

MEGA METAL SANAYİ VE TİCARET A.Ş
AND ITS SUBSIDIARIES CONSOLIDATED
FINANCIAL STATEMENTS, NOTES AND
INDEPENDENT AUDITOR'S REPORT FOR
THE INTERIM PERIOD ENDED AT 31
MARCH 2025

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MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF
31 MARCH 2025 AND 31 DECEMBER 2024

(Amounts expressed US Dollars (USD) unless otherwise indicated.)

		Current Period	Prior Period
		Unaudited	Audited
ASSETS	Notes	31.03.2025	31.12.2024
Current Assets		171.366.018	154.988.491
Cash and Cash Equivalents	4	49.041.893	46.669.287
Trade Receivables	7	54.068.775	39.478.258
<i>-Trade receivables from other parties</i>	7	54.068.775	39.478.258
Other Receivables	3-8	1.609.000	1.643.793
<i>-Other receivables from other parties</i>	8	1.609.000	1.643.793
Derivative Financial Instruments	30	87.606	303.217
Inventories	9	55.506.206	54.558.614
Prepaid Expenses	10	9.258.820	8.585.496
<i>-Prepaid expenses from other parties</i>	10	9.258.820	8.585.496
Other Current Assets	11	1.793.718	3.749.825
Total Current Assets		171.366.018	154.988.491
NON-CURRENT ASSETS		98.623.505	95.862.933
Financial Investments	5	1.014.852	1.031.446
Other Receivables		56.259	-
Investment Properties	19	12.712.055	12.147.288
Tangible Fixed Assets	12	73.134.995	71.146.445
Right of Use Assets	14	609.196	3.293.122
Intangible Fixed Assets	13	127.338	139.915
<i>-Other Rights</i>		127.338	139.915
Prepaid Expenses	10	6.380.119	4.849.662
<i>-Prepaid expenses from related parties</i>	3-10	5.211.319	737.571
<i>-Prepaid expenses from other parties</i>	10	1.168.800	4.112.091
Deffered Tax Assets	28	4.588.691	3.255.055
TOTAL ASSETS		269.989.523	250.851.423

The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF
31 MARCH 2025 AND 31 DECEMBER 2024

(Amounts expressed US Dollars (USD) unless otherwise indicated.)

		Current Period	Prior Period
		Unaudited	Audited
LIABILITIES	Notes	31.03.2025	31.12.2024
CURRENT LIABILITIES		151.971.696	128.440.808
Short-Term Borrowing	6	93.381.123	87.960.055
Current Installment of Long Term Financial Borrowings	6	6.628.032	1.656.035
Other Financial Liabilities	6	4.433.606	5.140.717
Leasing Liabilities	6	761.158	1.210.944
Trade Payables	7	27.221.516	16.816.037
<i>-Trade payables due to other parties</i>	7	<i>27.221.516</i>	<i>16.816.037</i>
Employee Benefit Liabilities		1.596.344	967.040
Other Payables		1.001.761	1.072.333
<i>-Other payables due to related parties</i>	3-8	<i>1.000.757</i>	<i>1.071.258</i>
<i>-Other payables due to other parties</i>	8	<i>1.004</i>	<i>1.075</i>
Deferred Income	15	15.343.974	11.698.096
Current Tax Liabilities	28	-	397.706
Current Provisions	16	1.165.660	959.947
<i>-Provisions for employee benefits</i>	16	<i>1.091.538</i>	<i>885.825</i>
<i>-Other Current Provisions</i>	16	<i>74.122</i>	<i>74.122</i>
Other Short Term Liabilities	11	438.522	561.898
TOTAL CURRENT LIABILITIES		151.971.696	128.440.808
NON-CURRENT LIABILITIES		16.946.309	18.627.116
Long Term Borrowing	6	5.696.527	9.017.111
Other Long Term Financial Liabilities	6	8.056.460	4.504.056
Leasing Liabilities	6	645.266	2.650.610
Deferred Income	15	768.734	539.416
Non-Current Provisions	16	1.779.322	1.915.923
<i>-Provisions for employee benefits</i>	16	<i>1.779.322</i>	<i>1.915.923</i>
TOTAL NON-CURRENT LIABILITIES		16.946.309	18.627.116
TOTAL CURRENT AND NON-CURRENT LIABILITIES		168.918.005	147.067.924
SHAREHOLDERS' EQUITY		101.071.518	103.783.499
Parent Company's Equity		101.071.518	103.783.499
Paid in Capital	21	54.436.408	54.436.408
Share Premiums (Discounts)	21	35.895.672	35.895.672
Other Comprehensive Income or Expense not to be reclassified to profit or loss	21	1.045.338	139.054
<i>Revaluation and measurement gains (losses)</i>		<i>1.045.338</i>	<i>139.054</i>
<i>-Revaluation and Remeasurement Gains</i>	21	<i>1.050.657</i>	<i>1.050.657</i>
<i>-Gains (Losses) on Remeasurements on Defined Benefit Plans</i>	21	<i>(5.319)</i>	<i>(911.603)</i>
Other Comprehensive Income or Expense to be Reclassified to Profit or Loss		(11.015.526)	(3.026.644)
- Foreign Currency Conversion Differences		(11.015.526)	(3.026.644)
Restricted Reserves	21	1.145.390	1.145.390
Retained Earning or Losses	21	15.193.619	2.225.292
Net Profit or Loss for the Period	21	4.370.617	12.968.327
TOTAL LIABILITIES		269.989.523	250.851.423

The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE INTERIM PERIODS ENDED AT 31 MARCH 2025 AND 31 MARCH 2024
(Amounts expressed US Dollars (USD) unless otherwise indicated.)

		Current Period Unaudited	Prior Period Unaudited
	Notes	01.01 - 31.03.2025	01.01 - 31.03.2024
Revenue	23	139.273.018	143.197.587
Cost of Sales	23	(125.332.699)	(129.427.887)
GROSS PROFIT/(LOSS)		13.940.319	13.769.700
General Administration Expenses	24	(4.531.507)	(2.902.771)
Marketing Expenses	24	(3.815.214)	(3.481.245)
Other operating income	25	1.449.290	699.661
Other operating expenses	25	(1.790.683)	(847.901)
OPERATING PROFIT/(LOSS)		5.252.205	7.237.444
Investment Activities Income	26	288.550	685.976
Investment Activities Expenses	26	(23.768)	--
OPERATING ACTIVITY PROFIT/(LOSS) BEFORE FINANCIAL INCOME/(EXPENSE)		5.456.987	7.923.420
Financial Income	27	3.583.776	4.511.963
Financial Expenses	27	(4.656.846)	(6.290.527)
PROFIT/(LOSS) BEFORE TAX		4.383.917	6.144.856
TAX EXPENSES		187.463	(1.660.889)
- Deferred Tax Income/(Expense)	28	187.463	(1.660.889)
OPERATING ACTIVITY PROFIT/(LOSS) FOR THE PERIOD DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		4.571.380	4.483.967
NET PROFIT/(LOSS) FOR THE PERIOD		4.571.380	4.483.967

The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED AT 31 MARCH 2025 AND 31 MARCH 2024
(Amounts expressed US Dollars (USD) unless otherwise indicated.)

		Current Period Unaudited	Prior Period Unaudited
	Notes	01.01- 31.03.2025	01.01- 31.03.2024
PROFIT (LOSS) FOR THE PERIOD		4.571.380	4.483.967
<i>OTHER COMPREHENSIVE INCOME (LOSS)</i>		<i>(7.283.361)</i>	<i>275.295.209</i>
Not to Be Reclassified on Profit or Loss			
Gain (Loss) on Remeasurement of Defined Benefit Plans	21	1.147.195	301.324
- Gain (Loss) on Remeasurement of Defined Benefit Plans, Tax Effect	21	(240.911)	(63.278)
To be Reclassified to Profit or Loss			
- Foreign Currency Conversion Differences	21	(8.189.645)	275.057.163
TOTAL COMPREHENSIVE INCOME (EXPENSE)		<u>(2.711.981)</u>	<u>279.779.176</u>
Distribution of Total Comprehensive Income / (Expense)			
Minority Interest		-	-
Parent Company's Shares		(2.711.981)	279.779.176

The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE INTERIM PERIOD ENDED AT 31 MARCH 2025 AND 31 MARCH 2024
(Amounts expressed Us Dollars (USD) unless otherwise indicated.)

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The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE INTERIM PERIODS ENDED AT 31 MARCH 2025 AND 31 MARCH 2024
(Amounts expressed US Dollars (USD) unless otherwise indicated.)

		Current period	Prior Period
		Unaudited	Unaudited
		01.01-	01.01-
	Notes	31.03.2025	31.03.2024
CASH FLOW FROM OPERATING ACTIVITIES		11.866.099	(17.237.251)
Net Profit (Loss) For the Period		4.571.380	4.483.964
- <i>Operating Activity Profit (Loss) For the Period</i>		4.571.380	4.483.964
Adjustments Related to Reconciliation of Profit (Loss)		8.400.179	5.616.281
Adjustments to Depreciation and Amortization Expenses	10	3.085.998	2.432.117
Adjustments to Provisions		(171.799)	508.500
- <i>Adjustments to Employee Benefit Provisions</i>	16	(171.799)	508.500
Adjustments to Interest Income	16	824.693	3.163.089
Adjustments to Interest Expense	16	(3.583.776)	(4.305.987)
Adjustments related to Foreign Currency conversion differences		8.443.014	2.157.718
Adjustments related to losses (gains) arising from the disposal of tangible fixed assets		(10.488)	(45)
Adjustments related to losses (gains) arising from the disposal of tangible fixed assets	24	(10.488)	(407.265)
Other Adjustments Related to Profit (Loss) Reconciliation			
Adjustments to Tax Income/ Expense	28	(187.463)	1.660.888
Adjustments for Non-Cash Items			
Changes in Operating Capital		(1.105.460)	(27.337.496)
Changes in Trade Receivables		(14.590.517)	(12.935.420)
<i>Changes in Trade Receivables from other parties</i>	7	(14.590.517)	(12.935.420)
Changes in Other Receivables Related the Operating Activities		34.793	3.408.464
- <i>Changes in Other Receivables From Related Parties</i>	3-8	--	(11.850)
- <i>Changes in Trade Receivables From Other Parties</i>	8	34.793	3.420.314
Changes in Inventory	9	(947.592)	(2.814.487)
Changes in Prepaid Expenses	9	(2.203.781)	(3.623.790)
Changes in Trade Payables		10.405.479	(5.826.577)
- <i>Changes in trade payables due to other parties</i>	7	10.405.479	(5.826.577)
Changes in Employee Benefit Payables		629.304	376.930
Changes in Other Payables Related the Operating Activities	8	(141.073)	(227.109)
- <i>Changes in Other Payables Related the Operating Activities to Other Parties</i>		(70.572)	(113.971)
Changes in Deferred Income		3.875.196	(5.591.481)
Adjustments to Other Increase (Decrease) in Working Capital		1.832.731	(104.026)
- <i>Changes in Other Assets Related to Operating Activities</i>		1.956.107	(157.061)
- <i>Changes in Other Operating Liabilities</i>	11	(123.376)	53.035
Cash Flow From Operating Activities		11.866.099	(17.237.251)
CASH FLOW FROM INVESTMENT ACTIVITIES		(3.685.722)	(69.670.090)
Cash inflows/ outflow from derivative instruments		215.611	--
Cash outflows from purchase of other long term assets		16.594	721.207
Cash Outflow From Purchasing of Tangible and Intangible Fixed Asset	10	(3.991.329)	(70.391.626)
- <i>Cash Outflow From Purchasing of Tangible Fixed Asset</i>	12	(3.982.755)	(68.312.006)
- <i>Cash Outflow From Purchasing of Intangible Fixed Asset</i>	12	(8.574)	(2.079.620)
Cash Inflow From Sales of Tangible and Intangible Fixed Asset	10	73.402	329
CASH FLOW FROM FINANCE SECTOR		8.269.931	14.822.438
Cash Inflow/ Outflow From Borrowing		5.120.686	13.578.080
Cash inflows/outflows from other financial borrowings		390.162	(1.586.780)
Interest Paid	16	(824.693)	(1.680.825)
Interest Earned	16	3.583.776	4.511.963
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(14.077.702)	62.840.390
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		16.450.308	(72.084.904)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	46.669.287	51.227.958
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	49.041.893	41.983.444

The footnotes attached are an integral part of the consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş.
INTERIM PERIOD ENDING 31 MARCH, 2025
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
(Amounts expressed in US Dollars “USD” unless otherwise indicated)

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES OF THE GROUP

Mega Metal San. ve Tic. A.Ş. (“the Group” or “Mega Metal”) was established upon its registration published in the Turkish Trade Registry Newspaper dated May 14, 2004 and numbered 6050.

