025, 450.000 shares, representing 0,36% of the publicly traded shares, are held by Barış Göktürk; 290.797 shares, representing 0,23%, belong to Yüksel Göktürk, and 100.068 shares, representing 0,08%, belong to Ferhan Göktürk.)

The explanation regarding the Group's equity accounts adjusted in accordance with TAS 29, based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

30.06.2026

Equity	PPI Indexed Legal Records	CPI Indexed Legal Records	Differences to be Followed in Retained Earnings/Losses from Previous Years
Capital Adjustment Differences	(1.092.768.715)	(1.289.000.143)	196.231.428
Restricted reserves allocated from profit	(13.764.003)	(70.245.077)	56.481.074

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

- **Share Premiums/(Discounts)**

None. (31.12.2025 – None.)

- **Accumulated Other Comprehensive Income or Expenses Not Reclassified as Profit or Loss**

	30.06.2026	**31.12.2025**
Defined benefit plans remeasurement gains/(losses) (*)	(677.130)	(677.130)
Total	**(677.130)**	**(677.130)**

(*) With the amendment to TAS 19 "Employee Benefits" standard, actuarial gains and losses considered in the calculation of severance pay liability are not permitted to be recognized in the income statement. Gains and losses arising from changes in actuarial assumptions have been recognized in equity. The actuarial gain/loss fund for severance pay liability is not reclassifiable to profit or loss.

- **Other Accumulated Comprehensive Income or Expenses to be Reclassified as Profit or Loss**

	30.06.2026	**31.12.2025**
Foreign Currency Translation Differences	2.915.446	1.563.963
Total	**2.915.446**	**1.563.963**

- **Retained Earnings/(Losses) from Previous Years**

The details of the Group's retained earnings/losses from previous years account are as follows:

	30.06.2026	**31.12.2025**
Retained Earnings/(Losses) from Previous Years	(961.615.755)	(636.497.370)
Extraordinary reserves	2.795.195	3.291.608
Total	**(958.820.560)**	**(633.205.762)**

Publicly traded companies distribute dividends in accordance with Capital Markets Board Communiqué No. II-19.1 on Dividends, which became effective on February 1, 2015. Partnerships distribute their profits within the framework of dividend distribution policies determined by their general assemblies and in accordance with the provisions of the relevant legislation, by a general assembly resolution. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend distribution policies. In addition, dividends may be paid in equal or different installments, and cash dividend advances may be distributed from the profit included in interim financial statements.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

In accordance with the TCC, unless legal reserves required to be set aside and dividends determined for shareholders in the articles of association or dividend distribution policy are set aside, no decision can be made to set aside other reserves, carry forward profit to the next year, or distribute profit shares to usufruct certificate holders, board members, company employees, and persons other than shareholders. Furthermore, profit shares cannot be distributed to these people unless the dividends determined for shareholders are paid in cash. The portion of the partnerships' losses from previous years exceeding the sum of profits from previous years, general legal reserves including share premiums, and amounts arising from the inflation accounting adjustment of equity items excluding capital, is considered as a deduction item in the calculation of net distributable period profit.

- **Restricted Reserves Allocated from Profit**

The details of the Group's restricted reserves allocated from profit account are as follows:

	30.06.2026	**31.12.2025**
Legal reserves	70.245.077	70.245.077
Total	**70.245.077**	**70.245.077**

- **Capital Advance**

The details of the Group's capital advance are as follows:

	30.06.2026	**31.12.2025**
Capital Advance	50.094.660	--
Total	**50.094.660**	--

- **Capital Adjustment Differences**

The details of the Group's capital adjustment differences are as follows:

	30.06.2026	**31.12.2025**
Capital Adjustment Differences	1.289.000.143	1.288.880.555
Total	**1.289.000.143**	**1.288.880.555**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 31 – SALES AND COST OF SALES

The details of the Group's sales and cost of sales accounts are as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Domestic sales	804.669.601	596.127.231	363.694.569	248.273.644
International sales	37.032.474	50.176.466	21.776.631	26.942.722
Other sales	1.139.059	2.134.259	407.049	1.241.831
Gross Sales	**842.841.134**	**648.437.957**	**385.878.248**	**276.458.196**
Sales returns (-)	(3.953.333)	(13.781.995)	(1.033.971)	(11.422.075)
Sales discounts (-)	(40.350)	(21.427)	(26.022)	(14.074)
Net Sales	**838.847.451**	**634.634.534**	**384.818.255**	**265.022.048**
Cost of goods sold (-)	(571.942.574)	(518.703.260)	(270.550.314)	41.781.270
Cost of services sold (-)	(1.020.165)	--	(1.020.165)	--
Cost of other sales (-)	(3.178.489)	--	(3.178.489)	--
Cost of Sales (-)	**(576.141.228)**	**(518.703.260)**	**(274.748.968)**	**41.781.270**
GROSS PROFIT/LOSS	**262.706.223**	**115.931.274**	**110.069.286**	**306.803.319**

