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

TABLE OF CONTENTS

NOTE 12 – TANGIBLE FIXED ASSETS

NOTE 13 – INTANGIBLE FIXED ASSETS

NOTE 14 – RIGHT-OF-USE ASSETS

NOTE 15 – DEFERRED INCOME

NOTE 16 – SHORT-TERM AND LONG-TERM PROVISIONS

NOTE 17– GOVERNMENT GRANTS AND INCENTIVES

NOTE 18 – EMPLOYEE BENEFIT LIABILITIES

NOTE 19 – INVESTMENT PROPERTIES

NOTE 20 – EARNINGS / (LOSS) PER SHARE

NOTE 21 – EQUITY, RESERVES AND OTHER COMPONENTS OF EQUITY

NOTE 22 – CONTINGENT ASSETS AND LIABILITIES

NOTE 23 – REVENUE AND COST OF SALES

NOTE 24 – OPERATING EXPENSES

NOTE 25 – OTHER INCOME / (EXPENSES) FROM MAIN OPERATIONS

NOTE 26 – INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

NOTE 27 – FINANCE INCOME / (EXPENSES)

NOTE 28 – TAX ASSETS AND LIABILITIES

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

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

NOTE 31 – EVENTS AFTER THE REPORTING PERIOD OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 32 – OTHER MATTERS THAT HAVE A SIGNIFICANT EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENT OR THAT REQUIRE DISCLOSURE IN ORDER FOR THE CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2025 AND 31 DECEMBER 2024
(Amounts expressed American Dolar (USD) unless otherwise indicated)

ASSETS	Notes	Current Period Unaudited 31 December 2025	Prior Period Audited 31 December 2024
Current Assets		**205.359.954**	**154.988.491**
Cash and Cash Equivalents	4	41.956.281	46.669.287
Trade Receivables	7	52.943.418	39.478.258
- Trade receivables from unrelated parties		*52.943.418*	*39.478.258*
Other Receivables		2.195.940	1.643.793
- Other receivables from related parties	*3-8*	-	-
- Other receivables from unrelated parties	*8*	*2.195.940*	*1.643.793*
Derivative Instruments		-	303.217
Inventories	9	85.625.312	54.558.614
Prepaid Expenses	10	11.238.346	8.585.496
-Prepaid expenses from unrelated parties		*11.238.346*	*8.585.496*
Other Current Assets	11	11.400.657	3.749.825
Total Current Assets		**205.359.954**	**154.988.491**
NON-CURRENT ASSETS		**137.945.845**	**95.862.933**
Financial Investments	5	1.119.485	1.031.446
Other receivables	8	57.671	-
Investment Properties	19	13.418.732	12.147.288
Tangible Fixed Assets	12	112.689.690	71.146.445
Right of Use Assets	14	-	3.293.122
Intangible Fixed Assets	13	376.993	139.915
- Other Rights		*376.993*	*139.915*
Prepaid Expenses	10	1.847.350	4.849.662
-Prepaid Expenses from related parties		*993.140*	*737.571*
-Prepaid expenses from unrelated parties		*(138.930)*	*4.112.091*
Deferred Tax Assets		8.435.924	3.255.055

TOTAL ASSETS	**343.305.799**	**250.851.423**

The accompanying notes are an integral part of the condensed consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 December 2025 AND 31 DECEMBER 2024
(Amounts expressed US Dollars (USD) unless otherwise indicated.)

LIABILITIES	Notes	Current Period Unaudited 31 December 2025	Prior Period Audited 31.December 2024
CURRENT LIABILITIES		**200.900.035**	**128.440.808**
Short-Term Borrowing	6	108.622.852	87.960.055
Current Portion of Long-Term Financial Borrowings	6	6.179.793	1.656.035
Other Financial Liabilities	6	7.831.445	5.140.717
Leasing Liabilities	6	-	1.210.944
Trade Payables	7	61.620.401	16.816.037
-Trade Payables to unrelated parties	*7*	*61.620.401*	*16.816.037*
Employee Benefit Liabilities		1.145.901	967.040
Other Payables		272.164	1.072.333
- Other payables to related parties		-	*1.071.258*
-Other payables to unrelated parties	*8*	*272.164*	*1.075*
Deferred Income	15	12.601.479	11.698.096
Current Tax Liability	28	-	397.706
Current Provisions	16	1.948.864	959.947
-Current provisions for employee benefits	*16*	*1.804.544*	*885.825*
-Other Current Provisions	*16*	*144.320*	*74.122*
Other Short-Term Liabilities	11	677.136	561.898
TOTAL CURRENT LIABILITIES		**200.900.035**	**128.440.808**
NON-CURRENT LIABILITIES		**49.292.925**	**18.627.116**
Long-Term Borrowing	6	18.830.076	9.017.111
Other Long-Term Financial Liabilities	6	22.497.812	4.504.056
Trade Payables	7	-	2.650.610
Leasing Liabilities	6	5.779.000	-
Deferred Income	15	-	539.416
Non-Current Provisions	16	2.186.037	1.915.923
-Non-current provisions for employee benefits	*16*	*2.186.037*	*1.915.923*
TOTAL NON-CURRENT LIABILITIES		**49.292.925**	**18.627.116**
TOTAL CURRENT AND NON-CURRENT LIABILITIES		**250.192.960**	**147.067.924**

SHAREHOLDER'S EQUITY		**93.112.839**	**103.783.499**
Parent Shareholders Equity		**93.112.839**	**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	15.661	139.054
-Revaluation and remeasurement gains (losses)		*15.661*	*139.054*
-Revaluation and remeasurement gains	*21*	*1.050.657*	*1.050.657*
-Remeasurement gains/(losses) on defined benefit plans	*21*	*(1.034.996)*	*(911.603)*
Other comprehensive income/(loss) to be reclassified to profit or loss		(50.833.395)	(3.026.644)
-Foreign currency translation differences		(50.833.395)	(3.026.644)
Legal reserves appropriated from profit	21	1.448.645	1.145.390
Retained earnings / accumulated losses		14.890.364	2.225.292
Net profit/ (loss) for the period		37.259.484	12.968.327
TOTAL LIABILITIES		**343.305.799**	**250.851.423**

The accompanying notes are an integral part of the condensed consolidated financial statements.

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE INTERIM PERIODS ENDED 31 December 2025 AND 31 December 2024

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

	Notes	Current Period Unaudited 01.01- 31.12.2025	Prior Period Unaudited 01.01- 31.12.2024
Revenue	23	583.538.521	547.228.997
Cost of Sales	23	(534.708.686)	(501.883.569)
Gross Profit		**48.829.835**	**45.345.428**
General Administrative Expenses	24	(16.931.116)	(11.667.835)
Marketing Expenses	24	(15.001.841)	(15.155.777)
Other Income from Operating Activities	25	3.528.573	964.237
Other Expenses from Operating Activities	25	(2.311.425)	(905.714)
Operating Profit / (Loss)		**18.114.026**	**18.580.339**
Income From Investing Activities	26	4.336.498	1.027.892
Expenses from Investing Activities	26	(2.552.925)	(564.767)
Profit / (Loss) Before Financing Income and Expenses		**19.897.599**	**19.043.464**
Finance Income	27	25.599.478	19.559.023
Finance Expenses	27	(11.495.794)	(29.108.751)
Profit / (Loss) Before Tax		**34.001.283**	**9.493.736**
Tax Expense		**3.258.200**	**3.474.591**
- Deferred Tax Income / (Expense)	28	3.258.200	3.474.591
Profit / (Loss) fort he Period from Continuing Operations		**37.259.483**	**12.968.327**
Net Profit/(Loss) for the Period		**37.259.483**	**12.968.327**
Allocation of Profit for the Period			
Attributable to Owners of the Parent		**37.259.483**	**12.968.327**

Earnings Per Share	20	**0,68**	**0,24**

The accompanying notes are an integral part of the condensed consolidated financial statements

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 December 2025 AND 31 December 2024

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

	Notes	Current Period Reviewed 01.01-31.12.2025	Prior Period Reviewed 01.01-31.12.2024
Profit / (Loss for the Period)		**37.259.483**	**12.968.327**
Other Comprehensive Income		***(47.815.943)***	***(522.195)***
Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans (Gains) /Losses	21	(11.636)	(661.006)
- *Tax effect on Remeasurements of defined Benefit Plans (Gains)/ Losses*	21	2.444	138.811
Items that may be reclassified to profit or loss			
- Chsnges in Foreign Currency Translation Differences	21	(47.806.751)	--
Total Comprehensive Income / (Expense)		**(10.556.460)**	**12.446.132**
Total Comprehensive Income / (Expense) Attributable to			
Non-Controlling Interests		-	-
Owners of the Parent		(10.556.460)	12.205.509

The accompanying notes are an integral part of the condensed consolidated financial statements

MEGA METAL SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 December 2025 and 31 December 2024

(Amounts are presented in American Dollars (USD) unless otherwise stated.)