The Group was originally established in 2004 under the trade name Dost Telekomünikasyon Hizmetleri Tic. Ltd. Şti. On 3 September, 2004, its trade name was changed to Mega Metal Sanayi ve Ticaret Ltd. Şti. Subsequently, in accordance with Articles 180 and 193 of the Turkish Commercial Code, the Group's legal status was converted from a limited liability company to a joint stock company, and its trade name was changed to Mega Metal Sanayi ve Ticaret Anonim Şirketi. This change was registered on 29 December, 2017, and announced in the Turkish Trade Registry Gazette dated 9 January, 2018, and numbered 9490.

The principal activity of the Group is the manufacturing, export, import, purchase, sale, and marketing of all types of copper raw materials, copper concentrate, blister copper, cathode copper, enameled and lacquered wire scrap, electronic copper, copper wire rod, copper coating, copper wire, and various copper semi-finished and finished products.

As of 31 March, 2025, the Group employed an average of 735 personnel during the year (31 December, 2024: 715).

The Group's subsidiary (together referred to as the 'Group') and its principal activity are as follows:

MEGA METAL INC was established on 12 January, 2024, in the State of Connecticut, USA, with the purpose of manufacturing, exporting, importing, purchasing, selling, and marketing all types of copper raw materials, copper concentrate, blister copper, anode/cathode copper, enameled and lacquered wire scrap, electrolytic copper, copper wire rod, copper wire, and various copper semi-finished and finished products. The Group’s capital investment in the subsidiary amounts to USD 200,000. The Company owns 100% of the shares of MEGA METAL INC.

The shareholding structure of the Group as of 31 March,2025 and 31 December,2024 is as follows;

Name	31.03.2025		31.12.2024	
	Nominal Value of Shares	Share Percentage	Nominal Value of Shares	Share Percentage
Cüneyt Ali Turgut	19.836.627	36,44%	19.836.627	36,44%
Abdullah Turgut	12.465.937	22,90%	12.465.937	22,90%
Fatma Dönmez	4.616.207	8,48%	4.616.207	8,48%
İhsan Ahmet Turgut	2.313.547	4,25%	2.313.547	4,25%
Mehmet Emin Turgut	2.313.547	4,25%	2.313.547	4,25%
Halka Açık Kısmı	12.890.541	23,68%	12.890.541	23,68%
Nominal Capital	54.436.408	100%	54.436.408	100%

NOTE 2 –BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.a Basis of Presentation

Compatibility Statement

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in accordance with the Communiqué Serial II, No: 14.1 “Communiqué on the Principles of Financial Reporting in Capital Markets” (“the Communiqué”) of the Capital Markets Board (“CMB”) published in the Official Gazette dated 13 June, 2013 and numbered 28676. TAS consists of Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations.

MEGA METAL SANAYİ VE TİCARET A.Ş.
INTERIM PERIOD ENDING 31 MARCH, 2025
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
(Amounts expressed in US Dollars “USD” unless otherwise indicated)

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

The accompanying consolidated financial statements of the Group have been prepared in accordance with the CMB's “Announcement on Financial Statement and Note Formats” dated 07 June, 2013. In addition, the accompanying consolidated financial statements are presented in accordance with the October 2022 Taxonomy developed by POA based on the paragraph (b) of Article 9 of the Decree Law No. 660 (“Decree Law”).

The preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1 “Communiqué on the Principles of Financial Reporting in Capital Markets” published in the Official Gazette dated 13 June, 2013 and numbered 28676 and in accordance with the fifth article of the related communiqué, the consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority and the related appendices and interpretations. In addition, the consolidated financial statements and explanatory notes of the Group are presented in accordance with the formats announced by CMB with the announcement dated 07 June, 2013, including the mandatory information.

Currency Measurement Unit and Reporting Unit

The functional currency of the Group's operations is US Dollars, although the currency of the country in which the Group conducts its business activities is Turkish Lira. The US Dollar is used to a significant extent in, and has a significant effect on, the Group's operations and reflects the nature of the underlying events and economic conditions relevant to the Group.

For the purpose of the consolidated financial statements, the Group uses US Dollar as the functional currency and US Dollar as the presentation currency. All currencies other than the currency selected for the measurement of items in the consolidated financial statements are considered as foreign currencies. Accordingly, the Group's non-US transactions and balances are translated into US Dollar, which is the functional currency, in accordance with the relevant provisions of TAS 21 The Effects of Changes in Foreign Exchange Rates.

Translation to Presentation Currency

As of 31 March, 2025, the presentation currency of the consolidated financial statements is USD.

Netting/ Set-off

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

MEGA METAL SANAYİ VE TİCARET A.Ş.
INTERIM PERIOD ENDING 31 MARCH, 2025
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
(Amounts expressed in US Dollars “USD” unless otherwise indicated)

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Continuity of the Business

The accompanying consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue to benefit from its assets and fulfill its obligations in the ordinary course of business over the next year.

Principles of Consolidation

The companies in which the Parent Company directly or indirectly owns 50% or more of the shares, or holds more than 50% of the voting rights, or has control over their operations, are subject to full consolidation. The principles applied under the full consolidation method are as follows:

- The accounting policies adopted by the companies included in the consolidation have been adjusted, where necessary, to conform to the accounting policies of the Parent Company.
- The acquisition cost of the Parent Company’s interest in the equity of a subsidiary included in the scope of consolidation has been offset against the share of the Parent Company in the subsidiary’s equity, as reflected in the financial position statement adjusted in accordance with the Parent Company’s accounting policies.
- The Parent Company has aggregated the items in the statements of financial position with those of its subsidiary, excluding the paid-in capital and the equity of the subsidiary as of the acquisition date, and eliminated intercompany receivables and payables between the consolidated entities on a reciprocal basis.
- Amounts attributable to non-controlling interests have been deducted from all equity account group items, including paid-in/capital stock, of the subsidiary within the scope of consolidation, and are presented under the 'Non-controlling Interests' account in the consolidated statement of financial position.
- The income statement items of the Parent Company and its subsidiary have been aggregated separately, and income and expense items arising from transactions between them have been mutually eliminated against the relevant accounts. In aggregating the income statement items for the subsidiary during the reporting period, only those occurring after the acquisition date have been taken into account.

The portion of the net profit or loss of the subsidiary within the scope of consolidation attribute to non-controlling interests is presented under the ‘Non-controlling Interests’ account.

The Parent Company is a wholly-owned subsidiary of the Group; therefore, there are no minority interests.

As of 31 March, 2025, the companies in which the Company directly or indirectly owns 50% or more of the shares, holds more than 50% of the voting rights, or has control over their operations, and which are subject to the 'full consolidation method,' are as follows;

Subsidiaries	31.03.2025	31.12.2024
	Share Percentage	Share Percentage
MEGA METAL INC	100%	100%

Approval of The Consolidated Financial Statements

The Group’s consolidated financial statements have been approved by the Board of Directors and authorized for publication on 8 May, 2025. Although there is no intention to do so, certain regulatory bodies have the authority to amend the financial statements prepared in accordance with legal regulations after their publication.

MEGA METAL SANAYİ VE TİCARET A.Ş.
INTERIM PERIOD ENDING 31 MARCH, 2025
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD
(Amounts expressed in US Dollars “USD” unless otherwise indicated)

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.a Changes in Accounting Policies and Errors

A company could only change its accounting policy under following circumstances;

- If a Standard or Interpretation makes it necessary or
- If the changes make the effects of the transactions and events on the entity’s financial position, performance, or cash flows more appropriate and reliable in the consolidated financial statements.

Users of consolidated financial statements should have the ability to compare the entity’s consolidated financial statements over time in order to identify trends in the financial position, performance, and cash flows of the entity. Therefore, the same accounting policies should be applied in each interim period and each reporting period unless a change in accounting policy meets one of the conditions stated in the paragraph above.

2.b Comparative Information and Restatement of Prior Period Consolidated Financial Statements

In order to enable the assessment of financial position and performance, the Group’s consolidated financial statements are prepared on a comparative basis with the prior period. Accordingly, the Group has prepared the consolidated statement of financial position as of 31 March, 2025, comparatively with the statement of financial position as of 31 December, 2024; and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period 1 January – 31 March, 2025, comparatively with the respective statements prepared as of 1 January – 31 March, 2024.

2.c Accounting Estimates

The preparation of the accompanying consolidated financial statements in accordance with Capital Markets Accounting Standards requires management to make certain estimates regarding the carrying amounts of some assets and liabilities, the disclosures related to potential obligations, and the reported amounts of income and expenses. Actual results may differ from these estimates. These estimates are reviewed on a regular basis and are reported in the statement of profit or loss in the periods in which they become known.

Significant assumptions and judgments made in consideration of the sources of estimation uncertainty existing at the reporting date or that may arise in the future, and which could have a material impact on the amounts recognized in the consolidated financial statements, are as follows:

Provisions for litigation

In recognizing provisions for litigations, the probability of losing the case and the potential consequences in the event of an unfavorable outcome are assessed based on the opinions of the Group’s legal counsel. Disclosures related to provisions deemed necessary are made in accordance with the best estimates of Group Management based on the available information

Provisions for severance pay

The liability for employee termination benefits is determined through actuarial calculations based on certain assumptions including discount rates, future salary increases, and employee turnover rates. Due to the long-term nature of these plans, such assumptions involve significant uncertainties.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Provisions for unused vacation

This represents the monetary value of employees earned but unused vacation days. It is calculated by multiplying the number of unused vacation days by the employee’s daily gross wage.

The estimates used are disclosed in the relevant accounting policies or notes.