NOTE 32 – CONSTRUCTION CONTRACTS

None. (2025: None)

NOTE 33 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

The Group's general administrative expenses, marketing expenses, and research and development expenses accounts are as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
General Administrative Expenses (-)	(97.313.075)	(77.406.549)	(50.399.584)	(40.863.038)
Marketing Expenses (-)	(41.262.542)	(71.490.784)	(18.970.904)	(31.271.199)
Total	**(138.575.617)**	**(148.897.333)**	**(69.370.488)**	**(72.134.237)**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 34 – OTHER INCOME AND EXPENSES FROM MAIN ACTIVITIES

The details of the Group's other income and expenses from main activities are as follows:

- **Other Income from Main Activities**

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Rediscount income	23.232.894	67.148.887	(502.881)	20.617.469
Exchange rate differences income	4.455.133	4.023.467	3.640.945	1.631.683
Provisions no longer required	3.031.692	985.979	2.608.732	(41.960)
Other income and gains	4.560.595	2.320.712	1.184.034	1.430.102
Total	**35.280.314**	**74.479.045**	**6.930.830**	**23.637.293**

- **Other Expenses from Main Activities (-)**

	1.01.2025 30.06.2025	1.01.2025 30.06.2025	1.04.2025 30.06.2025	1.04.2025 30.06.2025
Exchange rate differences expenses	(10.763.136)	(10.559.669)	(6.169.890)	(9.238.054)
Rediscount interest expense	(19.578.586)	(62.931.677)	7.682.008	(15.684.972)
Provision expenses	(50.000)	(33.675.717)	(50.000)	4.183.126
Other expenses	(2.475.757)	(2.989.501)	(499.101)	4.694.467
Total	**(32.867.479)**	**(110.156.564)**	**963.018**	**(16.045.433)**

NOTE 35 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

The details of the Group's income and expenses from investment activities are as follows:

- **Other Income from Investment Activities**

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Gains on sale of tangible and intangible fixed assets	3.129.968	8.726.307	1.360.583	5.877.904
Total	**3.129.968**	**8.726.307**	**1.360.583**	**5.877.904**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 35 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (Continued)

- **Other Expenses from Investment Activities**

None. (June 30, 2025 – None.)

- **Impairment Gains (Losses) Determined in Accordance with IFRS 9**

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Impairment Gains (Losses) Determined in Accordance with IFRS 9	4.914.214	(457.504)	8.609.618	(1.251.040)
Total	**4.914.214**	**(457.504)**	**8.609.618**	**(1.251.040)**

NOTE 36 – EXPENSES CLASSIFIED BY NATURE

Depreciation and Amortization Expenses

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Cost of goods sold	(1.618.175)	(18.127.799)	(920.038)	(17.181.613)
General administrative expenses	(29.893.758)	(10.559.591)	(14.823.807)	(5.935.065)
Marketing, Sales, and Distribution Expenses	(15.467.873)	(15.847.952)	(7.652.110)	(8.065.968)
Total	**(46.979.806)**	**(44.535.341)**	**(23.395.954)**	**(31.182.646)**

NOTE 37 – FINANCIAL EXPENSES/(INCOME)

- **Financial Income**

The details of the Group's financial income account is as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Interest income	4.936.917	10.502.499	2.894.801	6.117.411
Exchange rate differences income	675.795	1.226.719	425.337	834.630
Total	**5.612.712**	**11.729.218**	**3.320.138**	**6.952.041**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 37 – FINANCIAL EXPENSES/(INCOME) (Continued)

- **Financial Expenses**

The details of the Group's financial expenses account is as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Short-term borrowing expenses	(77.214.726)	(170.530.280)	(37.978.251)	(100.445.055)
Long-term borrowing expenses	--	(2.718.837)	--	163.313
Exchange rate differences expenses	(17.549.762)	(212.191)	(11.251.741)	66.438
Total	**(94.764.488)**	**(173.461.308)**	**(49.229.991)**	**(100.215.304)**

- **Net Monetary Position Gains (Losses)**

The details of the Group's Net Monetary Position Gains (Losses) are as follows:

Non-Monetary Items	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Financial position items				
Inventories	73.333.451	54.539.923	(439.460)	27.436.964
Tangible Fixed Assets	74.206.662	51.889.423	28.338.890	23.979.714
Intangible Fixed Assets	135.404	131.861	41.254	34.113
Right-of-Use Assets	209.105	6.664.882	(1.531.749)	(503.602)
Paid-in Capital	(269.807.229)	(213.594.095)	(106.547.098)	(76.946.480)
Restricted reserves allocated from profit	(10.593.979)	(10.038.758)	(4.183.571)	(3.616.425)
Subsidiaries	309.242	288.029	114.011	111.203
Retained earnings/losses from previous years	144.288.571	99.814.319	57.203.898	70.282.068
Other	(3.772.660)	--	(3.834.454)	--
Income Statement Items				
Revenue	(42.563.688)	(30.756.780)	(33.848.636)	(24.778.338)
Cost of sales	23.610.986	18.370.839	23.024.978	17.742.868
Marketing, Sales, and Distribution Expenses	9.756.875	9.727.550	5.388.048	6.806.695
General administrative expenses	8.811.103	6.414.779	5.758.236	5.549.955
Other income/expenses from main activities	282.305	408.382	213.966	209.211
Income from Investment Activities	(158.315)	(84.918)	(112.696)	(25.113)
Financial income/expenses	2.889.975	9.788.537	2.703.755	7.449.829
Total	**10.937.809**	**3.563.974**	**(27.710.629)**	**53.732.662**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 38 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

Items that will be reclassified to profit or loss

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Gains (losses) from foreign currency translation differences related to the translation of foreign operations	1.351.483	1.317.176	1.672.006	1.414.790
Total	**1.351.483**	**1.317.176**	**1.672.006**	**1.414.790**

Items that will not be reclassified to profit or loss

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Defined benefit plan remeasurement gains/(losses)	--	140.259	--	76.187
Defined benefit plan remeasurement gains/(losses) deferred tax effect	--	35.065	--	19.047
Total	**--**	**175.324**	**--**	**95.234**

NOTE 39 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2025 – None).

NOTE 40 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

- **Corporate Tax**

The Company is subject to corporate tax applicable in Turkey. Necessary provisions for the estimated tax liabilities related to the Company's current operating period results have been made in the accompanying financial statements. Turkish tax legislation does not allow the parent company to file a tax return based on the consolidated financial statements of its subsidiaries.

The corporate tax rate to be accrued on taxable corporate income is calculated on the remaining tax base after adding non-deductible expenses from the tax base in the determination of commercial profit and deducting tax-exempt earnings, non-taxable income, and other deductions (if any, prior year losses and investment incentives used if preferred). The effective tax rate applied on June 30, 2026, is 25% (December 31, 2025: 25%).

Law No. 7061 "Law on Amending Certain Tax Laws and Other Laws" was published in the Official Gazette dated December 5, 2017, and numbered 30261. Article 89 of this Law amends Article 5, titled "Exemptions," of the Corporate Tax Law. With subparagraph (a) of the first paragraph of the article, the 75% exemption applied to gains arising from the sale of immovable properties held in the assets of corporations for two full years has been reduced to 50%. This regulation became effective as of December 5, 2017.

The Group's tax expenses are as follows:

	30.06.2026	31.12.2025
Prepaid taxes and funds	74.067	962.706
Prepaid taxes and funds	**74.067**	**962.706**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 40 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

- **Corporate Tax (Continued)**

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Deferred tax income / (expense), net	(2.047.237)	95.381.022	(5.881.175)	(62.994.034)
Total	**(2.047.237)**	**95.381.022**	**(5.881.175)**	**(62.994.034)**

- **Deferred tax**

As of 2026, inflation adjustment to be applied under the Tax Procedure Law has been postponed for the fiscal years 2025, 2026, and 2027 by Law No. 7571.

The Company accounts for deferred tax assets and liabilities for temporary timing differences arising from the differences between its statutory financial statements prepared for tax purposes and its financial statements prepared in accordance with TAS. These differences generally arise from certain income and expense items being recognized in different periods in the tax-based financial statements and the financial statements prepared in accordance with TAS, and these differences are stated below.

Within the scope of Law No. 7316 on "Amendment to the Law on the Procedure for Collection of Public Receivables and Certain Other Laws," which was published in the Official Gazette dated April 22, 2021, and entered into force, the corporate tax rate will be applied as 25% for 2026 and 25% for 2025, respectively. Within the scope of the said law, deferred tax assets, and liabilities in the financial statements as of June 30, 2026, have been calculated with a tax rate of 25% for the portion of temporary differences that will create a tax effect for 2026 and 25% for 2025.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 40 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