			Accumulated Other Comprehensive Income Not Reclassifiable to Profit or Loss		Accumulated Other Comprehensive Income Reclassifiable to Profit or Loss					
Prior Period	**Paid-in Capital**	**Share Premium**	**Remeasurements of Defined Benefit Plans (Gains) / (Losses)**	**Other Gains / (Losses)**	**Cumulative Foreign Currency Translation Differences in Other Comprehensive Income**	**Restricted Reserves Appropriated from Profit**	**Retained Earnings / (Accumulated Losses) from Prior Years**	**Profit / (Loss) for the Period**	**Equity Attributable to Owners of the Parent**	**Total Equity**
Balances as of 1 January 2024	**54.436.408**	**35.895.672**	**(474.183)**	**1.050.657**	**-**	**827.613**	**(10.502.164)**	**13.045.233**	**94.279.236**	**94.279.236**
Transfers	-	-	-	-	-	317.777	12.727.456	(13.045.233)	-	-
Total Comprehensive Income / (Expense)	-	-	(437.420)	-	-	-	-	-	(437.420)	(437.420)
Profit / (Loss) for the Period	-	-	-	-	-	-	-	12.968.327	12.968.327	12.968.327
Other Comprehensive Income / (Expense)	-	-	-	-	(3.026.644)	-	-	-	(3.026.644)	(3.026.644)
Balances as of 31 December 2024	**54.436.408**	**35.895.672**	**(911.603)**	**1.050.657**	**(3.026.644)**	**1.145.390**	**2.225.292**	**12.968.327**	**103.783.499**	**103.783.499**
Balances as of 1 January 2025	**54.436.408**	**35.895.672**	**(911.603)**	**1.050.657**	**(3.026.644)**	**1.145.390**	**2.225.292**	**12.968.327**	**103.783.499**	**103.783.499**
Transfers	-	-	-	-	-	303.255	12.665.072	(12.968.327)	-	-

(Amounts are presented in US Dollars (USD) unless otherwise indicated.)

Total Comprehensive Income / (Expense)	-	-	(123.393)	-	(47.806.751)	-	-	37.259.484	(10.670.660)	(10.670.660)
Profit / (Loss) for the Period	-	-	-	-	-	-	-	37.259.484	37.259.484	37.259.484
Other Comprehensive Income / (Expense)	-	-	(123.393)	-	(47.806.751)	-	-	-	(47.930.144)	(47.930.144)
Balances as of 31 December 2025	**54.436.498**	**35.895.672**	**(1.034.996)**	**1.050.657**	**(50.833.395)**	**1.448.645**	**14.890.364**	**37.259.484**	**93.112.839**	**93.112.839**

The accompanying notes are an integral part of the condensed consolidated financial statements

	Note Reference	Reviewed 01 January - December 2025	Reviewed 01 January - December 2024
Cash Flows From Operating Activities		**52.154.052**	**(28.225.685)**
Profit (Loss) for the Period		37.259.483	12.968.327
- Profit (Loss) from Continuing Operations		37.259.483	12.968.327
Adjustments Related to Reconciliation of Net Profit (Loss)		**17.077.845**	**12.403.732**
Adjustments for Depreciation and Amortization	10	12.915.016	10.626.522
Adjustments for Impairment Losses/ Reversals	16	103.374	--
- Adjustments for Impairment Losses (Reversals) on Trade Receivables		103.374	--
Adjustments for Provisions		1.713.804	1.472.999
- Adjustments for Employee Benefit Provisions (Reversals)	16	1.683.551	1.472.999
- Adjustments for Litigation and/or Penalty Provisions (Reversals)	16	30.253	--
Adjustments for Interest Expenses	16	11.495.794	12.686.240
Adjustments for Interest Income	16	(11.125.990)	(18.170.322)
Adjustments for Unrealized Foreign Exchange Gains / Losses		6.583.645	9.061.916
Adjustments for Fair Value Gains/ Losses on Investment Properties	19	(1.005.741)	564.767
Adjustments for Gains / Losses on Disposal of Tangible Fixed Assets		(343.857)	(241.028)
Adjustments for Gains / Losses on Disposal of Tangible Fixed Assets	24	(343.857)	(241.028)
Adjustments for Income Tax (Benefit)	28	(3.258.200)	(3.597.362)
Changes in Working Capital		**(2.183.276)**	**(53.597.744)**
Decrease (Increase) in Financial Investments	5		
Adjustments related to Increase/ Decrease in Trade Receivables		(13.568.533)	(14.532.482)
- Increase / Decrease in Trade Receivables from Related Parties		--	--
- Increase / Decrease in Trade Receivalbes from Unrealted Parties	7	(13.568.533)	(14.532.482)
Adjustments related to Increase / Decrease in Other Receivables Related to Operating Activities		(609.818)	3.303.102
- Increase / decrease in Other Receivables from Related Parties	3-8	--	*214.541*
- Increase / Decrease in Other Receivables from Unrelated Parties	8	(609.818)	*3.088.561*
Adjustments related to Decrease (Increase) in Inventories	9	(31.066.698)	(16.425.473)
Decrease (Increase) in Prepaid Expenses	9	1.342.602	(7.423.954)
Adjustments related to Increase / decrease in Trade Payables		50.583.364	(13.527.211)
-Increase / Decrease in Trade Payables to Unrelated Parties	7	50.583.364	(13.527.211)
Adjustments related to Increase/ Decrease in Employee Benefit Obligations		178.861	374.530
Adjustments related to Increase / Decrease in Other Operating Liabilities	8	(1.871.427)	947
- Increase / Decrease in Other Liabilities to Related Parties		(1.071.258)	774
- Increase / Decrease in Other Liabilities to Unrelated Parties		(800.169)	173
Adjustments Related to Increase / Decrease in Deferred Income		363.967	(2.023.106)
Adjustments Related to Other Changes in Working Capital		(7.535.594)	(3.344.097)
- Decrease (Increase) in Other Operating Assets		(7.650.832)	(3.344.097)
- Increase / Decrease in Other Operating Liabilities	11	115.238	--
Cash Generated from Operating Activities		**52.154.052**	**(28.225.685)**
Cash Flows From Investing Activities		**(37.765.215)**	**(3.431.297)**
Cash Inflows / Outflows from Derivative Instruments		303.217	(303.217)
Cash Outflows from Acquisition of Other Long-Term Assets		(88.039)	3.580.594
Cash Outflows from Acquisition of Tangible and Intangible Fixed Assets	10	(42.110.719)	(7.606.617)
Cash Outflows from Acquisitions of Tangible Fixed Assets	12	(41.963.274)	(7.708.773)
Cash Outflows from Acquisiton of Intangible Fixed Assets	12	(147.445)	(102.156)
Cash Inflows from Disposal of Tangible and Intangible Fixed Assets	10	4.130.326	897.943
Cash Flows From Financing Activities		**71.382.706**	**41.481.937**
Cash Inflows / Outflows from Borrowings		52.510.095	35.902.677
Cash Inflows / Outflows from Other Financial Borrowings		19.242.415	95.177
Interest Paid	16	(11.495.794)	(12.686.240)
Interest Received	16	11.125.990	18.170.322
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(90.484.549)**	**(5.900.737)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**85.771.543**	**9.824.955**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	46.669.287	42.745.069
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**41.956.281**	**46.669.287**

The accompanying notes are an integral part of the condensed consolidated financial statements

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES OF THE GROUP

Mega Metal San. Ve Tic. A.Ş. ("The Company or Mega Metal") was established on 14 May 2004, as published in the Turkish Trade Registry Gazette No. 6050.