Useful Lives of Tangible and Intangible Assets

The Group provides depreciation for its tangible and intangible assets based on their estimated useful lives.

2.e New and Revised International Financial Reporting Standards

The accounting policies applied in the preparation of the consolidated financial statements for the fiscal year ended 31 March, 2025, have been consistently applied with those used in the prior year, except for the new and amended IFRSs and IFRS interpretations effective as of 1 January, 2024, which are summarized below.

a) New standards, amendments, and interpretations effective from 1 January 2024

- Amendments to TAS 1- Classification of Liabilities as Current or Non-current
- Amendments to TFRS 16- Lease Liabilities in Sale and Leaseback Transactions
- Amendments to TAS 7 and IFRS 7- Disclosure: Supplier Finance Arrangements

These amendments have not had a significant impact on the Group’s financial position and performance.

b) Issued but not yet effective standards that have not been early adopted

The new standards, interpretations, and amendments that have been issued as of the approval date of the consolidated financial statements but are not yet effective for the current reporting period and have not been early adopted by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes to its consolidated financial statements and notes after the new standards and interpretations become effective.

- Amendments to IFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to TAS 21 – Lack of Exchangeability

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

- IFRS 17 – New Insurance Contracts Standard is not applicable to the Group.

c) Amendments that are effective as of the date of issuance

- Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

These amendments do not have a significant impact on the Group’s financial position and performance.

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

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d) Amendments issued by the International Accounting Standards Board (IASB) but not yet issued by the Public Oversight, Accounting and Auditing Standards Authority (POAASA)

The two amendments related to IFRS 9 and IFRS 7, as well as the Annual Improvements to IFRS Accounting Standards and IFRS 18 and IFRS 19 standards, have been issued by the IASB but have not yet been adopted or issued by the Public Oversight, Accounting and Auditing Standards Authority (POAASA). Therefore, they do not constitute part of IFRS at this time. The Group will make the necessary changes in its consolidated financial statements and notes after these standards and amendments become effective under IFRS.

- Amendments to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7- Contracts for the Sale of Electricity Generated from Natural Resources
- IFRS 18- Presentation and Disclosures in New Financial Statements Standard

The potential impacts of the mentioned standards, amendments, and improvements on the Group’s financial position and performance are being assessed.

- IFRS 19 – New Standard on Non-Publicly Accountable Subsidiaries: Disclosures is not applicable to the Group.

2.f. Summary of Significant Accounting Policies

Revenue

The Group has adopted the five-step model outlined below for revenue recognition in accordance with IFRS 15 'Revenue from Contracts with Customers', which became effective as of 1 January, 2018.

- Identification of contracts with customers
- Identification of performance obligations in contracts
- Determining the transaction price in contracts
- Allocation of the transaction price to performance obligations
- Revenue Recognition

According to this model, the goods or services promised in each contract with customers are first evaluated and each commitment to transfer such goods or services is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled over time or at a specific time.

If the Group transfers control of a good or service over time and therefore fulfills its performance obligations related to the related sales over time, the Group recognizes revenue over time by measuring the progress towards the full fulfillment of these performance obligations.

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Revenue related to performance obligations involving the transfer of goods or services is recognized when control of the goods or services is transferred to the customer.

The Group evaluates the transfer of control of the goods or services sold to the customer,

- a) The Group’s right to collect goods or services,
- b) the customer’s possession of the legal property of the goods or services,
- c) transfer of the possessions of the goods or services,
- d) the ownership of significant risks and rewards arising from the ownership of the goods or services by the customer,
- e) take into account the conditions for the customer to accept the goods or services.

The Group, at the beginning of the contract, the customer’s commitment to the date of the transfer of the goods or services and the time that the customer between the date of payment of such goods or services will be less than a year or less, the cost of the promise cost does not correct for the effect of an important financing component. On the other hand, if there is an important financing element within the proceeds, the revenue value is determined by discounting the future collections with the interest rate within the financing element. The difference is recognized as other income from operating activities on an accrual basis.

Interest Income

Estimated cash additions will be obtained with remaining capital balance and related financial asset. Interest income is accrued in proportion as effective interest rate which reduces estimated cash addition to recorded value of the asset in corresponding period.

Interest income and foreign exchange gains on trade transactions are accounted as other income from operating activities.

Dividend income from equity investments is reflected to the consolidated financial statements when the shareholders right to receive dividends arises. Dividend payables are recognized in the consolidated financial statements as a part of the profit distribution after the approval of the General Assembly.

Inventories

Inventories; valued at the lower of cost or net realizable value. Cost is determined by the weighted average cost method. Net realizable value is obtained, according to the subscription of estimated completion cost and estimated costs which are installed in order to realize the sale from estimated selling price, in ordinary trade activity.

Provisions for impairment of inventories, which reduce the carrying number of inventories to their net realizable value, and losses related to inventories are recognized as an expense in the period in which the write-down or loss occurs. Any reversal of inventory impairment resulting from an increase in net realizable value is recognized by reducing the cost of sales in the period in which the reversal occurs. The net realizable value is reassessed at each reporting date.

If the circumstances that previously caused inventories to be written down to net realizable value no longer exist, or if there is clear evidence of an increase in net realizable value due to changing economic conditions, the previously recognized impairment is reversed (the reversal amount is limited to the amount of the original write-down).

Tangible Fixed Assets

Tangible Fixed Assets, are stated in the consolidated statement of financial position at cost, less accumulated depreciation and any accumulated impairment losses, if any.

Depreciable assets are subject to straight-line depreciation based on their estimated useful lives, and depreciation is calculated on a pro-rata basis starting from the date the assets are put into use.

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

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The depreciation periods of tangible fixed assets, based on their estimated useful lives, are as follows:

	<u>Useful Life</u>
Buildings	50 years
Plant, Machinery and Equipment	4 - 16 years
Fixtures	3 - 15 years
Vehicles	5 years

Repairs and maintenance expenses are recognized as an expense in the statement of profit or loss in the period in which they are incurred. However, the costs of major renewals are capitalized if it is probable that the asset will provide greater economic benefits than its previous performance.

Expenditures capitalized as part of the cost of the asset are depreciated over the useful life of the related asset.

The Group removes the carrying number of replaced parts from the consolidated statement of financial position, regardless of whether these parts were depreciated separately from other components.

Intangible Fixed Assets

Intangible assets include acquired usage rights, information systems, and other identifiable rights. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed 15 years, applying a pro-rata method.

Impairment of Assets

The Group assesses at each reporting date whether there is any indication of impairment for all tangible and intangible assets, excluding goodwill. If such an indication exists, the carrying amount of there asset is compared to its recoverable amount, which is the higher of it’s value in use or fair value less costs to sell. If the carrying amount of the asset or the cash-generating unit to which the asset belongs exceeds its recoverable amount, an impairment loss has occurred. The impairment losses are recognized in the comprehensive income statement. Any increase in the carrying amount of the asset (or cash-generating) due to the reversal of impairment should not exceed the carrying amount that would have been determined (net of amortization) had no impairment loss been recognized in prior periods. The reversal of impairment is recognized in the comprehensive income statement.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are included in the cost of the asset until the asset is ready for its intended use or sale.

Investment income from the temporary investment of the unspent portion of the loan related to the investment in financial investments is offset against borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred. As at 31 March 2025 and 31 December 2024, there are no borrowing costs capitalized.

Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

It carries forward the guidance on recognition, classification measurement and derecognition of financial instruments from IAS 39 to IFRS 9.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

The last version of IFRS 9 includes a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements and also includes guidance issued in previous versions of IFRS 9 is effective for periods beginning on or after 1 January 2018.

Classification of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows and,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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NOT 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Impairment of financial assets

Impairment of financial assets and contract assets is calculated using the “expected credit loss” model. The impairment model is applied to amortized cost financial assets and contract assets.

In the consolidated financial statements, the "simplified approach" is applied for the calculation of impairment losses on trade receivables that are accounted for at amortized cost and do not contain a significant financing component (i.e., those with maturities of less than one year). Under this approach, unless specific trade receivables are identified as impaired (other than incurred credit losses), loss allowances for trade receivables are measured at an amount equal to the "lifetime expected credit losses.

Financial Liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the burden of the related financial liability are also added to the fair value. The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period.

Financial liabilities are classified as equity instruments and other financial liabilities.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially recognized at fair value and are remeasured at fair value at each reporting date. Changes in fair value are recognized in the statement of profit or loss. The net gains or losses recognized in the profit or loss statement also include the interest paid on such financial liabilities.

Other Financial Liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade Receivables

Trade receivables that arise from the provision of goods or services to a customer are initially recognized at their original invoice value and are subsequently measured at amortized cost using the effective interest method. Short-term receivables with no stated interest rate are carried at invoice amounts, provided the impact of discounting is not significant.

In the consolidated financial statements, for trade receivables measured at amortized cost that do not contain a significant financing component (i.e., those with maturities of less than one year), the “simplified approach” is applied in the calculation of impairment losses. Under this approach, where there is no objective evidence of impairment (other than realized impairment losses), loss allowances for trade receivables are measured at an amount equal to the lifetime expected credit losses.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Following the recognition of an impairment allowance, if all or part of the impaired receivable is subsequently collected, the amount recovered is deducted from the previously recognized impairment allowance and recorded under "Other Income from Operating Activities" in the income statement.

Interest income/expense arising from trade transaction maturity differences and foreign exchange gains/losses are recognized under the “Other Income/Expenses from Operating Activities” account in the income statement.

Trade Payables

Trade payables are the payments to be made in relation to the goods and services provided from the suppliers within the ordinary activities. Trade payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value. The carrying amount of these assets approximates their fair value.

Financial Liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the burden of the related financial liability are also added to the fair value.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period.

Financial liabilities are classified as equity instruments and other financial liabilities.

Earnings / (Loss) Per Share

Earnings/(loss) per share presented in the statement of profit or loss is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares outstanding during the reporting period.

In Turkey, companies can increase their share capital by issuing “bonus shares” to existing shareholders through the capitalization of retained earnings and positive equity inflation adjustment differences as presented in their statutory consolidated financial statements. Such bonus share issuances are treated as if they were issued shares in the calculation of earnings per share. Therefore, the weighted average number of shares used in the earnings per share calculation is adjusted retrospectively from the beginning of the previous reporting period to reflect the issuance of these bonus shares.

Post Balance Sheet Events

In the event that an event requiring an adjustment to the consolidated financial statements occurs between the date of the statement of financial position and the authorization date of the consolidated statement of financial position, necessary adjustments are made to the financial statements, and in cases that do not require an adjustment, the related event is disclosed in the notes to the statement of financial position.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Provisions, Contingent Liabilities and Assets

Provisions

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

Contingent Liabilities and Assets

Transactions that give rise to commitments and contingent liabilities refer to situations that depend on the occurrence of one or more future events. Therefore, some transactions are recognized as off-balance sheet items in the consolidated financial position statement due to the potential losses, risks, or uncertainties they may entail in the future. If an estimate can be made regarding potential obligations or losses that may arise in the future, these liabilities are recognized as expenses and debts for the Group. However, future probable income and profits are reflected in the financial statements.

Segment Reporting of Financial Information

Industrial Segments

Segments that provide a specific good or service, or a group of related goods or services, or that have different characteristics in terms of risks and returns compared to other parts of the Group, are considered segments with distinct feature from other parts of the Group.