- **Deferred tax**

		30.06.2026		31.12.2025
	Total temporary differences	**Deferred tax asset/ (liability)**	**Total temporary differences**	**Deferred tax asset/ (liability)**
Deferred tax assets:				
Doubtful trade receivables	22.372.151	5.593.038	31.387.540	7.846.885
Receivable rediscounts	12.138.237	3.034.559	21.462.933	5.365.733
Arrangements related to leases	2.834.991	708.748	1.330.197	332.549
Expected credit loss (receivables)	2.111.711	527.928	8.273.723	2.068.430
Unused leave provisions	2.112.009	528.002	1.249.179	312.295
Severance pay provisions	6.592.940	1.648.235	6.209.639	1.552.410
TPL valuation adjustment building	26.713.390	6.678.348	31.457.663	5.898.312
TPL valuation adjustment other	31.589.165	7.897.291	37.199.371	9.299.843
TFRS Inflation Adjustments	543.210.164	135.802.541	639.683.777	159.920.944
Deferred tax assets	**649.674.758**	**162.418.690**	**778.254.023**	**192.597.401**
Deferred tax liability:				
Depreciation adjustments	(43.266.293)	(10.816.573)	(44.699.203)	(11.174.801)
TPL revaluation funds recognized as income	(5.985.916)	(1.496.479)	(7.049.009)	(1.762.252)
Borrowing rediscounts	(5.006.884)	(1.251.721)	(8.761.748)	(2.190.437)
Arrangements related to inventories	(347.292.768)	(86.823.192)	(408.047.064)	(102.011.767)
TPL inflation adjustment cancellations - land	(17.246.449)	(2.155.806)	(20.309.402)	(2.538.675)
TPL inflation adjustment cancellations	(123.844.214)	(30.961.053)	(145.838.829)	(36.459.707)
Deferred tax liabilities	**(542.642.524)**	**(133.504.825)**	**(634.705.256)**	**(156.137.639)**
Deferred tax assets / (liabilities), net		**28.913.865**		**36.459.762**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 41 – EARNINGS PER SHARE

The earnings per share amount is calculated by dividing the profit for the period by the weighted average number of shares of the Company during the period.

The Group's earnings per share calculation is as follows:

	1.01.2026 30.06.2026	1.01.2025 30.06.2025	1.04.2026 30.06.2026	1.04.2025 30.06.2025
Net profit/loss attributable to shareholders	54.326.419	(123.161.869)	(20.938.810)	144.363.171
Current period profit attributable to the parent company	54.326.419	(123.161.869)	(20.938.810)	144.363.171
Number of shares issued	500.000.000	250.000.000	500.000.000	250.000.000
Earnings/(Loss) Per Share	**0,11**	**(0,49)**	**(0,04)**	**0,58**
Diluted earnings per share (TRY)	**0,11**	**(0,49)**	**(0,04)**	**0,58**

NOTE 42 – SHARE-BASED PAYMENTS

None. (December 31, 2025 – None.)

NOTE 43 – INSURANCE CONTRACTS

None. (December 31, 2025 – None.)

NOTE 44 – EFFECTS OF EXCHANGE RATE CHANGES

The Group's foreign currency risk as of June 30, 2026, is presented in the table in Note 48, and the foreign exchange gain and foreign exchange loss arising as of the accounting period ended June 30, 2026, are shown in other income/expenses from main activities and financial income/expenses accounts in the accompanying financial statements.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 45 – REPORTING IN HIGHLY INFLATIONARY ECONOMIES

According to TAS 29 Financial Reporting in Highly Inflationary Economies, entities whose functional currency is the currency of a highly inflationary economy report their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 defines characteristics that may indicate that an economy is highly inflationary and recommends that entities begin applying the Standard at the same date.

On November 23, 2023, the POA issued a clarification regarding the scope and application of TAS 29. It stated that financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after December 31, 2023, should be restated for the effects of inflation in accordance with the relevant accounting principles in TAS 29.

In this context, inflation adjustment was made in accordance with TAS 29 when preparing the financial statements as of June 30, 2026, and December 31, 2025.

NOTE 46 – DERIVATIVE INSTRUMENTS

None. (31.12.2025: None.)

NOTE 47 – FINANCIAL INSTRUMENTS

- **Short-Term Borrowings**

The details of the Group's short-term borrowings are as follows:

	30.06.2026	**31.12.2025**
Bank loans	17.100.967	--
Other financial liabilities	4.389.109	2.702.632
Total	**21.490.076**	**2.702.632**

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 47 – FINANCIAL INSTRUMENTS (Continued)

- **Short-Term Portion of Long-Term Borrowings**

	30.06.2026	31.12.2025
Bank loans	436.937.556	370.226.559
Total	**436.937.556**	**370.226.559**

- **Long-Term Borrowings**

	30.06.2026	31.12.2025
Bank loans	15.233.770	--
Total	**15.233.770**	**--**

The average effective interest rate of the Group's long-term loans is in the range of 6,25% - 52%. (December 31, 2025: in the range of 6,25% - 52%.) Information regarding collateral/guarantees provided for the Group's bank loans is included in Note 25. Information regarding foreign currency financial liabilities is included in Note 46.