The Company was established in 2004 under the title Dost Telekominikasyon Hizmetleri Tic. Ltd. Şti., and its title was changed to Mega Metal Sanayi ve Ticaret Ltd. Şti. on 3 September 2004. The Company's title, Mega Metal Sanayi ve Ticaret Ltd. Şti., was further changed to Mega Metal Ticaret Anonim Şirketi through a change of legal type in accordance with Articles 180 and 193 of the Turkish Commercial Code. The relevant change was registered on 29 December 2017 and published in the Turkish Trade Registry Gazette No. 9490 dated 9 January 2018.

The Company's field of activity is the manufacturing, export, import, purchase, sale, and marketing of all types of copper raw materials, copper concentrate, blister copper, cathode copper, enameled copper wire scrap, electronic copper, copper foil, copper rods, copper wire, and all kinds of copper semi-finished and finished products. As of 31 December 2025, the Company employed a total of 699 personnel during the year (31 December 2024: 713).

The Company's subsidiary (together hereinafter referred to as the "Group") and its field of activity are as follows:

MEGA METAL INC. was incorporated on 12 January 2024 in the State of Connecticut, USA, for the purpose of manufacturing, exporting, importing, purchasing, selling, and marketing all types of copper raw materials, copper concentrate, blister copper, anode/cathode copper, enameled copper wire scrap, electrolytic copper, copper foil, copper wire, and all kinds of copper semi-finished and finished products. The Company's capital is USD 5,000,000. The Company owns 100% of the shares of MEGA METAL INC.

The Company's shareholding structure as of 31 December 2025 and 31 December 2024 is as follows;

	31 December 2025		**31 December 2024**	
Name	**Share Amount**	**Share Holding Percentage**	**Share Amount**	**Share Holding Percentage**
Cüneyt Ali Turgut	19.836.627	36,44%	19.836.627	36,44%
Abdullah Turgut	12.465.936	22,90%	12.465.936	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%
Publicly Traded Portion	12.890.544	23,68%	12.890.544	23,68%
Nominal Capital	**54.436.408**	**100,00%**	**54.436.408**	**100,00%**

NOTE 2 – Basis of Presentation of Financial Statements

a. Basis of Presentation

Statement of Compliance

The Group's summary consolidated financial statements have been prepared in accordance with the "Communiqué on Principles of Financial Reporting in Capital Markets" (Serial II, No. 14.1), published in the Official Gazette No. 28676 dated 13 June 2013 by the Capital Markets Board of Turkey (CMB), and in compliance with Turkish Financial Reporting Standards (TFRS) issued by the Public Oversight, Accounting and Auditing Standards Authority (POA), which are aligned with international standards. TFRS is updated through communiqués to maintain consistency with changes in International Financial Reporting Standards (IFRS).

The interim condensed consolidated financial statements have been presented in accordance with the formats specified in the "TFRS Taxonomy Announcement" issued by the Public Oversight, Accounting and Auditing Standards Authority (POA) on 3 July 2025, and in the Financial Statement Examples and User Guide published by the Capital Markets Board (CMB).

The Group has prepared its interim condensed consolidated financial statements for the period ended 31 December 2025 in accordance with TAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Group's annual financial statements as of 31 December 2024.

Basis of Preparation of Financial Statements

The attached consolidated financial statements have been prepared in accordance with the "Communiqué on Principles of Financial Reporting in Capital Markets" (Serial II, No. 14.1), published in the Official Gazette No. 28676 dated 13 June 2013 by the Capital Markets Board (CMB). In preparing these financial statements, the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS), together with related interpretations and addenda issued by the Public Oversight, Accounting and Auditing Standards Authority (POA), have been applied in accordance with Article 5 of the Communiqué. In addition, the Company's financial statements and explanatory notes have been presented in compliance with the formats disclosed in the announcement issued by CMB on 7 June 2013, including all information required by law.

Adjustment of Financial Statements for Hyperinflationary Periods

As the Group's functional currency is USD, its financial statements as of 31 December 2024 have not been restated for inflation in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies", in the context of the Announcement on the Restatement of Financial Statements for Companies Subject to Independent Audit issued by POA on 23 November 2024.

Functional and Reporting Currency

Although the currency of the country in which the Group conducts its commercial activities is Turkish Lira (TRY), the Group's functional currency has been determined as US Dollar (USD) due to the nature of its operations. The US Dollar is used significantly in the Group's activities, has a material impact on these activities, and reflects the characteristics of the underlying events and economic conditions relevant to the Group.

The Group uses USD for measurement and TRY as the reporting currency in the preparation of its financial statements. All currencies other than the currency selected for measurement are considered foreign currencies. Accordingly, the Group's transactions and balances outside of the United States have been translated into the functional currency, USD, in accordance with the relevant provisions of TAS 21 "The Effects of Changes in Foreign Exchange Rates".

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Conversion to Reporting Currency

As of 31 December 2025, the presentation currency of the financial statements is Turkish Lira (TRY).

As of 31 December 2025, the Group's financial statements prepared in US Dollars (USD) have been translated into Turkish Lira using the following method:

(a) Assets in the balance sheet have been translated into Turkish Lira (TRY) using the USD buying rate announced by the Central Bank of the Republic of Turkey at the balance sheet date, while liabilities have been translated using the USD selling rate. The Company's share capital is presented at its nominal amount, and all other components of equity are maintained at historical Turkish Lira values, with all resulting differences recognized in foreign currency translation differences.

(b) The statement of profit or loss and other comprehensive income has been translated into Turkish Lira (TRY) using monthly average exchange rates.

(c) All resulting Exchange differences have been presented as a separate component of equity under foreign currency translation differences.

Offsetting / Set-Off

Financial assets and liabilities have been presented on a net basis when there is a legally enforceable right, the intention to settle the assets and liabilities on a net basis, or when the realization of the assets and the settlement of the liabilities occur simultaneously.

Going Concern

The attached financial statements have been prepared on a going concern basis, assuming that the Group will continue to realize the benefits of its assets and settle its liabilities in the normal course of operations over the next twelve months.

Principles of Consolidation

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

- The accounting policies applied by the companies included in consolidation have been aligned with the Parent Company's accounting policies.
- The acquisition cost of the Parent Company's share in the equity of subsidiaries within the scope of consolidation has been deducted from the corresponding value of these shares in the subsidiaries' statements of financial position, adjusted in accordance with the Parent Company's accounting policies.
- The financial statement items, excluding the paid-in capital of the Parent Company and the equity at the acquisition date of the subsidiaries, have been aggregated, and in this aggregation, all intercompany receivables and payables of the entities subject to consolidation have been eliminated.
- From all equity account groups, including paid-in/issued capital, of the subsidiaries within the scope of consolidation, the portions attributable to non-controlling interests have been deducted and presented in the consolidated statement of financial position under the account "Non-controlling Interests."
- The profit or loss statement items of the Parent Company and its subsidiaries have been aggregated separately, and income and expense items arising from transactions between them have been mutually offset against the relevant accounts. In the aggregation of the profit or loss statement items for a subsidiary during the reporting period, only items occurring after the acquisition date of the subsidiary have been taken into account.

The portion of the net profit or loss of the subsidiaries within the scope of consolidation attributable ton on-controlling interests is presented under the account "Non-controlling Interests."

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

As the Parent Company is a wholly-owned subsidiary of the Group, there are no non-controlling interests.