In order to determine whether the individual products or service, the following factors should be considered:

- Nature of goods and services
- Nature of production processes
- Types and classes of the customer of the goods and services
- The methods used at delivery of the goods or provision of the services

Geographical Segments

A segment is a component of the Group that provides goods or services within a particular economic environment and is subject to risks and rewards that are different from those of other segments operating in another economic environment.

In order to determine the geographical segments, the following factors should be considered:

- Similarity of economic and political conditions
- Certain risks related to the activities in different geographical regions
- Proximity of activities
- Certain risks related to the activities in certain geographical regions
- Arrangements related to foreign exchange currency
- Basic exchange rate risks

If activity’s risk and the return rate dependent especially on differences of the goods and services, segment information report’s preference would be primary format as industrial segment and geographical segments would be secondary information to report. Likewise, if activity’s risk and the return rate dependent on significantly geographical location, segment information report’s preference would be geographical segment as primary format and the industrial segment information would be secondary format.

Since the Group does not operate in different sectors and geographical regions, segment reporting has not been made.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Government Incentive and Grants

Government incentives and grants are transactions carried out with the aim of encouraging an enterprise to undertake certain activities that it would not engage in without government assistance, or for other reasons. Government assistance refers to transactions in which the government provides economic benefits to an enterprise or group of enterprises, on the condition that certain criteria are met. Government incentives refer to economic resources transferred by the government to the enterprise in return for complying with specific criteria related to the enterprise’s core operations, either in prior periods or expected in the future.

All government incentives, including non-monetary government incentives measured at fair value, are recognized in the consolidated financial statements when there is reasonable assurance that the enterprise will meet the conditions required to receive the incentive and that the incentive will be obtained by the enterprise.

Severance Pay Provisions/ Employee Benefits

The Group is obliged, under the current labor law, to pay a certain amount of severance compensation to personnel who leave the job due to retirement after at least one year of service, or whose employment is terminated for reasons other than resignation or misconduct. This liability is calculated based on the total gross salary and other benefits for 30 days per year of service, with a maximum amount of 1289,81 USD as of 31 March, 2025 (31 December, 2024: 1423,48 USD).

The Group has calculated the severance pay provision presented in the accompanying consolidated financial statements using the “Projected Unit Credit Method,” taking into account its past experience regarding employees’ completion of service periods and entitlement to severance pay. This provision has been discounted to present value as of the financial statement date using the effective interest rate. All gains and losses, except for actuarial gains/(losses), are reflected in the profit or loss statement, while actuarial gains/(losses) are recorded in the statement of changes in equity.

The rates of basic assumptions used at balance sheet date are as follows;

	31.03.2025	31.12.2024
Net discount Rate	3,79%	3,79%
Interest Rate	28%	28%
Estimated Inflation Rate	23,33%	23,33%

Retirement Plans

Retirement plan is about planning the predictable or modified amounts (annual salary or payment in full) based on the beneficiaries or condition in the written contribution of employer, before the termination, to be provided post-retirement of job. The Group does not have a retirement plan for the employees.

Statement of Cash Flows

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

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

Taxes on Corporate Income

The Group is subject to corporate income tax in Turkey.

Corporate tax, which is accrued on the taxable corporate income, is calculated by adding non-deductible expenses to the accounting profit (used in determining commercial profit), and by deducting dividend income received from resident companies, non-taxable income, and investment incentives used.

As of 31 March, 2025, the corporate tax rate in Turkey is 25% (2024: 25%).

In the accompanying financial statements, the tax expense consists of the current period tax provision and deferred tax. A provision has been recognized for corporate income tax liabilities arising from the results of operations for the period, based on the statutory tax rates effective as of the date of the consolidated financial position.

Deferred tax assets and liabilities arise from significant timing differences between accounting and taxation (taxable temporary differences in the future) and are calculated using the current tax rate under the “liability” method.

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax bases as determined in the statutory financial statements prepared for tax purposes.

Deferred tax liabilities are generally recognized for all taxable or deductible temporary differences; however, deferred tax assets are recognized only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Net deferred tax assets arising from timing differences are reduced to the extent that future use is not certain, based on available data.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities or assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will not be available against which the deferred tax asset can be utilized.

Related Parties

In the presence of one of the following criteria, the party is considered to be related to The Group,

- (a) The party concerned, either directly or indirectly through one or more means,
- (i) Business control, control by the entity or joint control with the entity (including parent companies, subsidiaries and subsidiaries in the same line of business);
- (ii) Has a share in the Group that has a significant influence over the Group or
- (iii) Have joint control over the Group;
- (b) The party is a subsidiary of the Group,
- (c) The party is a joint venture with the Group,
- (d) The party is a member of the Group or its key management personnel
- (e) The party is a close family member of any individual referred to in (a) or (d),
- (f) The party; is an entity that is controlled, jointly controlled or under significant influence, or that any individual referred to in (d) or € has a direct or indirect significant voting right; or
- (g) The party is required to have the benefit plan provided to the employees of the entity or an entity that is related party to the entity after the termination of the employment.

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

A related party transaction is a transfer of resources, services or obligations between related parties, whether or not consideration is received. The Group enters into business relationships with related parties in the ordinary course of business.

NOTE 3 – RELATED PARTY DISCLOSURES

i) Receivables from related parties:

Details of receivables and payables from related parties as of 31 March 2025 and 31 december,2024 are as follows;

Other Payables	31 March 2025	31 December 2024
Cüneyt Ali Turgut (Company partner)	1.000.757	1.071.258
Total	1.000.757	1.071.258

Long-Term Prepaid Expenses	31 March 2025	31 December 2024
Txt Gayrimenkul Yatırım A.Ş. (Family Company) (*)	1.003.414	737.571
Total	1.003.414	737.571

(*) It is the advance paid to TXT company under the contract for the ongoing project on the Zekeriya köy land, which is classified as an investment property in the Group’s assets. Within the scope of this project, it is planned to construct and sell 8 luxury villas on the land. The project management of the construction is being carried out by TXT company on behalf of the Group. A contract has been signed with this company for the turnkey delivery of the villa project to the Group.

ii) Sales, purchases, and transactions with related parties:

a) The details of transactions with related parties are as follows;

1 January - 31 March 2025	Incomes	Purchases
Txt Gayrimenkul Yatırım A.Ş. (Family company)	5.088	-
Total	5.088	-

1 January - 31 March 2024	Incomes	Purchases
Megatech Yatırım Holding A.Ş. (Family Company)	26.931	-
Abdullah Turgut (Company partner)	-	68.649
Total	26.931	68.649

For the period ended 31 March, 2025, the gross amount of salaries and similar benefits provided to key management is 1.049.148,41 USD (31 December, 2024: 3.595.574,24 USD).

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NOTE 4 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 March, 2025 and 31 December, 2024 are as follows;

Cash and Cash Equivalents	31.03.2025	31.12.2024
Cash	172	180
Banks		
- Demand Deposit	30.291.820	39.030.271
- Time Deposit	17.420.464	6.328.603
Liquid Funds	1.329.437	1.310.233
Total	49.041.893	46.669.287

The details of the Group's time deposits in original currencies as of 31 March, 2025 and 31 December, 2024 are as follows:

31.03.2025		
	Foreign Currency Amount	Due Date
TL	392.415.070	3 April 2025
TL	125.977.128	11 April 2025
TL	224.742.853	3 April 2025
TL	163.784.574	17 April 2025
TL	20.566.517	2 April 2025
TL	168.557.140	3 April 2025
TL	47.945.475	11 April 2025
Total	1.143.988.757	

31.12.2024		
	Foreign Currency Amount	Due Date
TL	169.222.687	2 January 2025
TL	22.930.478	6 January 2025
TL	75.102.083	7 January 2025
TL	35.610.273	10 January 2025
TL	11.530.205	17 January 2025
TL	22.383.060	31 January 2025
TL	16.130.328	5 February 2025
TL	21.495.628	6 February 2025
TL	69.946.216	10 February 2025
TL	25.060.328	28 February 2025
TL	101.614.706	21 March 2025
TL	101.614.707	24 March 2025
TL	704.358.971	3 April 2025
Total	1.376.999.670	

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NOTE 4 – CASH AND CASH EQUIVALENTS(Cont’d)

The details of the Group's demand deposits in original currency as of 31 March, 2025 and 31 December, 2024 are as follows;

Currency	Original Currency	31.03.2025	Original Currency	31.12.2024
	Amount 31.03.2025	USD equivalent	Amount 31.12. 2024	USD equivalent
TL	3.852.318	102.006	1.877.808	53.225
USD	8.984.556	8.984.556	1.751.424	1.751.424
EURO	7.527.512	8.112.781	4.251.174	4.426.606
GBP	171.134	221.121	77.690	97.348

NOTE 5 – FINANCIAL INVESTMENTS

As of 31 March 2025 and 31 December 2024, the details of the groups financial investments are as follows;

Long Term Financial Investments	31.03.2025	31.12.2024
Eurobond	1.014.852	1.031.446
Total	1.014.852	1.031.446

NOTE 6 – SHORT- AND LONG-TERM BORROWINGS

The details of the Group's short-term and long-term financial borrowings as of 31 March, 2025 and 31 December, 2024 are as follows;

	31.03.2025	31.12.2024
Short Term		
Short-term bank borrowings	93.381.123	87.960.055
Short-term portion of long-term borrowings	6.628.032	1.656.035
Short-term payables from leasing transactions	761.158	1.210.944
Short-term finance lease payables	4.433.606	5.140.717
Total Short-Term Borrowings	105.203.919	95.967.751
Long Term		
Long-term bank borrowings	5.696.527	9.017.111
Long-term finance lease payables	8.056.460	4.504.056
Long-term payables from lease transactions	645.266	2.650.610
Total Long-Term Borrowings	14.398.253	16.171.777
Total Borrowings	119.602.172	112.139.528
	31.03. 2025	31.12. 2024
In 1 year	105.203.919	95.967.751
Between 1-5 years	14.398.253	16.066.271
Over 5 years	-	105.506
Total	119.602.172	112.139.528

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NOTE 6 – SHORT- AND LONG-TERM BORROWINGS(Cont’d)

The details of bank borrowings in terms of foreign currency are as follows;

31.03.2025

Type	Currency Amount	USD Amount	Weighted Average Effective Interest Rate %
TL Loans	45.713.665	1.293.400	24,72%
Euro Loans	61.950.116	71.470.373	7,10%
USD Loans	37.730.616	40.388.663	7,77%
Total		113.152.436	

31.12.2024

Type	Currency Amount	USD Amount	Weighted Average Effective Interest Rate %
TL Loans	291.721.705	8.253.830	25,43%
Euro Loans	61.835.537	1.749.544	7,05%
USD Loans	25.991.949	735.403	6,86%
Total		98.633.201	

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

The details of the Group's trade receivables as of 31 March, 2025 and 31 December, 2024 are as follows;

Trade Receivables	31.03.2025	31.12.2024
Trade Receivables	38.965.004	28.585.812
Notes Receivables	15.103.771	10.892.446
Doubtful Receivables	101.256	101.256
Provisions for doubtful trade receivables (-)	(101.256)	(101.256)
Total	54.068.775	39.478.258

The movement of provision for doubtful trade receivables for the periods ended 31 March, 2025 and 31 December, 2024 is as follows;

Movement in provision for doubtful receivables	31.03.2025	31.12.2024
Beginning of the Period-1 January	94.592	5.769
Provision for the period	--	90.976
Currency translation differences	6.664	4.511
End of the Period	101.256	101.256

The details of the Group's trade payables as of 31 March, 2025 and 31 December, 2024 are as follows;

Trade Payables	31.03.2025	31.12.2024
Trade Payables	25.365.914	13.859.124
Notes Payables	1.855.602	2.956.913
Total	27.221.516	16.816.037

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NOTE 8 – OTHER RECEIVABLES AND PAYABLES

Details of other receivables as of 31 March, 2025 and 31 December, 2024 are as follows;

Other Short-Term Receivables	31.03.2025	31.12.2024
Other receivables from other parties	212.578	100.451
Receivables from tax office (*)	1.391.872	1.489.921
Receivables from employees	872	3.391
Given deposits and guarantees	3.678	50.030
Total	1.609.000	1.643.793

(*) Related amount consists of receivables arising from VAT refunds.