The maturities of bank loans are presented below:

	30.06.2026	31.12.2025
Payable within 1 year	458.427.632	372.929.191
Payable within 1 - 5 years	15.233.770	--
Total	**473.661.402**	**372.929.191**

- **Obligations Arising from Leasing Transactions**

	30.06.2026	31.12.2025
Obligations arising from leasing transactions (short-term)	12.056.812	12.665.242
Obligations arising from leasing transactions (long-term)	13.637.155	17.636.012
Total	**25.693.967**	**30.301.254**

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's primary financial instruments consist of bank loans, cash, and short-term deposits. The main purpose of these financial instruments is to finance the Group's operating activities. The Group also has other financial instruments such as trade payables and trade receivables arising directly from operating activities.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Capital Risk Management**

In managing capital, the Company's objectives are to provide benefits to its shareholders and to maintain the optimal capital structure to reduce the cost of capital and ensure the continuity of the Company's operations.

The debt-to-equity ratio, calculated by dividing net debt (total financial liabilities, less cash and cash equivalents and short-term financial investments) by total equity, is as follows:

	30.06.2026	**31.12.2025**
Total liabilities	1.042.732.959	930.285.585
Less: Cash and cash equivalents	(25.485.519)	(26.805.910)
Net debt	**1.017.247.440**	**903.479.674**
Total equity	1.007.084.055	905.067.685
Debt/equity ratio	**1,01**	**1,00**

	30.06.2026	**31.12.2025**
Total financial liabilities	484.121.599	403.230.445
Less: Cash and cash equivalents	(25.485.519)	(26.805.910)
Net financial debt	**458.636.080**	**376.424.535**
Total equity	1.007.084.055	905.067.685
Invested capital	**500.000.000**	**500.000.000**
Net Financial Debt/Invested Capital Ratio	**0,92**	**0,75**

- **Financial Risk Factors**

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk, and credit risk. The Company's management and board of directors' review and approve policies for managing the risks stated below. The Company also considers the market value risk of all its financial instruments.

- **Liquidity Risk**

Liquidity risk is the risk that a company will not be able to meet its funding needs. The following table shows the maturity distribution of the Company's non-derivative and derivative financial liabilities. Non-derivative financial liabilities are prepared undiscounted and based on the earliest dates on which payment is required. Interest payable on these liabilities is included in the table below.

Derivative financial liabilities are arranged according to undiscounted net cash inflows and outflows. Forward instruments are paid net for gross forward transactions and realized over undiscounted, gross cash inflows and outflows. When receivables or payables are not fixed, the disclosed amount is determined using the interest rate obtained from the yield curves at the reporting date.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Financial Risk Factors (Continued)**

30.06.2026	Book value	Contractual cash outflow	0-1 Year	1-5 years
Non-derivative financial liabilities:				
Financial liabilities	484.121.599	484.121.599	458.427.632	15.233.770
Liabilities Under Employee Benefits	8.027.682	8.027.682	8.027.682	--
Trade and other payables	511.597.459	511.597.459	511.597.459	--
Derivative financial liabilities:		**--**		
Total	**1.003.746.740**	**1.003.746.740**	**978.052.773**	**15.233.770**

31.12.2025	Book value	Contractual cash outflow	0-1 Year	1-5 years
Non-derivative financial liabilities:	**907.928.797**	**907.928.797**	**877.627.543**	**--**
Financial liabilities	403.230.445	403.230.445	372.929.191	--
Liabilities Under Employee Benefits	4.654.396	4.654.396	4.654.396	--
Trade and other payables	500.043.957	500.043.957	500.043.957	--
Derivative financial liabilities:	**--**	**--**	**--**	**--**
Total	**907.928.797**	**907.928.797**	**877.627.543**	**--**

- **Market Risk Management**

The Company's activities are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below. To control risks associated with foreign exchange rates and interest rates, the Company uses various non-derivative financial instruments. Market risks are also evaluated through sensitivity analyses.

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Currency Risk Management**

Transactions denominated in foreign currency give rise to currency risk. The distribution of the Group's monetary and non-monetary assets and monetary and non-monetary liabilities denominated in foreign currency as of the balance sheet date is as follows:

	30.06.2026			31.12.2025		
	TRY Equivalent Functional Currency	USD	Euro	TRY Equivalent Functional Currency	USD	Euro
1. Trade Receivables	17.883.986	263.154	106.010	4.171.095	43.882	**45.393**
2a. Monetary Financial Assets (Including Cash Bank Accounts)	1.967.669	11.288	27.162	5.090.480	62.613	**41.628**
2b. Non-Monetary Financial Assets	--	--	--	--	--	**--**
3. Other	11.836.367	226.377	24.355	8.440.763	196.927	**38.494**
4. Current Assets (1+2+3)	**31.688.022**	**500.818**	**157.527**	**17.702.338**	**303.422**	**125.515**
5. Trade Receivables	-	--	--	-	--	**--**
6a. Monetary Financial Assets	-	--	--	-	--	**--**
6b. Non-Monetary Financial Assets	-	--	--	-	--	**--**
7. Other	-	--	--	-	--	**--**
8. Fixed Assets (5+6+7)	**--**	**--**	**--**	**--**	**--**	**--**
9. Total Assets (4+8)	**31.688.022**	**500.818**	**157.527**	**17.702.338**	**303.422**	**125.515**
10. Trade Payables	72.398.214	800.864	661.151	26.488.034	617.980	**15.130**
11. Financial Liabilities	17.100.017	65.101	265.000	--	--	**--**
12a. Other Monetary Liabilities	3.540.336	30.744	39.717	1.075.853	25.100	**67.702**
12b. Other Non-Monetary Liabilities	--	--	--	--	--	**--**
13. Short-Term Liabilities (10+11+12)	**93.038.567**	**896.709**	**965.868**	**27.563.887**	**643.080**	**82.832**
14. Trade Payables	--	--	--	--	--	**--**
15. Financial Liabilities	140.032.803	1.973.163	906.695	131.622.638	3.070.825	**--**
16a. Other monetary liabilities	--	--	--	--	--	**--**
16b. Other non-monetary liabilities	--	--	--	--	--	**--**
17. Long-Term Liabilities (14+15+16)	**140.032.803**	**1.973.163**	**906.695**	**131.622.638**	**3.070.825**	**--**
18. Total Liabilities (13+17)	**233.071.370**	**2.869.872**	**1.872.562**	**159.186.525**	**3.713.905**	**82.832**
19. Net asset / liability position of off-balance sheet derivative instruments (19a-19b)	**--**	**--**	**--**	**--**	**--**	**--**
19a. Total hedged asset amount	--	--	--	--	--	**--**
19b. Total hedged liability amount	--	--	--	--	--	**--**
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	**(201.383.348)**	**(2.369.054)**	**(1.715.035)**	**(141.484.187)**	**(3.410.483)**	**42.683**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(213.219.715)**	**(2.595.431)**	**(1.739.390)**	**(149.924.950)**	**(3.607.411)**	**4.189**
22. Total fair value of financial instruments used for currency hedging	**-**	**--**	**--**	**-**	**-**	**-**
23. Exports	**35.907.980**	**34.200**	**646.399**	**97.316.164**	**392.145**	**1.595.695**
24. Imports	**211.599.341**	**4.543.225**	**--**	**332.098.211**	**7.682.640**	**55.549**

The Group is primarily exposed to currency risk in US Dollars and Euros.

The following table shows the Group's sensitivity to a 10% increase and decrease in US Dollar and Euro exchange rates. The 10% rate is the rate used when reporting currency risk within the Group to senior management, and this rate represents the possible change in exchange rates expected by management. The sensitivity analysis covers only open foreign currency monetary items at year-end and shows the effects of a 10% exchange rate change on these items at year-end. A positive value indicates an increase in profit/loss and other equity items.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Financial Risk Factors**

		Profit/Loss		EQUITY
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
30.06.2026				
If the US Dollar exchange rate changes by 10%:				
1- US Dollar net asset/liability	(11.033.796)	11.033.796	(11.033.796)	11.033.796
2- Hedged portion of US Dollar risk (-)	--	--	--	--
3- US Dollar Net Impact (1+2)	**(11.033.796)**	**11.033.796**	**(11.033.796)**	**11.033.796**
If the Euro exchange rate changes by 10%:				
4- Euro net asset/liability	(9.104.538)	9.104.538	(9.104.538)	9.104.538
5- Hedged portion of Euro risk (-)	--	--	--	--
6- Euro Net Impact (4+5)	**(9.104.538)**	**9.104.538**	**(9.104.538)**	**9.104.538**
TOTAL (3+6+9)	**(20.138.335)**	**20.138.335**	**(20.138.335)**	**20.138.335**

		Profit/Loss		EQUITY
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
31.12.2025				
If the US Dollar exchange rate changes by 10%:				
1- US Dollar net asset/liability	(146.181.163)	146.181.163	(146.181.163)	146.181.163
2- Hedged portion of US Dollar risk (-)	--	--	--	--
3- US Dollar Net Impact (1+2)	**(146.181.163)**	**146.181.163**	**(146.181.163)**	**146.181.163**
If the Euro exchange rate changes by 10%:				
4- Euro net asset/liability	215.349	(215.349)	215.349	(215.349)
5- Hedged portion of Euro risk (-)	--	--	--	--
6- Euro Net Impact (4+5)	**215.349**	**(215.349)**	**215.349**	**(215.349)**
TOTAL (3+6)	**(145.965.813)**	**145.965.813**	**(145.965.813)**	**145.965.813**