As of 31 December 2025, the companies in which the Company directly or indirectly holds 50% or more of the shares, has 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:

Subsidiary	31 December 2025 Shareholding Percentage	31 December 2024 Shareholding Percentage
MEGA METAL INC	100%	100%

Approval of Consolidated Financial Statements

The Group's consolidated financial statements have been approved by the Board of Directors and authorized for publication on 4 November 2025. Although there is no intention to do so, certain regulatory authorities have the right, under applicable laws, to require adjustments to the financial statements after they have been published.

a. Changes in Accounting Policies and Errors

An entity may change its accounting policies only if;
- Required by a Standard or Interpretation, or
- The change results in the financial statements providing more appropriate and reliable presentation of the effects of transactions and events on the entity's financial position, performance, or cash flows.

Users of financial statements should be able to compare the entity's financial statements over time to identify trends in its financial position, performance, and cash flows. Therefore, unless a change in an accounting policy meets one of the conditions described in the previous paragraph, the same accounting policies should be applied in each interim period and each financial year.

b. Comparative Information and Restatement of Prior Period Financial Statements

To enable the assessment of financial position and performance, the Group's consolidated financial statements are prepared on a comparative basis. The Group has prepared the consolidated statement of financial position as of 31 December 2025 in comparison with the statement of financial position as of 31 December 2024. The consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the period from 1 January to 31 December 2025 have been prepared comparatively with the corresponding statements for the period from 1 January to 31 December 2024.

c. Accounting Estimates

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

The significant assumptions and judgments made, taking into account the sources of estimates that exist at the date of the statement of financial position or that may arise in the future, which could have a material effect on the amounts reflected in the financial statements, are as follows:

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Provisions for Litigation

When provisions for litigation are recognized, the like hood of losing the related cases and potential consequences in the event of a loss are assessed based on the opinions of the Company's legal advisors. Disclosures regarding the provisions deemed necessary are made in accordance with the best estimates determined by the Company's management using the information available.

Provision for Severance Pay

The provision for severance pay is determined through actuarial calculations based on a number of assumptions, including discount rates, future salary increases, and employee turnover rates. Due to long-term nature of these plans, such assumptions involve significant uncertainties.

Provision for Unused Vacation Leave

It represents the monetary value of employees earned but unused vacation days. It is calculated by multiplying the number of unused vacations days by the Daily gross wage.

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

Useful Lives of Tangible and Intangible Fixed Assets

The Company depreciates its tangible fixed assets and amortizes its intangible fixed assets over 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 period ended31 December 2025 are consistent with those applied in the previous year, except for the new and amended TFRS standards and TFRIC interpretations effective as of 1 January 2025, as summarized below. The effects of these standards and interpretations on the Company's financial position and performance are explained in the relevant paragraphs.

a) New standards, amendments and interpretations effective as of 1 January 2025;

IAS 1 Amendments- Classification on Liabilities as Current or Non-Current

In March 2020 and January 2024, the Public Oversight Authority (POA) made amendments to TFRS 1 to establish principles regarding the classification of liabilities as current or non-current. According to the January 2024 amendments, if an entity's right to defer settlement of a liability is contingent on compliance with the terms of a loan agreement at a date after the reporting period, the entity has the right to defer the liability as of the reporting date, even if the terms are not met at that date. When a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement depends on compliance with the loan terms within 12 months, the amendments require entities to provide disclosures, including information about the loan terms and the related liabilities. The amendments clarify that, for non-current classification, the right to defer settlement must exist at the reporting date or a subsequent date, and explicitly state that the posibility that the entity may not exercise this right for at least twelve months after the reporting date des not affect the classification. The amendments are applied retrospectively in accordance with TFRS 8 and have not had a material impact on the Group's financial position or performance.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

TFRS 16 Amendments- Lease Liabilities in Sale and Leaseback Transactions

In January 2024, the Public Oversight Authority (POA) issued amendments to TFRS 16. These amendments establish provisions for measuring lease liabilities arising from sale and leaseback transactions by the seller-lessee, in a manner that ensures no gain or loss is recognized on the remaining right-of-use asset. Accordingly, the seller-lessee determines the “lease payments” or “revised lease payments” for the sale and leaseback transaction after its commencement date, applying the provisions of TFRS 16 under the “Subsequent Measurement of Lease Liability” without recognizing any gain or loss on the remaining right-of-use asset. The amendments do not provide specific guidance on measuring lease liabilities arising from the leaseback. The initial measurement of such lease liabilities may result in certain payments, which would not normally be included in lease payments under TFRS 16, being treated as lease payments. The seller-lessee is required to develop and apply an accounting policy, in accordance with TFRS 8, that provides reliable and relevant information. The seller-lessee applies the amendments retrospectively under TFRS 8 to sale and leaseback transactions entered into after the initial application date of TFRS 16. The amendments have not had a material impact on the Group’s financial position or performance.

IAS 7 and TFRS 7 Amendments- Disclosures: Supplier Financing Arrangements

The amendments issued by the Public Oversight Authority (POA) in September 2024 introduce improvements to existing requirements to enhance users’ understanding of the effects of supplier financing arrangements on an entity’s liabilities, cash flows, and liquidity risk exposure. Supplier financing arrangements are defined as arrangements in which one or more finance providers agree to pay the entity’s supplier on its behalf, and the entity agrees to settle the payment on or after the date the supplier is paid. The amendments require disclosures of the terms and conditions of such arrangements, quantitative information on liabilities arising from them at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amounts of these liabilities. Additionally, within the scope of the quantitative liquidity risk disclosures required by TFRS 7, supplier financing arrangements are highlighted as examples of other factors that may need to be disclosed. The impact of these amendments on the Group’s financial position and performance is being assessed. The amendments to IAS 12 are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

b) Standards Issued but Not Yet Effective with No Early Adoption

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

TFRS 10 and IAS 28 Amendments- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Public Oversight Authority (POA) has indefinitely deferred the effective date of the amendments to TFRS 10 and IAS 28 issued in December 2017, which were made in connection with ongoing research projects on the equity method. However, early application is still permitted. The Group will assess the effects of these amendments once the standards reach their final form.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

b) Standards Issued but Not Yet Effective with No Early Adoption: (Continued)

TFRS 17 – Insurance Contracts Standard

In February 2019, the Public Oversight Authority (POA) issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition, measurement, presentation, and disclosure. TFRS 17 introduces a model that measures the current balance sheet amounts of liabilities arising from insurance contracts and recognizes profit over the period in which the related services are provided. Following the announcement by the POA, the mandatory effective date of the Standard has been deferred to annual reporting periods beginning on or after 1 January 2025. The Standard is not applicable to the Group and is not expected to have any impact on the Group's financial position or performance.

IAS 21 Amendments – Lack of Fungibility

In May 2025, the Public Oversight Authority (POA) issued amendments to IAS 21. The amendments specify how to assess whether a currency is fungible and how to determine the spot exchange rate when a currency is non-fungible. According to the amendments, when an estimate of the spot exchange rate is made due to a currency being non-fungible, disclosures should provide information that enables users of the financial statements to understand how, or how it is expected that, the non-fungibility of the currency may affect the entity's performance, financial position, and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Early application is permitted, in which case disclosures are required. When the amendments are applied, comparative information is not restated. The impact of these amendments on the Group's financial position and performance is being assessed.

c) Amendments Effective Upon Issuance:

IAS 12 Amendments- International Tax Reform: Pillar Two Model Rules

In September 2024, the Public Oversight Authority (POA) issued amendments to IAS 12 introducing a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax laws that have been enacted or are substantively enacted for the purpose of implementing the Pillar Two Model Rules issued by the Organization for Economic Co-operation and Development (OECD). The amendments also introduce specific disclosure requirements for entities affected by such tax laws. The exception regarding the non-recognition and non-disclosure of deferred taxes under these laws, and the related disclosure that the exception has been applied, became effective upon the publication of the amendments. As of 15 July 2025, the Group has identified the entities in Belgium within its scope in accordance with the standard, and the notification was made on time. Furthermore, the Group monitors the enactment of legislation, statutory deadlines, and reporting obligations on a country-by-country basis.