The details of the Group's other payables as of 31 March, 2025 and 31 December, 2024 are as follows;

Short Term Other Payables	31.03.2025	31.12.2024
Given deposits and guarantees	1.004	1.075
Other payables to related parties	1.000.757	1.071.258
Total	1.001.761	1.072.333

NOTE 9 – INVENTORIES

The Group's inventories as of 31 March, 2025 and 31 December, 2024 are as follows;

Inventories	31.03.2025	31.12.2024
Raw Materials and Supplies	20.700.808	16.015.252
Semi-finished Merchandise	19.270.908	18.405.856
Merchandise	14.351.833	17.709.776
Trade Goods	455.349	-
Other Inventories	727.308	2.427.730
Total	55.506.206	54.558.614

The Group has no inventories pledged as collateral for its liabilities (December 31, 2024: None).

NOTE 10 – PREPAID EXPENSES

The details of prepaid expenses as of 31 March, 2025 and 31 December, 2024 are as follows;

Short-Term Prepaid Expenses	31.03.2025	31.12.2024
Expenses for the coming months	1.159.609	431.455
Advances given for orders	8.075.653	8.129.455
Advances given for business purposes	23.558	24.586
Total	9.258.820	8.585.496
Long-Term Prepaid Expenses	31.03.2025	31.12.2024
Prepaid expenses	30.381	13.517
Advances given for orders	1.138.419	4.098.574
Order advances given to related parties (*)	5.211.319	737.571
Total	6.380.119	4.849.662

(*) Look at Note 3

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NOTE 11 – OTHER ASSETS AND LIABILITIES

The fair values of the Group's other current assets as of 31 March, 2025 and 31 December, 2024 are as follows;

Other Current Assets	31.03.2025	31.12.2024
VAT carried forward	1.658.717	2.718.444
Prepaid taxes	135.001	1.031.381
Total	1.793.718	3.749.825

The details of other liabilities as of 31 March, 2025 and 31 December, 2024 are as follows;

Other Short-Term Liabilities	31.03.2025	31.12.2024
Tax liabilities	438.522	561.898
Total	438.522	561.898

NOTE 12 – TANGIBLE FIXED ASSETS

Movements of tangible fixed assets as of 31 March, 2025 and 31 December, 2024 are as follows;

	1.01.2025	Additions	Disposal	Foreign Currency Conversion Differences	31.03.2025
Cost					
Land and property	3.509.178	583.202	-	25.691	4.118.071
Underground and surface installations	101.907	-	-	-	101.907
Buildings	12.979.612	-	-	-	12.979.612
Machinery	85.842.504	1.915.757	-	84.394	87.842.655
Vehicles	5.610.872	6.242	(133.034)	(5.585)	5.478.495
Fixtures	13.838.064	1.009.335	(3.292)	44.318	14.888.425
Special costs	989.692	-	-	-	989.692
Investments in progress	1.648.776	468.218	-	330.080	2.447.074
	124.520.604	3.982.755	(136.326)	478.897	128.845.930
Accumulated amortization					
Underground and surface installations	(61.978)	(1.624)	-	(71)	(63.673)
Buildings	(1.630.561)	(62.628)	-	(2.759)	(1.695.948)
Machinery	(39.037.926)	(1.483.016)	-	(65.330)	(40.586.272)
Vehicles	(2.052.403)	(243.202)	59.910	(8.074)	(2.243.769)
Fixtures	(9.916.417)	(466.596)	3.292	(20.410)	(10.400.131)
Special costs	(674.874)	(44.315)	-	(1.953)	(721.142)
	(53.374.159)	(2.301.381)	63.202	(98.597)	(55.710.935)
Net book value	71.146.445				73.134.995

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NOTE 12 – TANGIBLE FIXED ASSETS (Cont’d)

	1.01.2024	Additions	Disposal	Transfer	Foreign Currency Conversion Differences	31.12.2024
Cost						
Land and property	3.509.178	-	-	-	-	3.509.178
Underground and surface installations	96.788	4.755	-	-	364	101.907
Buildings	12.970.713	8.267	-	-	632	12.979.612
Machinery	83.001.081	2.243.726	(1.303)	397.259	201.741	85.842.504
Vehicles	4.951.456	1.698.950	(1.086.352)	-	46.818	5.610.872
Fixtures	11.382.917	2.277.816	(4.311)	7.325	174.317	13.838.064
Special costs	872.086	112.862	-	-	4.742	989.690
Investments in progress	1.200.291	454.136	-	(404.584)	398.934	1.648.777
	117.984.510	6.800.512	(1.091.966)	-	827.548	124.520.604
Accumulated amortization						
Underground and surface installations	(55.452)	(6.062)	-	-	(464)	(61.978)
Buildings	(1.369.061)	(242.933)	-	-	(18.567)	(1.630.561)
Machinery	(32.864.970)	(5.735.194)	521	-	(438.283)	(39.037.926)
Vehicles	(1.498.293)	(945.610)	430.842	-	(39.342)	(2.052.403)
Fixtures	(7.676.230)	(2.084.821)	3.688	-	(159.054)	(9.916.417)
Special costs	(499.488)	(162.934)	-	-	(12.452)	(674.874)
	(43.963.494)	(9.177.554)	435.051	-	(668.162)	(53.374.159)
Net book value	74.021.016					71.146.445

NOTE 13 – INTANGIBLE FIXED ASSETS

Movements of intangible assets as of 31 March, 2025 and 31 December, 2024 are as follows;

	1.01.2025	Additions	Disposal	Transfers	Foreign Currency Conversion Differences	31.03.2025
Cost						
Other intangible fixed assets	836.261	8.574			8.951	845.213
	836.261	8.574	-	-	8.951	845.213
Accumulated amortization						
Other intangible fixed assets	(696.346)	(20.620)		-	(21.528)	(717.875)
	(696.346)	(20.620)	-	-	(21.528)	(717.875)
Net Book Value	139.915					127.338

	1.01.2024	Additions	Disposal	Transfers	Foreign Currency Conversion Differences	31.12.2024
Cost						
Other intangible fixed assets	728.281	102.156			107.980	836.261
	728.281	102.156	-	-	107.980	836.261
Accumulated amortization						
Other intangible fixed assets	(605.509)	(84.388)		-	(90.837)	(696.346)
Total	(605.509)	(84.388)	-	-	(90.837)	(696.346)
Net Book Value	122.772					139.915

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NOTE 14 – RIGHT OF USE ASSETS

As of 31 March, 2025 and 31 December, 2024, the movements of the Group's right of use are as follows;

	31.03.2025
Cost	
Buildings	1.896.076
Total	1.896.076
Accumulated amortization	--
Buildings	(1.286.880)
Total	(1.286.880)
Book Value	609.196
	31.12.2024
Cost	
Buildings	3.311.560
Vehicles	935.757
Total	4.247.317
Accumulated amortization	--
Buildings	(834.543)
Vehicles	(119.652)
Total	(954.195)
Net Book Value	3.293.122

NOTE 15 – DEFERRED INCOME

The details of the Group's short-term deferred income as of 31 March, 2025 and 31 December, 2024 are as follows;

	31.03.2025	31.12.2024
Advances received for orders	7.052.777	1.001.468
Income for the following months (*)	8.291.197	10.499.796
Salary promotion revenues	0	196.832
Total	15.343.974	11.698.096

(*) Consists of sales revenues (exports realized in the period after the inception date).

The details of the Group's long-term deferred income as of 31 March, 2025 and 31 December, 2024 are as follows;

	31.03.2025	31.12.2024
Income for the following years	768.734	539.416
Total	768.734	539.416

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NOTE 16 – SHORT- AND LONG-TERM PROVISIONS

The Group's short-term provisions as of 31 March, 2025 and 31 December, 2024 are as follows;

Short-Term Provisions	31.03.2025	31.12.2024
Litigation provision	74.122	74.122
Provision for unused vacation	1.091.538	885.825
Total	1.165.660	959.947

The Group's long-term provisions as of 31 March, 2025 and 31 December, 2024 are as follows;

Provisions for employee benefits	31.03.2025	31.12.2024
Provision for employment termination benefits	1.779.322	1.915.923
Total	1.779.322	1.915.923

In accordance with existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of one month's salary for each year of service with a maximum amount of USD 1.320,05 (December 31, 2024: USD 1.320,05).

The Group has recognized its severance pay liability in its financial statements by discounting it to the balance sheet date using the expected inflation rate and the real discount rate, based on the principles mentioned above. The movement table related to the provision for severance pay for the periods ended March 31, 2025, and December 31, 2024, is presented below;

NOTE 16 – SHORT- AND LONG-TERM PROVISIONS(Cont'd)

	01.01 - 31.03.2025	01.01 - 31.03.2024
Balance at the beginning of the period	1.789.833	950.982
In-period payments	(97.615)	(427.054)
Service cost	328.527	337.482
Interest cost	536.458	295.926
Actuarial (gain) / loss	(903.971)	513.459
Currency translation differences	126.090	245.128
Balance at the end of the period	1.779.322	1.915.923

NOTE 17– GOVERNMENT INCENTIVES AND SUBSIDIES

Investment incentives and discounts consist of supports such as corporate/income tax reductions (which vary by region), employer's share of social security premium discounts, allocation of investment land, and interest support. As stated, the Group will benefit from these investment incentives for the investments it will make during the current and future periods.