- **Interest Rate Risk Management**

The Group's borrowing at fixed interest rates exposes the Group to interest rate risk. These risks are managed using natural methods that arise from netting interest-bearing assets and liabilities. The interest rates of financial assets and liabilities are stated in the relevant notes. The distribution of the Group's interest rate sensitive financial instruments is as follows:

		Book value
	30.06.2026	**31.12.2025**
Fixed-rate instruments		
Financial Liabilities	473.661.402	372.929.191
Total	**473.661.402**	**372.929.191**
Variable-rate instruments		
Financial Liabilities	25.693.967	30.301.254
Total	**25.693.967**	**30.301.254**

(All amounts are presented in Turkish Lira (“TRY”) based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Financial Risk Factors (Continued)**

- **Credit Risk Management**

	Receivables					
	Trade Receivables		Other Receivables		Bank	
30.06.2026	**Related Parties**	**Other Party**	**Related Parties**	**Other Party**	**Deposits**	**Total**
Maximum credit risk exposure as of the reporting date	**--**	**420.152.637**	**906.867**	**13.689.781**	**21.381.725**	**456.131.010**
- Portion of maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not past due or impaired	--	420.152.637	906.867	13.689.781	21.381.725	**456.131.010**
B- Book value of financial assets whose terms have been renegotiated, which would otherwise be considered past due or impaired	--	--	--	--	--	**--**
C- Net book value of assets that are past due but not impaired	--	--	--	--	--	**--**
D- Net book values of impaired assets	--	--	--	--	--	**--**
- past due	--	23.672.151	--	--	--	**23.672.151**
- impairment	--	(23.672.151)	--	--	--	**(23.672.151)**
E- Off-balance sheet items containing credit risk	--	--	--	--	--	--

	Receivables					
	Trade Receivables		Other Receivables		Bank	
31.12.2025	**Related Parties**	**Other Party**	**Related Parties**	**Other Party**	**Deposits**	**Total**
Maximum credit risk exposure as of the reporting date	**--**	**426.204.928**	**1.827.001**	**3.902.462**	**16.999.905**	**448.934.296**
- Portion of maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not past due or impaired	--	426.204.928	1.827.001	3.902.462	16.999.905	**448.934.296**
B- Book value of financial assets whose terms have been renegotiated, which would otherwise be considered past due or impaired	--	--	--	--	--	**--**
C- Net book value of assets that are past due but not impaired	--	--	--	--	--	**--**
D- Net book values of impaired assets	--	--	--	--	--	**--**
- past due	--	31.391.468	--	--	--	**31.391.468**
- impairment	--	(31.391.468)	--	--	--	**(31.391.468)**
E- Off-balance sheet items containing credit risk	--	--	--	--	--	--

NOTE 48 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Financial Risk Factors (Continued)

- **Credit Risk Management (Continued)**

Credit risk is defined as the risk that one of the parties to a financial instrument will cause a financial loss to the Company by failing to discharge an obligation. The financial instruments that may cause a significant concentration of credit risk for the Group mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk to which the Group may be exposed is limited to the amounts reflected in the financial statements.

The Group has cash and cash equivalents in various financial institutions. The Group manages this risk by continuously evaluating the reliability of the financial institutions with which it has relationships.

Credit risk arising from trade receivables is limited due to the high volume of customers and the Group management's policy of limiting the credit amount applied to customers. The provision for doubtful receivables for financial assets is determined based on past collection experience. As of the balance sheet date, there is no collateral received for past due trade receivables for which a provision has been made.

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE SCOPE OF HEDGE ACCOUNTING)

Fair value represents the price at which a financial instrument would be exchanged between willing parties in an arm's length transaction, other than in a forced sale or liquidation. Quoted market price, if available, is the best indicator of the fair value of a financial instrument. The fair values of the Company's financial instruments have been estimated to the extent that relevant and reliable information can be obtained from financial markets in Turkey. The estimates presented herein may not reflect the amounts the Company could obtain in a market transaction. The following methods and assumptions have been used in estimating the fair values of the Group's financial instruments.

The following methods and assumptions have been used for estimating the fair values of financial instruments for which fair value estimation is possible:

Financial Assets

Monetary assets whose fair value approximates their carrying amount:

- Foreign currency balances are translated at the period-end exchange rate.
- It is assumed that the fair values of some financial assets (cash-bank) presented at cost in the statement of financial position approximate their statement of financial position values.
- The fair value of trade receivables is estimated to approximate their carrying amount after provisions.

Financial Liabilities

Monetary liabilities whose fair value approximates their carrying amount:

- It is assumed that the fair values of short-term loans and other monetary liabilities approximate their carrying amounts due to their short-term nature.
- It is assumed that the fair value of long-term borrowings denominated in foreign currency and translated at period-end exchange rates is equal to their carrying amount.
- It has been assumed that the carrying amounts of trade payables, representing estimated amounts payable to non-related parties, and accrued expenses in the statement of financial position approximate their market values.