2.f. Summary of Significant Accounting

Policies – Revenue Recognition

The Company has applied the five-step model for revenue recognition in accordance with TFRS 15 "Revenue from Contracts with Customers," which became effective on 1 January 2018.

- Identification of contracts with customers
- Identification of performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations
- Recognition of revenue

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Under this model, each contract with a customer is first assessed to identify the goods or services promised, and each promise to transfer goods or services is recognized as a separate performance obligation. Subsequently, it is determined whether the performance obligations are satisfied over time or at a point in time.

If the Company transfers control of a good or service over time and thus satisfies the related performance obligations over time, revenue is recognized in the financial statements over time by measuring progress toward the complete satisfaction of those performance obligations.

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.

When assessing the transfer of control of a sold good or service to the customer, the Company considers:

a) The Group’s right to receive payment for the good or service
b) The customer’s legal ownership of the good or service,
c) The transfer of possession of the good or service,
d) The customer’s exposure to significant risks and rewards of ownership of the good or service,
e) The customer’s acceptance of the good or service.

If, at the inception of a contract, the Company expects that the period between the transfer of the promised goods or services to the customer and the payment by the customer will be one year or less, no adjustment is made to the promised amount for the effects of a significant financing component. However, if the transaction price includes a significant financing component, the revenue is determined by discounting the future consideration using the interest rate embedded in the financing component. The difference is recognized on an accrual basis as other income from operating activities over the relevant periods.

Interest Income

Interest income is recognized in the relevant period using the effective interest method, which brings the estimated future cash inflows from the financial asset over its expected life to the asset’s net carrying amount.

Interest income and foreign Exchange gains arising from trading activities are recognized as other income from operating activities.

Dividend income from equity investments is recognized in the financial statements when the shareholders right to receive the dividend arises. Dividend liabilities are recognized in the financial statements as a liability after approval by the general assembly, as part of profit distribution.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is calculated as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory write-downs to net realizable value and losses related to inventories are recognized as expenses in the period in which the write-downs or losses occur. Reversals of inventory write-downs due to an increase in net realizable value are recognized as a reduction of cost of sales in the period in which the reversal occurs. The net realizable value of inventories is reviewed at each reporting date.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

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

Tangible Fixed Assets

Tangible Fixed Assets are presented in the statement of financial position at their net carrying amount, being the cost of acquisition less accumulated depreciation and any accumulated impairment losses, if any. Depreciable assets are depreciated on a straight-line basis over their estimated useful lives, based on their cost, with depreciation commencing from the date the assets are available for use.

Depreciable assets are subject to prorated depreciation using the straight-line method over their estimated useful lives based on their cost, with depreciation commencing from the date the assets are available for use.

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

	Useful Life
Buildings	50 years
Plant, Machinery and Equipment	4- 16 years
Fixtures and Fittings	3- 15 years
Vehicles	5 years

Maintenance and repair expenses are recognized as expenses in the income statement in the period in which they are incurred. Major renewals are added to the cost of the related asset when it is expected that they will provide future economic benefits with improved performance compared to the assets condition prior to the renewal.

Subsequent capitalized expenditures added to the cost of an asset are depreciated over the assets remaining useful life.

The Company derecognizes the carrying amounts of replaced parts from the statement of financial position, regardless of whether the replaced components are depreciated separately from other parts of the asset.

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, with amortization calculated on a prorated basis.

Impairment of Assets

The Company 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 the asset is compared with its recoverable amount, defined as the higher of its value in use and fait value less costs to sell. If the carrying amount of the asset, or of the cash-generating unit to which the asset belongs, exceeds its recoverable amount, an impairment loss is recognized. Impairment losses are recognized in the statement of comprehensive income. Any increase in the carrying amount of an asset (or cash-generating unit) due to the reversal of a previously recognized impairment loss should not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior periods. Reversals of impairment losses are recognized in the statement on comprehensive income.

Borrowing Costs

For assets that require a substantial period of time to be ready for use or sale borrowing costs directly attributable to the acquisition, construction, or production of the asset are capitalized as part of the cost of the asset until the asset is ready for its intended use or sale.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Income earned from the temporary investment of the unexpended portion of borrowings obtained for the acquisition or construction of qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the periods in which they are incurred. No borrowing costs were capitalized for the accounting periods ended 31 December 2025 and 31 December 2024.

Financial Instruments

TFRS 9 sets out the principles for the recognition and measurement of financial assets and financial liabilities. This standard has replaced IAS 39 Financial Instruments: Recognition and measurement.

The accounting, classification, measurement and derecognition practices relating to financial instruments previously included in IAS 39 are now addressed under TFRS 9.

The latest version of TFRS 9 incorporates the requirements issued in the earlier phases of TFRS 9, including a new expected credit loss (ECL) model for the impairment of financial assets, as well as updated requirements relating to general hedge accounting. TFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

Classification of Financial Assets and Liabilities

TFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However, the previous IAS 39 classification categories for held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets have been eliminated.

The adoption of TFRS 9 has not had a significant impact on the Company's accounting policies for financial liabilities and derivative financial instruments. The impact of TFRS 9 on the classification and measurement of financial assets is disclosed below.

Under TFRS 9, at initial recognition, a financial asset is classified as measured at amortized cost, fait value through other comprehensive income (FVOCI)- debt instruments, FVOCI- equity instruments, or fair value through profit or loss (FVTPL). The classification of financial assets under TFRS 9 is generally based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. The requirement to separate embedded derivatives from a host financial asset has been removed, and classification of a hybrid contract is assessed as a whole. A financial asset is measured at amortized cost if both the following conditions are met and it is not classified as FVTPL.

- Being held within a business model with the objective of collecting the contractual cash flows of the financial asset and,
- The contractual terms of the financial asset give rise, at specified dates, sonly to cash flows that consist of payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income (FVOCI) if both of the following conditions are met, and it is not classified as measured at fair value through profit or loss (FVTPL):

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

Upon initial recognition of investments in equity instruments that are not held for trading, an irrevocable election can be made to present subsequent changes in their fair value in other comprehensive income. This election can be made on an investment-by-investment basis.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets.

Upon initial recognition of a financial asset, it can be irrevocably designated as measured at fair value through profit or loss (FVTPL), provided that doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring financial assets differently and recognizing the related gains or losses differently in the financial statements.

Upon initial recognition, financial assets other than those measured at fair value through profit or loss (excluding trade receivables that are measured at the transaction price upon initial recognition and do not contain a significant financing component) are measured at fair value plus any transaction costs directly attributable to the acquisition or issue of the financial asset.

Impairment of Financial Assets

Impairment of financial assets and contract assets is calculated using the 'expected credit loss (ECL) model. The impairment model is applied to financial assets measured at amortized cost and to contract assets.

For trade receivables recognized in the financial statements at amortized cost and not containing a significant financing component (with a maturity of less than one year), the 'simplified approach' is applied for impairment calculations. Under this approach, in cases where trade receivables have not experienced a credit loss (other than any losses that have already occurred), the allowance for expected credit losses is measured at an amount equal to the 'lifetime expected credit losses.

Financial Liabilities

A financial liability is initially recognized at its fair value. For financial liabilities not measured at fair value through profit or loss, any transaction costs directly attributable to the issuance of the liability are added to the initial fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method, with interest expense calculated based on the effective interest rate.

Financial liabilities are classified either as financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recognized at fair value and are remeasured at their fair value at each reporting date. Changes in fair value are recognized in the income statement. The net gains or losses recognized in profit or loss include any interest paid on the financial liability.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Other Financial Liabilities

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

Subsequently, other financial liabilities are measured at amortized cost using the effective interest method, with interest expense calculated based on the effective interest rate.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the related interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the financial instrument, or, where appropriate, over a shorter period, to the net carrying amount of the financial liability.