The total amount of expenditure made by the Group under the investment incentive certificates for the period January 1, 2025 – March 31, 2025 is 1634.304 USD (January 1, 2024 – December 31, 2024: USD 1.634.304)

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NOTE 18– LIABILITIES FOR EMPLOYEE BENEFITS

The Group's employee benefit liabilities as of 31 March, 2025 and 31 December, 2024 are as follows;

Liabilities for employee benefits	31.03.2025	31.12.2024
Social obligations to be paid	501.927	331.208
Payables to personnel	1.094.417	635.832
Total	1.596.344	967.040

NOTE 19 – INVESMENT PROPERTIES

The Group's investment properties as of 31 March, 2025 and 31 December, 2024 are as follows;

	31.12.2024	Additions	Disposal	Foreign Currency Conversion Differences	31.03.2025
Land	8.035.929	-	-	-	8.035.929
Buildings	4.111.359	-	-	564.767	4.676.126
	12.147.288	-	-	564.767	12.712.055

	1.01.2024	Additions	Disposal	Revaluation Increases	Foreign Currency Conversion Differences	31.12.2024
Land	8.765.629	-	-	(775.857)	(729.700)	8.035.929
Buildings	3.946.426	-	-	211.090	164.933	4.111.359
	12.712.055	-	-	(564.767)	(564.767)	12.147.288

Properties	Report Date	Opening	Entry	Resulting Value Increase/ (Decrease)	Output	Foreign Currency Conversion Differences	31.December.2024	
							Current Appraisal Values	Valuation Method
Vizyonpark Workshop	5.01.2024	945.287	-	48.816	-	236.676	1.181.963	Market Approach
Kemerburgaz Duplex Apartment (A-3)	5.01.2024	280.610	-	(47.342)	-	67.885	348.495	Market Approach
Kemerburgaz Duplex Apartment (B-4)	5.01.2024	330.213	-	(87.394)	-	84.750	414.962	Market Approach
Kemerburgaz Duplex Apartment (A-1)	5.01.2024	419.073	-	175.240	-	92.544	511.617	Market Approach
Land at Zekeriye Köyü	5.01.2024	5.952.330	-	(1.031.852)	-	148.100	6.100.430	Market Approach
Avcılar Shop	5.01.2024	824.965	-	(8.196)	-	155.753	980.717	Market Approach
Çatalca - Çakıl - Field (117-74) (*)	5.01.2024	470.943	-	26.446	-	120.039	590.981	Market Approach
Antalya - Manavgat - Karacalar (273-93)	5.01.2024	224.630	-	46.344	-	90.986	315.615	Market Approach
Antalya - Manavgat - Gündoğdu (242-67)	5.01.2024	167.941	-	36.777	-	70.152	238.093	Market Approach
İzmir - Dikili - Yenice (130-196)	5.01.2024	65.192	-	42.316	-	55.272	120.464	Market Approach
Çatalca - Gökçeali (112/51)	5.01.2024	335.598	-	97.986	-	164.681	500.279	Market Approach
Çatalca - Kızılcaali (102/84)	5.01.2024	136.762	-	6.126	-	33.305	170.067	Market Approach
Bahçelievler-Kartalteppe 73/57 part b. 10	5.01.2024	453.511	-	129.966	-	220.095	673.605	Market Approach
Total		10.607.053	-	(564.767)	-	(8.502.051)	2.105.002	12.147.289

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NOTE 19 – INVESMENT PROPERTIES(Cont’d)

(*) Although the building on the related land parcel is used by the Company as a warehouse, there is no building permit for the warehouse located on the parcel. Therefore, the related property has been recognized in the financial statements as land, and its fair value has been presented based on the land value.

For the fair value estimation in the financial statements dated 31 December, 2024, the Company used various valuation reports prepared by Invest Gayrimenkul Değerleme ve Danışmanlık A.Ş., which holds a valuation license granted by the Capital Markets Board (CMB).

NOTE 20 – EARNINGS PER SHARE

As of 31 March, 2025 and 31 December, 2024, the Group's earnings per share and gross dividends distributed per share are as follows;

	1.01 - 31.03.2025	1.01 - 31.12.2024
Net profit/ (loss) for the period	4.571.380	4.483.967
Weighted average number of shares	54.436.408	54.436.408
Basic and diluted earnings / (loss) per share (USD)	0,08	0,08

NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY

21.1 Paid-in Capital

As of 31 March, 2025, the Group’s registered capital ceiling is USD 54.436.408, divided into 54.436.408 shares.

NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY (Cont’d)

The capital structure of the Group as of 31 March, 2025 and 31 December, 2024 is as follows;

Name	31.03.2025		31.12.2024	
	Nominal Value of Shares	Share Percentage	Nominal Value of Shares	Share Percentage
Cüneyt Ali Turgut	19.836.627	36,44%	19.836.627	36,44%
Abdullah Turgut	12.465.937	22,90%	12.465.937	22,90%
Fatma Dönmez	4.616.207	8,48%	4.616.207	8,48%
İhsan Ahmet Turgut	2.313.547	4,25%	2.313.547	4,25%
Mehmet Emin Turgut	2.313.547	4,25%	2.313.547	4,25%
Halka Açık Kısmı	12.890.541	23,68%	12.890.541	23,68%
Nominal Capital	54.436.408	100%	54.436.408	100%

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NOTE 21 – CAPITAL, RESERVES AND OTHER EQUITY (Cont’d)

21.2 Gain / (Loss) on Remeasurement of Defined Benefit Plans and Revaluation Increase on Tangible Fixed Assets

The Company has recognized its severance pay liability in its consolidated financial statements for the periods ended 31 March, 2025, and 31 December, 2024, by discounting it to the date of the consolidated statement of financial position using the expected inflation rate and the real discount rate, based on the principles described in Note 2. All gains and losses, except for the actuarial gain/(loss), have been recognized in the statement of profit or loss, while actuarial gains/(losses) have been presented in the statement of changes in equity.

	31.03.2025	31.12.2024
Accumulated remeasurement gain/(loss) on defined benefit plans	(5.319)	(911.603)
Revaluation and Reclassification Gain/Loss	1.050.657	1.050.657
Total	1.045.338	139.054

21.3 Restricted Reserves

Retained earnings in the statutory books are distributable except for the portion subject to the legal reserves described below.

According to the Turkish Commercial Code, legal reserves are classified into first and second tier legal reserves. In accordance with the Turkish Commercial Code, first tier legal reserves are appropriated at 5% of the statutory net profit until they reach 20% of the paid-in share capital of the Parent Group. Second tier legal reserves amount to 10% of the dividends distributed that exceed 5% of the paid-in capital. Under the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-in capital; their use for any other purpose is not permitted.

	31.03.2025	31.12.2024
Legal Reserves	1.145.390	1.145.390
Total	1.145.390	1.145.390

21.4 Share premiums and discounts

Details of share premiums and discounts as of 31 March, 2025 and 31 December, 2024 are as follows;

Share premiums and discounts	31.03.2025	31.12.2024
Share premium	35.895.672	35.985.672
Total	35.895.672	35.895.672

21.5 Retained Earnings

Dividend distribution shall be carried out in accordance with a Dividend Distribution Policy to be determined and approved by the general assembly.

Companies must decide, as part of their dividend distribution policies, whether or not they will distribute dividends. In this context, dividend distribution is, in principle, optional. The CMB may set different principles regarding dividend distribution policies based on the nature of the companies.

Dividend distribution policies of companies should cover the following:

- Whether or not dividends will be distributed,

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- The dividend ratios and the financial statement items to which these ratios will be applied,
- Methods and timing of payment,
- Whether dividends will be distributed in cash or as bonus shares (for publicly traded companies),
- Whether interim dividends will be distributed.

The maximum amount of dividends to be distributed is limited to the distributable portion of profit sources available in the legal records. As a general rule, dividends are distributed equally to all existing shares as of the dividend distribution date, regardless of acquisition or issuance dates. According to the Turkish Commercial Code, unless the legal reserves that must be set aside and the dividends stipulated for shareholders in the articles of association and dividend policy are allocated, no other reserves can be set aside, and profits cannot be carried forward to the following year. Provided that it is stated in the articles of association, profit shares may be allocated to holders of privileged shares or usufruct rights, members of the board of directors, employees, and other persons who are not shareholders. However, no dividends may be paid to holders of usufruct rights, board members, employees, or other such persons until cash dividends have been paid to shareholders. The Communiqué stipulates that, unless otherwise stated in the articles of association, the dividends distributed to these parties (excluding privileged shareholders) may not exceed one-fourth of the dividends distributed to shareholders.

If dividends are to be distributed to non-shareholders and in installments, the installment payments must be proportional to and follow the same principles as those made to shareholders.

The new Capital Markets Law and the related Communiqué permit companies to make donations, provided that the articles of association contain provisions allowing such donations. The amount of donations may be determined by the general assembly, but the CMB may impose an upper limit.

Companies with shares traded on the stock exchange are required to publicly disclose:

- The board of directors’ proposal regarding dividend distribution, or
- The board of directors’ decision regarding interim dividend distribution,
- The dividend distribution table or interim dividend distribution table.

The dividend distribution table must be publicly disclosed no later than the date when the agenda for the ordinary general assembly meeting is announced.

NOTE 22 – CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

As of 31 March, 2025 and 31 December, 2024, guarantees, pledges and mortgages given by the Parent Company are as follows;

Contingent Liabilities

Guarantess,pledges and mortgages (GPM) given by the parent company	31.03.2025	31.12.2024
A. Total amount of GPMs given on behalf of its own legal entity	105.280.361	78.686.474
B. Total amount of GPMs given in favor of subsidiaries included in the scope of full consolidation	-	-
C. Total Amount of GPMs Given to Secure Debts of Other Third Parties for the Execution of Ordinary Commercial Activities	-	-
D. Total amount of other GPMs given	-	-
i. Total amount of GPMs given in favor of the main shareholder	-	-

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ii. Total amount of GPMs given in favor of other group companies not included in the scope of B and C - -

Total amount of GPMs given in favor of third parties not included in the scope of Article iii.C - -

Total	105.280.361	78.686.474
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The details of the GPMs as of 31 March, 2025 and 31 December, 2024 are as follows:

31.03.2025	USD Equivalent	TL	USD	Euro
A. Total amount of GPM's given on behalf of its own legal entity				
-Assurance	24.135.911	30.408.805	10.036.000	11.390.704
-Mortgage	110.116.380	1.863.078.000	2.250.000	50.000.000
Total	134.252.291	1.893.486.805	12.286.000	61.390.704

31.12.2024	USD Equivalent	TL	USD	Euro
A. Total amount of GPM's given on behalf of its own legal entity				
-Assurance	14.353.858	6.690.742	5.785.000	7.045.704
-Mortgage	70.498.775	1.863.078.000	2.250.000	10.000.000
Total	84.852.633	1.869.768.742	8.035.000	17.045.704

NOTE 23– REVENUE AND SALES COST

23.1 Revenue

The details of the Group's revenue for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

Revenue	01.01 – 31.03 2025	01.01 – 31.03.2024
Domestic Revenues	64.709.647	67.400.540
Foreign Revenues	74.828.589	76.232.415
Other Income	253.393	521.036
Returns from sales (-)	(68.284)	(200.145)
Other discounts	(450.327)	(756.259)
Total	139.273.018	143.197.587

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NOTE 23– REVENUE AND SALES COST(Cont’d)

23.2 Cost of Sales

The details of the Group's cost of sales for the periods ended 31 March, 2025 and 31 March, 2024 are as follows,

Cost of Sales	01.01 – 31.03 2025	01.01 – 31.03.2024
Raw materials and supplies	(104.689.407)	(112.258.440)
Cost of trade goods sold	(10.472.070)	(10.215.697)
Electricity expenses	(1.300.985)	(1.384.507)
Direct labor costs	(2.191.920)	(1.812.516)
Depreciation and amortization expenses	(2.791.522)	(2.407.134)
Material expenses	(957.252)	(738.196)
Natural gas expenses	(17.167)	(20.060)
Change in finished goods inventories	(2.289.072)	(588.148)
Other general production expenses	(623.304)	(3.189)
Total	(125.332.699)	(129.427.887)