Fair value measurement hierarchy table

The Company classifies the fair value measurements of financial instruments recognized at fair value in the financial statements using a three-level hierarchy, based on the source of inputs for each financial instrument class, as follows:

Level 1: Financial assets and liabilities are valued at quoted market prices in active markets for identical assets and liabilities.

Level 2: Financial assets and liabilities are valued using inputs that are observable in the market, either directly or indirectly, other than quoted prices for the identical asset or liability as described in Level 1.

Level 3: Financial assets and liabilities are valued using inputs that are not based on observable market data in determining the fair value of the asset or liability.

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE SCOPE OF HEDGE ACCOUNTING) (Continued)

30.06.2026	Fair value differences reflected in Profit or loss for financial assets	Available for sale financial assets	Financial assets carried at amortized cost	Liabilities stated at amortized cost	Book value	Note
Financial assets						
Cash and Cash Equivalents	--	--	25.485.519	--	**25.485.519**	53
Trade Receivables	--	--	420.152.637	--	**420.152.637**	7
Other Receivables	--	--	13.689.781	--	**13.689.781**	9
Receivables from related parties	--	--	906.867	--	**906.867**	6
Other financial assets	--	--	42.320.957	--	**42.320.957**	8
Financial Liabilities						
Financial liabilities	--	--	--	499.355.369	**499.355.369**	47
Trade Payables	--	--	--	251.803.131	**251.803.131**	7
Other Payables	--	--	--	2.941.806	**2.941.806**	9
Payables to related parties	--	--	--	256.852.522	**256.852.522**	6
Other financial liabilities	--	--	--	--	--	8

31.12.2025	Fair value differences reflected in Profit or loss for financial assets	Available for sale financial assets	Financial assets carried at amortized cost	Liabilities stated at amortized cost	Book value	Note
Financial assets						
Cash and Cash Equivalents	--	--	26.805.910	--	**26.805.910**	53
Trade Receivables	--	--	426.204.928	--	**426.204.928**	7
Other Receivables	--	--	3.902.462	--	**3.902.462**	9
Receivables from related parties	--	--	1.827.001	--	**1.827.001**	6
Other financial assets	--	--	21.533.593	--	**21.533.593**	8
Financial Liabilities						
Financial liabilities	--	--	--	403.230.444	**403.230.444**	47
Trade Payables	--	--	--	213.899.042	**213.899.042**	7
Other Payables	--	--	--	6.615.257	**6.615.257**	9
Payables to related parties	--	--	--	279.529.658	**279.529.658**	6
Other financial liabilities	--	--	--	--	--	8

The Group management believes that the recorded values of its financial instruments reflect their fair values.

NOTE 50 – EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 51 – OTHER MATTERS SIGNIFICANTLY AFFECTING THE FINANCIAL STATEMENTS OR REQUIRING DISCLOSURE FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None. (December 31, 2025 – None.)

(All amounts are presented in Turkish Lira ("TRY") based on the purchasing power as of June 30, 2026, unless otherwise stated.)

NOTE 52 – FIRST-TIME ADOPTION OF TURKISH FINANCIAL REPORTING STANDARDS

None. (December 31, 2025 – None.)

NOTE 53 – EXPLANATIONS REGARDING THE STATEMENT OF CASH FLOWS

The Group's cash and cash equivalents are as follows:

	30.06.2026	**31.12.2025**
Cash	19.445	12.771
Banks	21.381.725	16.999.905
-Demand deposits	19.481.725	7.863.831
-Time deposits	1.900.000	9.136.074
Demand notes received	3.069.160	8.679.439
Other liquid assets	1.015.189	1.113.796
Total	**25.485.519**	**26.805.910**

The details of time deposits as of the balance sheet date is as follows:

30.06.2026	**Maturity Start Date**	**Maturity End Date**	**Interest Rate**	**Amount TRY**
Halk Bank Turkish Lira deposit account	30.06.2026	1.07.2026	33,00%	1.900.000
Total				**1.900.000**

31.12.2025	**Maturity Start Date**	**Maturity End Date**	**Interest Rate**	**Amount TRY**
Vakıfbank Turkish Lira deposit account	31.12.2025	1.01.2026	33%	7.722.955
Halk Bank Turkish Lira deposit account	31.12.2025	1.01.2026	33%	1.413.119
Total				**9.136.074**

NOTE 54 – EXPLANATIONS REGARDING THE STATEMENT OF CHANGES IN EQUITY

The effects of accumulated profit/loss and accumulated other comprehensive income/expenses that will not be reclassified to profit or loss shown in other comprehensive income are presented in the statement of changes in equity.

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