Trade Receivables

Trade receivables arising from the sale of goods or the provision of services are initially recognized at the original invoice amount and subsequently measured at their amortized cost using the effective interest method. Short-term receivables without a specified interest rate are presented at the invoice amount when the effect of discounting using the effective interest rate is not significant.

For trade receivables recognized at amortized cost in the financial statements and not containing a significant financing component (with a maturity of less than one year), the 'simplified approach' is applied for impairment calculations. Under this approach, when trade receivables have not experienced a credit loss (other than any losses that have already occurred), the allowance for expected credit losses is measured at an amount equal to the 'lifetime expected credit losses.

Following the recognition of an impairment allowance, when all or part of a previously impaired receivable is collected, the amount recovered is deducted from the allowance for impairment and recognized in other income from operating activities.

Interest income or expense arising from trade transactions and foreign exchange gains or losses are recognized in the income statement under 'Other Income/Expenses from Operating Activities'.

Trade Payables

Trade payables represent obligations to make payments for goods and services acquired from suppliers in the ordinary course of business. Trade payables are initially measured at their 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, demand deposits and other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate their fair values.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Financial Liabilities

Financial liabilities are initially measured at their fair value. Transaction costs that are directly attributable to the issuance of the financial liability are added to this fair value.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the related interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the financial instrument, or, where appropriate, over a shorter period, to the net carrying amount of the financial liability.

Financial liabilities are classified as either equity-based financial instruments or other financial liabilities.

Earnings / (Loss) per Share

Earnings/(Loss) per share reported in the income statement is calculated by dividing the net profit/(loss) by the weighted average number of shares outstanding during the reporting period.

In Turkey, companies can increase their capital for existing shareholders through a 'bonus share' issuance, using retained earnings and the positive differences from equity restatement in their statutory financial statements. Such bonus share distributions are treated as if they were issued shares for the purpose of earnings per share calculations. Therefore, the weighted average number of shares used in the calculation of earnings per share is adjusted retrospectively from the beginning of the prior reporting period to reflect the issuance of bonus shares.

Events After the Statement of Financial Position (Balance Sheet) Date

If an event occurs between the statement of financial position date and the date the financial statements are authorized for issue that requires adjustment, the necessary adjustments are made in the financial statements. For events that do not require adjustment, the relevant event is disclosed in the notes to the financial statements.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Recognized provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities and Contingent Assets

Commitments and transactions giving rise to contingent liabilities represent situations that depend on the outcome of one or more future events. Therefore, certain transactions have been recognized as off-balance sheet items due to the potential losses, risks, or uncertainties they may entail. When an estimate can be made for probable future obligations or losses, these liabilities are recognized as expenses and obligations for the Company. However future potential revenues and gains are reflected in the financial statements.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Segment Reporting of Financial Information

Business Segments

Segments with distinct characteristics are those that provide a specific good or service, or a group of related goods or services, and differ from the Company's other segments in terms of risks and benefits.

The following factors should be considered in determining whether goods or services are related to each other:

- The nature of the goods or services
- The nature of the production processes
- The types or classes of customers for the goods or services
- The methods used to deliver the goods or provide the services

Geographical Segments

Segments operating in a specific economic environment that provide goods or services and differ from other segments operating in different economic environments in terms of risks and benefits.

The following factors should be considered in identifying geographical segments:

- The similarity of economic and political conditions
- Specific risks related to operations in different geographical areas
- The proximity of operations
- Specific risks associated with operations in a particular region
- Regulations concerning currency controls
- Significant exchange rate risks

If a company's risk and return ratios are primarily influenced by differences in the goods and services it produces, business segments are reported as the primary format, while information by geographical segments is reported as secondary. Conversely, if a company's risk and return ratios are primarily influenced by its operations in different countries or other geographical areas, geographical segments are reported as the primary format, and information by business segments is reported as secondary.
The Company has not provided segment reporting, as it does not operate in multiple industries or geographical regions.

Government Grants and Incentives

Government grants and incentives are transactions made to encourage a company to undertake activities that it would not otherwise pursue without such support, or for other purposes. A government grant refers to transactions in which the government provides economic benefits to a company or group of companies on the condition that certain criteria are met. Government incentives refer to the economic resources transferred by the government to a company in exchange for compliance, in past or future periods, with specific criteria related to the company's ordinary activities.

All government grants, including non-monetary government grants measured at fair value, are recognized in the financial statements when there is reasonable assurance that the entity will comply with the conditions attaching to the grants and that the grants will be received.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Employee Benefits/ Severance Pay

In accordance with the current labor law, the Company is obligated to pay a certain amount of severance benefits to employees who leave due to retirement after completing at least one year of service, or whose employment is terminated for reasons other than resignation or misconduct. This obligation is calculated based on the total gross salary and other entitlements for each year of service, amounting to a maximum of 41,828,42 TL as of 31 December 2025 (23,489,82 TL as of 31 December 2024).

The Company has calculated the provision for severance benefits presented in the accompanying financial statements using the 'Projected Unit Credit Method,' based on its past experience regarding employees' service periods and entitlement to severance benefits, and discounted it at the reporting date using the effective interest rate. All gains and losses, except for actuarial gains and losses, are recognized in the income statement, while actuarial gains and losses are recognized in the statement of changes in equity.

The key assumptions used as of the reporting date are as follows;

	31 December 2025	31 December 2024
Net discount rate	3,90%	3,55%
Interest rate	39,75%	29%
Estimated inflation rate	34,50%	24,58%

Retirement Plans

Retirement plans refer to arrangements that provide benefits to employees upon or after the completion of their service, either in the form of periodic payments or lump-sum amounts, or involve employer contributions, based on the terms set out in a plan document or the company's practices, and that can be determined or estimated before retirement. The Company does not have any defined retirement plans for its employees.

Cash Flow Statement

The Company prepares cash flow statements to provide users of the financial statements with information about changes in its net assets, its financial structure, and its ability to manage the amount and timing of cash flows under changing circumstances. In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities. Cash flows from operating activities represent cash generated from the Company's principal operations. Cash flows from investing activities represent cash used in and generated from the Company's investment activities, including tangible fixed assets and financial investments. Cash flows from financing activities represent the resources used in financing activities and the repayments of those resources. Cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid investments that are readily convertible to a known amount of cash and have original maturities of three months or less.

Taxes on Corporate Income

The Company is subject to corporate income tax in Turkey.

Corporate income tax payable profits are calculated based on the tax base determined by adding non-deductible expenses to the commercial profit, and then subtracting dividends received from resident companies, non-taxable income, and utilized investment incentives.

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

In the accompanying financial statements, the income tax expense consists of current tax and deferred tax. Provisions for corporate and income tax liabilities arising from the results of the period have been recognized in the financial statements based on the applicable statutory tax rates at the reporting date.

NOTE 2 – Basis of Presentation of Financial Statements (Continued)

Deferred tax assets and liabilities arise from significant temporary differences resulting from the different treatment of accounting and tax purposes (future taxable temporary differences) and are calculated using the ‘liability method’ at the applicable current tax rates. Under the liability method, deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases in the statutory financial statements prepared for tax purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences, whereas deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Net deferred tax assets arising from temporary differences are reduced by a valuation allowance to the extent that it is not probable, based on available evidence, that they will be realized in future periods.

Deferred Tax

Deferred tax assets and liabilities are recognized based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using the balance sheet method and enacted tax rates.
Deferred tax assets and liabilities are recognized in the financial statements to reflect the estimated future tax effects of temporary differences as they reverse in subsequent periods.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The asset is reduced to the extent that it is no longer probable that the tax benefit will be realized.

Related Parties

A party is considered related to the Company if any of the following criteria are met,

(a) The party has, directly or indirectly, through one or more intermediaries:
(i) Control of the entity, is controlled by the entity, or is under common control with the entity (including parent companies, subsidiaries, and fellow subsidiaries in the same group);
(ii) Significant influence over the Company through ownership of shares; or
(iii) Joint control over the Company;
(b) The party is an associate of the Company;
(c) The party is a joint venture in which the Company is a venturer;
(d) The party is a member of the key management personnel of the Company or its parent;
(e) The party is a close member of the family of any individual referred to in (a) or (d);
(f) The party is an entity that is controlled, jointly controlled, or significantly influenced by, or over which significant voting power is held, directly or indirectly, by any individual referred to in (d) or (e); or
(g) The party has post-employment benefit plans for the benefit of the Company’s employees or for employees of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. The Company engages in transactions with related parties in the normal course of its business.