NOTE 24 – OPERATING EXPENSES

24.1 General Administration Expenses

The details of general administrative expenses for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

General Administration Expenses	01.01 – 31.03. 2025	01.01 – 31.03. 2024
Expenses for personnel, wages, premiums, bonuses, etc.	(2.864.950)	(1.876.791)
Consultancy expenses	(206.515)	(144.370)
Depreciation and amortization expenses	(406.285)	(219.259)
Donations and grants	(44.786)	(3.453)
Travel Expenses	(253.939)	(151.522)
Insurance expenses	(35.072)	(51.366)
Lease Expenses	(145.723)	(113.847)
Maintenance and repair expenses	(20.170)	(39.534)
Taxes, duties and charges	(14.494)	(1.386)
Telephone, fax, internet expenses	(10.607)	(3.709)
Representation and Hospitality	(68.507)	(112.439)
Software Expenses	(41.794)	(17.237)
Dues expenses	(32.236)	(28.581)
Other	(386.430)	(139.277)
Total	(4.531.507)	(2.902.771)

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NOTE 24 – OPERATING EXPENSES(Cont’d)

24.2 Marketing expenses

The details of marketing expenses for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

	01.01 – 31.03.2025	01.01 – 31.03.2024
Marketing expenses		
Export expenses	(996.645)	(1.014.461)
Transportation expenses	(1.578.464)	(1.085.917)
Import expenses	(3.584)	(416.794)
Employee expenses	(1.018.077)	(685.301)
Travel expenses	(35.827)	(20.285)
Gasoline and Oil Expenses	--	(10.525)
Depreciation and amortization expenses	(24.136)	(18.942)
Insurance expenses	(27.043)	(1.307)
Maintenance and Repair Expenses	(34.986)	(17.285)
Food Expenses	--	(24.484)
Other	(96.451)	(185.944)
Total	(3.815.214)	(3.481.245)

NOTE 24 – OPERATING EXPENSES(Cont’d)

The functional breakdown of depreciation and amortization is as follows;

Depreciation and Amortization	01.01 – 31.03.2025	01.01 – 31.03.2024
Cost of Sales	(2.791.522)	(2.407.134)
Marketing Expenses	(24.136)	(18.942)
General Administration Expenses	(406.285)	(122.379)
Total	(3.221.943)	(2.548.455)

The functional breakdown of personnel expenses is as follows;

Personnel Expenses	01.01 – 31.03.2025	01.01 – 31.03.2024
Cost of Sales	(2.191.920)	(1.812.516)
Marketing Expenses	(1.018.077)	(685.301)
General Administration Expenses	(2.864.950)	(1.876.787)
Total	(6.074.947)	(4.374.604)

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NOTE 25 – OTHER OPERATING INCOME/ (EXPENSE)

For the periods ended 31 March, 2025 and 31 March, 2024, other operating income of the Group is as follows;

Other Operating Income	01.01 – 31.03.2025	01.01 – 31.03.2024
Rediscount income	643.502	587.551
Salary promotion revenues	229.639	49.209
Insurance and compensation income	14.842	22.745
Prior period income and profits	7.571	3.472
Fair Incentive Revenues	25.871	0
Reconciliation and rounding expenses	486.834	36.107
Other income	41.031	578
Total	1.449.290	699.661

For the periods ended 31 March, 2025 and 31 March, 2024, other operating expenses of the Group are as follows;

Other Operating Expenses	01.01 – 31.03.2025	01.01 – 31.03.2024
Rediscount income	(1.576.345)	(622.819)
Damaged Vehicle and Cost	(32.841)	--
Donations and grants	(25.338)	(16.263)
Non-deductible expenses	(148.168)	(108.408)
Other expenses	(7.992)	(100.412)
Total	(1.790.683)	(847.901)

NOTE 26 – INVESMENT ACTIVITIES INCOME / (EXPENSES)

The Group's income from investing activities for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

Investment Activities Income	01.01 – 31.03.2025	01.01 – 31.03.2024
Gains on sale of fixed assets	10.488	45
Lease income	29.895	45.673
Gains on sale of marketable securities	188.167	402.743
Other	-	237.515
Total	228.550	685.976

Investment Activities Expense	01.01 – 31.03.2025	01.01 – 31.03.2024
Loss on sale of fixed assets	(23.768)	-
Total	(23.768)	-

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NOTE 27 – FINANCIAL INCOME / EXPENSES

The details of the Group's financial income for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

Financial Income	01.01 – 31.03.2025	01.01 – 31.03.2024
Accrued interest income	500.462	28.453
Interest income	3.083.314	4.483.509
Total	3.583.776	4.511.963

The details of the Group's financial expenses for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

Financial Expenses	01.01 – 31.03.2025	01.01 – 31.03.2024
Foreign Currency Exchange Expenses	(3.832.153)	(2.976.130)
Loan Interest Expenses	(824.693)	(3.314.397)
Total	(4.656.846)	(6.290.527)

NOTE 28 – TAX ASSETS AND LIABILITIES

Deferred Tax

The Group's deferred tax assets and liabilities arise from temporary differences between the financial statements prepared in accordance with TFRS and the Group's statutory records. These differences result from the timing differences in the recognition of income and expenses for TFRS and tax reporting purposes.

As of the dates of the consolidated statement of financial position, the breakdown of accumulated temporary differences and the corresponding deferred tax assets and liabilities calculated using the enacted tax rates is presented below;

Deferred tax assets/(liabilities)	31.03.2025	31.12.2024
Investment allowance and accumulated losses	6.852.852	7.335.597
Provision for employment termination benefits	374.332	403.068
Provision for leave expenses	229.636	186.358
Provision for doubtful receivables	21.302	21.302
Loan interest accruals	(290.517)	(58.199)
Adjustments to investment properties	(1.864.952)	(1.039.363)
Tangible and intangible assets, amortization adjustments	(1.296.291)	(3.317.306)
Other	562.328	(276.402)
Deferred Tax Assets	4.588.691	3.255.055

Tax income / (expense) in the Group's statement of profit or loss for the periods ended 31 March, 2025 and 31 March, 2024 are as follows;

Tax income / (expense) from continuing operations	01.01 – 31.03.2025	01.01 – 31.03.2024
Deferred Tax Income / (Expense)	187.463	(1.660.889)
Net Tax Income / (Expense)	187.463	(1.660.889)

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Corporate Tax

The Group is subject to corporate tax applicable in Turkey. Provisions for estimated tax liabilities related to the current period's operating results have been recognized in the accompanying financial statements. The corporate tax rate is applied on the taxable profit, which is calculated by adding non-deductible expenses (which are expensed in the commercial profit calculation but not deductible for tax purposes) and deducting exempt income, non-taxable income, and other tax-deductible items (such as carryforward tax losses and investment incentives if utilized) from the commercial profit.

As of 31 March, 2025, the corporate tax rate in Turkey is 25% (31 December, 2024: 25%). The corporate tax is calculated by applying the tax rate to the tax base, which is determined by adjusting the accounting profit in accordance with tax regulations—adding back non-deductible expenses and subtracting exemptions (e.g., participation exemption, investment incentive exemptions) and deductions (e.g., R&D deductions). No additional tax is payable unless profits are distributed.

Temporary taxes paid throughout the year are offset against the corporate tax calculated in the annual corporate tax return filed the following year. If the prepaid taxes exceed the calculated corporate tax, the excess can either be refunded or offset against other financial liabilities to the state.

Authorized tax authorities may review accounting records retrospectively for up to five years, and they may revise the tax liabilities if any errors are identified during such audits.

Tax Loss Carryforwards

According to Turkish tax legislation, financial losses disclosed in tax returns can be carried forward and deducted from the corporate income of future years for up to five years, provided they are not offset against profits from previous years.

Withholding Tax on Dividends

In addition to corporate tax, dividends paid—except for those paid to resident corporate shareholders who declare these dividends as part of their corporate income, and to branches of foreign companies operating in Turkey—are subject to dividend withholding tax. The withholding tax rate was 15% until the end of 2021 and has been reduced to 10% for subsequent periods. Capitalizing retained earnings is not considered a dividend distribution and is therefore not subject to withholding tax.

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NOTE 29 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Instruments Credit risk

Credit risk is defined as the risk of a financial loss to the Group if a counterparty to a financial instrument fails to fulfill its contractual obligations. The Group is exposed to credit risk primarily through its trade receivables from sales made on credit and deposits held with banks.

The Group’s management mitigates credit risk associated with receivables from customers by setting credit limits for each customer individually, obtaining collateral when necessary, and conducting sales to customers deemed risky only on a cash basis. The Group’s primary exposure to collection risk arises from trade receivables. These receivables are evaluated by the Company’s management based on past experience and current economic conditions. After setting aside an appropriate allowance for doubtful receivables, they are presented on a net basis in the statement of financial position.

As of 31 March, 2025 and 31 December, 2024, the Group’s exposure to credit risk by financial instrument type is presented below,

31.03.2025	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Parties	Other Parties	Related Parties	Other Parties	Deposit	Other
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	-	54.068.775	-	1.679.880	51.202.107	180
Portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	56.450.613	-	1.679.880	51.202.107	180
B. Carrying amount of financial assets with renegotiated terms and conditions that would otherwise be considered overdue or impaired (**)	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-
Portion secured with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
Past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	105.717	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	(105.717)	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

31.12.2024	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Parties	Other Parties	Related Parties	Other Parties	Deposit	Other
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	-	39.478.258	-	1.643.793	46.669.107	180
Portion of maximum risk under guarantee with collaterals, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	39.478.258	-	1.643.793	46.669.107	180
B. Carrying amount of financial assets with renegotiated terms and conditions that would otherwise be considered overdue or impaired (**)	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	-	-	-	-	-

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Portion secured with collateral etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
Past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	101.256	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	(101.256)	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals, etc.	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-

(1) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into consideration.

No collateral is received for receivables.

(2) Financial assets that are neither past due nor impaired are not expected to be impaired in the future and are not subject to credit risk.

(3) The aging analysis of financial assets past due and impaired as of 31 March, 2025 and 31 December, 2024 is as follows;

Receivables		
	Past Due Amount	Provision for Doubtful Receivables
Overdue more than 1 year	101.256	(101.256)
Total	101.256	(101.256)
Portion secured with collateral etc.	-	-

Receivables		
	Past Due Amount	Provision for Doubtful Receivables
Overdue more than 1 year	101.256	(101.256)
Total	101.256	(101.256)
Portion secured with collateral etc.	-	-

Interest rate risk

Fluctuations in market prices may cause changes in the value of financial instruments. Such fluctuations may arise from price changes in securities or from factors specific to the issuer of the securities or general market conditions affecting the entire market. Since the Group does not have any financial instruments with variable interest rates, it is not exposed to interest rate risk.