NOTE 3 – RELATED PARTY DISCLOSURES

i) Receivables from related parties:

The details of receivables and payables from related parties as of 31 December 2025 and 31 December 2024 are as follows;

Long-term Prepaid Expenses	31 December 2025	31 December 2024
Txt Gayrimenkul Yatırım A.Ş. (family-owned company) (*)	993.140	737.571
Total	**993.140**	**737.571**

(*) The advance payment to TXT Company relates to the ongoing project on the Zekeriköy land classified as investment property in the Company's assets. Under the agreement, TXT Company is responsible for the project, which involves the construction and sale of eight luxury villas on the land. The project management is carried out by TXT Company on behalf of the Company, and a contract has been signed with the company for the villas to be delivered to the Company on a turnkey basis.

Other Liabilities	31 December 2025	31 December 2024
Cüneyt Ali Turgut (Shareholder)	-	1.071.258
Total	**-**	**1.071.258**

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

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

1 January- 31 December 2025	Sales	Purchases
Txt Gayrimenkul Yatırım A.Ş. (family-owned company)	881.464	-
Total	**881.464**	**-**

1 January- 31 December 2024	Sales	Purchases
Megatech Yatırım Holding A.Ş. (family-owned company)	2.302.985	-
Abdullah Turgut (Shareholder)	-	2.250.000
Txt Gayrimenkul Yatırım A.Ş. (family-owned company)	8.318.967	9.848.286
Total	**10.621.952**	**12.098.286**

The total gross remuneration and other benefits provided to key management personnel for the fiscal year ended 31 December 2025 amounted to 4.579.987 USD (31 December 2024: 2.640.664 USD).

NOTE 4 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents of the Company as of 31 December 2025 and 31 December 2024 are as follows;

Cash and Cash Equivalents	31 December 2025	31 December 2024
Cash on hand	92	180
Banks		
- Time deposits	30.057.635	39.030.271
- Demand deposits	11.894.751	6.328.603
Liquid funds	3.803	1.310.233
Total	**41.956.281**	**46.669.287**

The details of the Company's time deposits in their original currencies as of 31 December 2025 and 31 December 2024 are as follows;

31. December.25

	Currency Amount	Maturity Date
USD	20.747.941	2.01.2026
USD	1.195.393	2.01.2026
USD	233.875	2.01.2026
USD	7.880.426	12.01.2026
Total	**30.057.635**	

31.December.24

	Currency Amount	Maturity Date
USD	4.796.521	2.01.2025
USD	649.951	6.01.2025
USD	2.128.726	7.01.2025
USD	1.009.353	10.01.2025
USD	326.817	17.01.2025
USD	634.435	31.01.2025

USD	457.205	5.02.2025
USD	609.281	6.02.2025
USD	1.982.586	10.02.2025
USD	710.321	28.02.2025
USD	2.880.211	21.03.2025
USD	2.880.211	24.04.2025
USD	19.964.654	3.04.2025
Total	**39.030.271**	

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

The details of the Company's demand deposits in their original currencies as of 31 December 2025 and 31 December 2024 are as follows;

	Original Currency Amount	31.12.2025	Original Currency Amount	31.12.2024
Currency	**31 December 2025**	**USD Equivalent**	**31 December 2024**	**USD Equivalent**
TL	144.340	190.970	53.225	53.225
USD	7.606.225	9.690.843	49.643	1.751.424
EURO	4.032.023	4.595.724	120.497	4.426.606
GBP	95.980	174.844	2.202	94.769

NOTE 5 – FINANCIAL INVESTMENTS

The details of the Group's financial investments as of 31 December 2025 and 31 December 2024 are as follows;

Long-term Financial Investments	31 December 2025	31 December 2024
Eurobond	1.119.485	1.031.446
Total	**1.119.485**	**1.031.446**

NOTE 6 – SHORT-TERM AND LONG-TERM BORROWINGS

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

	31 December 2025	31 December 2024
Short-term Borrowings		
Short-term bank loans	108.622.852	87.960.055
Current portion of long-term loans	6.179.793	1.656.035
Short-term financial lease liabilities	-	5.140.717
Short-term lease liabilities	7.831.445	1.210.944
Total Short-term borrowings	**122.634.090**	**95.967.751**
Long-term Borrowings		
Long-term bank loans	18.830.076	9.017.111
Long-term financial lease liabilities	22.497.812	4.504.056
Long-term lease liabilities	-	2.650.610
Total long-term borrowings	**41.327.888**	**16.171.777**
Total borrowings	**163.961.978**	**112.139.528**

NOTE 6 – SHORT-TERM AND LONG-TERM BORROWINGS (Continued)

	31 December 2025	31 December 2024
Within 1 year	122.634.090	95.967.751
1-5 years	36.900.551	16.066.271
Over 5 years	4.427.337	105.506
Total	**163.961.978**	**112.139.528**

The details of the bank loans by currency are as follows;

31 December 2025

Type	Currency Amount	USD Equivalent	Weighted Average Effective Interest Rate %
TL Loans	-	-	-
Euro Loans	65.247.858	72.306.804	5,80%
USD Loans	57.054.515	53.065.537	3,23%
Total	**122.302.372**	**125.372.341**	

31 December 2024

Type	Currency Amount	USD Equivalent	Weighted Average Effective Interest Rate %
TL Loans	8.253.830	8.253.830	25,43%
Euro Loans	1.749.544	64.387.422	7,05%
USD Loans	735.403	25.991.949	6,86%
Total		**98.633.201**	

NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES

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

Trade Receivables	31 December 2025	31 December 2024
Trade Receivables	37.987.785	28.585.812
Notes Receivables	14.955.633	10.892.446

Doubtful Trade Receivables	492.255	101.256
Allowance for Doubtful Trade Receivables (-)	(492.255)	(101.256)
Total	**52.943.418**	**39.478.258**

The movements in the allowance for doubtful trade receivables for the fiscal years ended 31 December 2025 and 31 December 2024 are as follow:

Movements in Allowance for Doubtful Receivables	**31 December 2025**	**31 December 2024**
Opening balance- 1 January	101.256	5.769
Provision recognized during the period	424.551	90.976
Foreign Exchange differences	(33.552)	4.511
Closing balance	**492.255**	**101.256**

NOTE 7 – TRADE RECEIVABLES AND TRADE PAYABLES (Continued)

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

Trade Payables	31 December 2025	31 December 2024
Trade Payables	58.261.965	13.859.124
Notes Payables	3.469.464	2.956.913
Total	**61.731.429**	**16.816.037**

NOTE 8 – OTHER RECEIVABLES AND OTHER PAYABLES

The details of the Company's other receivables as of 31 December 2025, and 31 December 2024 are as follows;

Short-term Other Receivables	31 December 2025	31 December 2024
Other receivables from unrelated parties	2.195.940	100.451
Receivables from tax authorities (*)	-	1.489.921
Receivables from employees	-	3.391
Deposits and guarantees given	-	50.030
Total	**2.195.940**	**1.643.793**

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

The details of the Company's other payables as of 31 December 2025 and 31 December 2024 are presented below:

Short-term Other Payables	31 December 2025	31 December 2024
Other payables to related parties (*)	48.060	1.071.258
Deposits and guarantees received	224.594	1.075
Total	**272.654**	**1.072.333**

(*) See Note 3

Long-term Other Receivables	31 December 2025	31 December 2024
Deposits and Guarantees Given	-	-
Total	**-**	**-**

NOTE 9– INVENTORIES

The details of the Company's inventories as of 31 December 2025 and 31 December 2024 are as follows;

Inventories	31 December 2025	31 December 2024
Raw Materials	19.849.884	16.015.252
Semi-finished Goods	41.932.207	18.405.856
Finished Goods	17.017.407	17.709.776
Trade Goods	6.771.069	-
Other Inventories	54.745	2.427.730
Total	**85.625.312**	**54.558.614**

No inventories have been pledged as collateral for the Company's liabilities (31 December 2024: None).