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Currency risk

Foreign exchange risk refers to the impact of exchange rate fluctuations arising from the Group's foreign currency-denominated assets, liabilities, and off-balance sheet commitments. Foreign currency transactions realized during the period are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign currency-denominated monetary assets and liabilities are translated using the exchange rates prevailing at the end of the reporting period. Exchange gains or losses arising from the translation of such monetary assets and liabilities are recognized in the profit or loss statement.

The Group's foreign currency-denominated monetary liabilities exceed its foreign currency-denominated monetary assets; therefore, the Company is exposed to foreign exchange risk in the event of currency appreciation

As of 31 March, 2025 and 31 December, 2024, the Group's foreign currency denominated assets and liabilities are as follows;

FOREIGN CURRENCY POSITION TABLE		31.03.2025			
	USD equivalent (Valid currency USD)	TL	EUR	GBP	
1. Trade Receivables	40.798.494	992.636.399	12.699.817	640.141	
2a. Monetary Financial Assets (including cash and bank accounts)	39.836.217	1.198.052.873	7.527.554	-	
2b. Non-monetary financial assets	1.159.609	43.793.330	-	-	
3. Other	8.408.148	286.681.714	758.123	-	
4.Current Assets (1+2+3)	90.202.468	2.521.164.316	20.985.494	640.141	
5. Trade Receivables	-	-	-	-	
6a. Monetary Financial Assets	-	-	-	-	
6b. Non-monetary financial assets	-	-	-	-	
7. Other	6.436.378	243.073.678	-	-	
8. Fixed Assets (5+6+7)	6.436.378	243.073.678	-	-	
9. Total Assets (4+8)	96.638.846	2.764.237.994	20.985.494	640.141	
10. Trade Payables	3.726.128	59.343.828	1.999.308	-	
11. Financial Liabilities	68.251.126	50.383.540	62.089.514	-	
12a. Other monetary liabilities	2.026.137	76.518.297	-	-	
12b. Other non-monetary liabilities	8.306.152	313.686.811	-	-	
13. Short-term liabilities (10+11+12)	82.309.544	499.932.476	64.088.822	-	
14. Trade Payables	-	-	-	-	
15. Financial Liabilities	12.935.998	24.412.800	11.402.979	-	
16a. Other monetary liabilities	-	-	-	-	
16b. Other non-monetary liabilities	1.393.304	52.618.974	-	-	
17. Long-term liabilities (14+15+16)	14.329.302	77.031.774	11.402.979	-	
18. Total liabilities	96.638.846	576.964.250	75.491.801	-	
19. Net Asset / (Liability) position of Off Statement of Financial Position Foreign Currency Derivative Instruments (19a-19b)	-	-	-	-	
19a. Amount of Off-Statement of Financial Position Foreign Currency Derivative Instruments with Active Characteristics	-	-	-	-	
19b. Amount of Off-Statement of Financial Position Foreign Currency Derivative Instruments with Passive Characteristics	-	-	-	-	
20. Net foreign currency asset/liability position (9-18+19)	-	2.187.273.744	(54.506.307)	640.141	
21. Net foreign currency asset/liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(6.304.679)	1.980.030.807	(55.264.430)	640.141	

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	31.12.2024	Total USD Equivalent	TL	Euro	GBP
1.	Trade receivables	30.280.464	554.511.690	479.661.257	34.130.897
2a.	Monetary financial assets (including cash and bank accounts)	43.607.630	1.378.882.280	156.173.523	3.434.465
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	5.556.390	181.284.869	14.567.373	178.863
4.	Current assets (1+2+3)	79.444.484	2.114.678.839	650.402.153	37.744.225
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	-	-	-	-
9.	Total assets (4+8)	79.444.484	2.114.678.839	650.402.153	37.744.225
10.	Trade payables	(7.671.871)	(196.729.978)	(71.792.907)	(2.143.013)
11.	Financial liabilities	(72.093.007)	(291.721.705)	(2.251.741.227)	-
12a.	Other monetary liabilities	(858.390)	(707.339)	(29.568.483)	(8.448)
12b.	Other non-monetary liabilities	-	-	-	-
13.	Short-term liabilities (10+11+12)	(80.623.269)	(489.159.022)	(2.353.102.617)	(2.151.461)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(14.070.950)	-	(496.427.353)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Long-term liabilities (14+15+16)	(14.070.950)	-	(496.427.353)	-
18.	Total liabilities (13+17)	(94.694.219)	(489.159.022)	(2.849.529.970)	(2.151.461)
19.	Net asset / (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-
19a.	Amount of off-balance sheet derivatives denominated in foreign currency with active character	-	-	-	-
19b.	Amount of passive off-balance sheet derivative instruments denominated in foreign currency	-	-	-	-
20.	Net foreign currency asset / (liability) position (9-18+19)	(15.249.735)	1.625.519.817	(2.199.127.817)	35.592.764
21.	Net foreign currency asset / (liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(15.249.735)	1.625.519.817	(2.199.127.817)	35.592.764
22.	Total fair value of financial instruments used for foreign currency hedging	-	-	-	-

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NOTE 29 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

Sensitivity Analysis to Currency Risk

As of 31 March, 2025 and 31 December, 2024, according to the foreign currency position of the consolidated statement of financial position, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies with all other variables held constant, the net loss resulting from foreign exchange gains/losses on assets and liabilities denominated in foreign currencies for the year then ended would have been as follows;

For the period 01.01. - 31.03.2025		
	Profit / (Loss)	Equity
	Appreciation of foreign currency	Depreciation of foreign currency
	In case of a 10% change in the value of the TL against the US dollar;	
1-Turkish Lira net assets/liabilities	5.242.948	(5.242.948)
2-Turkish Lira hedged portion (-)	-	-
3-Turkish Lira Net effect (1+2)	5.242.948	(5.242.948)
	In case of a 10% change in the value of the euro against the US dollar;	
4-Euro net asset / liability	(5.956.128)	5.956.128
5-Euro hedged portion (-)	-	-
6-Euro Net effect (4+5)	(5.956.128)	5.956.128
	In case of a 10% change in the value of the British Pound against the US dollar;	
7-British Pound Sterling net asset / liability	82.712	(88.538)
8-The portion hedged against GBP risk (-)	-	-
9-British Pound Sterling Net effect (7+8)	82.712	(82.712)
TOTAL (3+6)	(630.468)	630.468

31.12.2024	Profit/ (Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of a 10% appreciation of TL against TRY				
1- TL Dollar net asset / liability	4.607.443	(4.607.443)	-	-
2- TL hedged portion (-)	-	-	-	-
3- TL net impact (1+2)	-	-	-	-
In case of a 10% appreciation of Euro against TL				
4- Euro net asset / liability	(6.233.302)	6.233.302	-	-
5- Euro hedged portion (-)	-	-	-	-
6- Euro net effect (4+5)	-	-	-	-
In case of a 10% appreciation of other currencies against TL				
7- Net assets / liabilities denominated in other currencies	100.886	(100.886)	-	-
8- Hedged portion of other currencies (-)	-	-	-	-
9- Net effect of other currencies (7+8)	-	-	-	-
Total (3+6+9)	(1.524.974)	1.524.974	-	-

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NOTE 29 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont’d)

Liquidity risk

Liquidity risk. This is the possibility that the Group will not be able to meet its net funding obligations. The occurrence of events that result in a decrease in fund resources, such as deterioration in the markets or credit rating downgrades, causes liquidity risk to occur. The Company management manages liquidity risk by allocating funding sources and maintaining sufficient cash and cash equivalents to meet its current and prospective obligations.

The tables showing the Group's liquidity risk as of 31 March, 2025 and 31 December, 2024 are as follows;

31.03.2025	Book value	Contracted cash flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	119.602.173	119.602.173	35.385.594	69.818.325	14.170.805	227.448
Trade payables	27.221.516	27.221.516	27.221.516	-	-	-
Other payables	1.001.761	1.001.761	1.001.761	-	-	-
Total	147.825.449	147.825.449	63.608.871	69.818.325	14.170.805	227.448

31.December.2024	Book value	Contracted cash flow	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Financial liabilities	112.139.528	119.675.976	43.528.649	58.422.828	17.617.328	107.171
Trade payables	16.816.037	16.918.101	16.918.101	-	-	-
Other payables	1.072.333	1.072.333	1.072.333	-	-	-
Total	130.027.899	137.666.410	61.519.083	58.422.828	17.617.328	107.171

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital management using the debt-to-equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by deducting cash and cash equivalents from total debt (which includes current and non-current liabilities as presented in the consolidated statement of financial position). Total capital is calculated by adding equity and net debt, as shown in the statement of financial position.

The Group's net debt / total capital ratio as of 31 March, 2025 and 31 December, 2024 is as follows;

	31.03.2025	31.12.2024
Financial Debt	125.096.059	120.927.191
Less: Cash and Cash Equivalents	(51.202.287)	(50.236.045)
Net Debt	73.893.772	70.691.146
Total Equity	105.205.905	111.430.347
Total Capital	179.099.677	182.121.493
Net Debt to Total Capital Ratio	41,26%	38,82%

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NOTE 30– FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)

Fair value is the price at which a financial instrument could be exchanged between willing parties in a current transaction, other than in a forced sale or liquidation. The quoted market price, if any, is the price that best reflects the fair value of a financial instrument. The fair values of the Group's financial instruments have been estimated to the extent that relevant and reliable information is available from financial markets in Turkey. The estimates presented herein do not necessarily reflect the amounts the Group could realize in a market transaction. The following methods and assumptions were used in estimating the fair values of the Group's financial instruments.

The following methods and assumptions were used to estimate the fair values of financial instruments for which it is practicable to estimate fair values:

Financial Assets

Monetary assets whose fair value approximates their carrying amount:

- Foreign currency balances are translated at period-end exchange rates.
- The fair values of certain financial assets (cash and cash equivalents) carried at cost in the consolidated statement of financial position are considered to approximate their respective carrying values.
- It is estimated that the fair value of trade receivables is close to their value after provisions have been made.

Financial Liabilities

Monetary liabilities whose fair value approximates their carrying amount:

- The fair values of short-term borrowings and other monetary liabilities are considered to approximate their carrying amounts due to their short-term nature.
- The fair value of long-term liabilities denominated in foreign currencies and translated at period-end exchange rates is assumed to approximate their carrying amounts.

The carrying amounts of trade payables and accrued expenses, which represent estimated amounts payable to third parties, are considered to approximate their fair values due to their short-term nature.

Derivative Instruments

Derivatives held for speculative purposes that do not qualify for hedge accounting are classified as “held for trading” and changes in fair value are recognized in profit or loss. Assets related to derivative instruments that are expected to settle within 12 months following the balance sheet date are presented as current assets and liabilities are presented as current liabilities.

As of 31 March, 2025 and 31 December, 2024, the Group's derivative assets and liabilities arising from derivative transactions are as follows:

	31.03.2025		31.12.2024	
	Asset	Liability	Asset	Liability
Forward Foreign Exchange Purchase/Sale Contracts	87.606	-	303.217	36.888
Forward Raw Material Finished Goods Purchase/Sale Contracts	-	-	-	-
Total	283.263	282.753	303.217	36.888

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NOTE 31 – SUBSEQUENT EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

Not applicable.

NOTE 32 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED FOR THE CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE, AND UNDERSTANDABLE

Not applicable.