NOTE 10 – PREPAID EXPENSES

The details of the Company's prepaid expenses as of 31 December 2025 and 31 December 2024 are as follows;

Short-term Prepaid Expenses	31 December 2025	31 December 2024
Expenses for future months	433.043	431.455
Advances given for orders	10.727.395	8.129.455
Accured Income	-	-
Work advances	77.908	24.586
Total	**11.238.346**	**8.585.496**

Long-term Prepaid Expenses	31 December 2025	31 December 2024
Advances given for orders to related parties (*)	993.140	737.571
Advances given for orders	854.210	4.098.574
Prepaid Expenses	-	13.517
Total	**1.847.350**	**4.849.662**

(*) See Note 3

NOTE 11 – OTHER ASSETS AND LIABLITIES

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

Other Current Assets	31 December 2025	31 December 2024

VAT Receivable	-	2.718.444
Prepaid Taxes	-	1.031.381
Total	**-**	**3.749.825**

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

Other Short-term Liabilities	31 December 2025	31 December 2024
Tax Liabilities	677.136	561.898
Total	**677.136**	**561.898**

NOTE 12 – TANGIBLE FIXED ASSETS

The movement of the Company's tangible fixed assets as of 31 December 2025 and 31 December 2024 are as follows;

	31 December 2024	Additions	Disposals	Transfers	Foreign Currency Translation Differences	31 December 2025
Cost						
Land and plots	3.509.178	951.361	--	--	(1.166.985)	3.293.554
Underground and Aboveground Installations	101.907	16.498	--	--	12.333	130.738
Buildings	12.979.612	6.167.219	(1.019.527)	--	19.932.375	38.059.679
Machinery, Plant and Equipment	85.842.504	27.190.359	(15.461.200)	4.102.510	4.236.133	105.910.306
Vehicles	5.610.872	505.718	(1.263.125)	--	1.388.267	6.241.732
Fixture and Fittings	13.838.064	2.006.436	(251.240)	--	590.144	16.183.404
Special Costs	989.692	--	(536)	--	(31.489)	957.667
Ongoing Investments	1.648.776	585.852	--	(4.337.791)	11.922.212	9.819.049
	124.520.604	**37.423.443**	**(17.995.628)**	**(235.281)**	**36.882.990**	**180.596.129**
Accumulated Depreciation						
Underground and Aboveground Installations	(61.978)	(7.122)	--	--	235	(68.865)
Buildings	(1.630.561)	(726.393)	356.835	--	(2.938.370)	(4.938.489)
Machinery, Plant and Equipment	(39.037.926)	(7.498.880)	12.593.422	--	(12.462.753)	(46.406.137)
Vehicles	(2.052.403)	(1.111.235)	824.047	--	(1.177.668)	(3.517.259)
Fixture and Fittings	(9.916.417)	(2.229.009)	90.522	--	(42.801)	(12.097.705)
Special Costs	(674.874)	(213.186)	476	--	9.600	(877.984)
Total Accumulated Depreciation	**(53.374.159)**	**(11.785.825)**	**13.865.302**	**--**	**(16.611.757)**	**(67.906.439)**
Net Book Value	**71.146.445**					**112.689.690**

	1 January 2024	Additions	Disposals	Transfers	Foreign Currency Translation Differences	31 December 2024

Costs						
Land and plots	2.928.090	-	-	-	581.088	3.509.178
Underground and Aboveground Installations	80.761	4.755	-	-	16.391	101.907
Buildings	10.822.880	8.267	-	-	2.148.465	12.979.612
Machinery, Plant and Equipment	69.256.849	2.243.726	(1.303)	397.259	13.945.973	85.842.504
Vehicles	4.131.539	1.698.950	(1.086.352)	-	866.735	5.610.872
Fixture and Fittings	9.498.008	2.277.816	(4.311)	7.325	2.059.225	13.838.064
Special Costs	727.676	112.862	-	-	149.153	989.692
Ongoing Investments	1.001.535	454.136	-	(404.584)	597.689	1.648.776
	98.447.338	**6.800.512**	**(1.091.966)**	**-**	**20.364.720**	**124.520.604**
Accumulated Depreciation						
Underground and Aboveground Installations	(46.270)	(6.062)	-	-	(9.646)	(61.978)
Buildings	(1.142.357)	(242.933)	-	-	(245.271)	(1.630.561)
Machinery, Plant and Equipment	(27.422.827)	(5.735.194)	521	-	(5.880.426)	(39.037.926)
Vehicles	(1.250.189)	(945.610)	430.842	-	(287.446)	(2.052.403)
Fixture and Fittings	(6.405.116)	(2.084.821)	3.688	-	(1.430.169)	(9.916.417)
Special Costs	(416.777)	(162.934)	-	-	(95.163)	(674.874)
Total Accumulated Depreciation	**(36.683.536)**	**(9.177.554)**	**435.051**	-	**(7.948.121)**	**(53.374.159)**
Net Book Value	**61.763.802**					**71.146.445**

NOTE 13 – INTANGIBLE FIXED ASSETS

The movement of the Company’s intangible fixed assets as of 31 December 2025 and 31 December 2024 are as follows;

	31.12.2024	Additions	Disposals	Transfers	Foreign Currency Translation Differences	31.12.2025
Cost	836.261	382.726	-	235.281	(276.815)	1.177.453
Other Intangible Fixed Assets	836.261	382.726	-	235.281	(276.815)	1.177.453
Accumulated Amortization	(696.346)	(160.234)	-	-	56.120	(800.460)
Other Intangible Fixed Assets	(696.346)	(160.234)	-	-	56.120	(800.460)
Net Book Value	**139.915**	**222.492**	**-**	**-**	**14.586**	**376.993**

	1.01.2024	Additions	Disposals	Transfers	Foreign Currency Translation Differences	31.12.2024
Cost	**607.684**	**102.156**	**-**	**-**	**126.421**	**836.261**
Other Intangible Fixed Assets	607.684	102.156	-	-	126.421	836.261
Accumulated Amortization	**(505.242)**	**(84.388)**	**-**	**-**	**(106.716)**	**(696.346)**
Other Intangible Fixed Assets	(505.242)	(84.388)	-	-	(106.716)	(696.346)
Net Book Value	**102.442**					**139.915**

NOTE 14 – RIGHT-OF-USE ASSETS

	1.01.2025	Disposals	31 December 2025
Costs			
Buildings	3.311.560	(3.311.560)	-
Vehicles	935.757	(935.757)	
Total	**4.247.317**	**(4.247.317)**	**-**
Accumulated Depreciation			
Buildings	(834.543)	834.543	-
Vehicles	(119.652)	119.652	-
Total	**(954.195)**	**954.195**	-
Net Book Value	**3.293.122**	**(3.293.122)**	**-**

NOTE 14 – RIGHT-OF-USE ASSETS (Continued)

	31 December 2024
Costs	
Buildings	3.311.560
Vehicles	935.757
Total	**4.247.317**
Accumulated Depreciation	
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 December 2025 and 31 December 2024 are as follows;

	31 December 2025	31 December 2024
Advances Received on Orders	50.000	1.001.468
Income for Future Periods (*)	12.551.479	10.499.796
Payroll promotion income	-	196.832
Total	**12.601.479**	**11.698.096**

(*) Consists of revenue from deferred sales (exports realized in periods following the deferred recognition date).

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

	31 December 2025	31 December 2024
Income for Future Periods (*)	-	539.416
Total	**-**	**539.416**

NOTE 16 – SHORT-TERM AND LONG-TERM PROVISIONS

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

Short-Term Provisions	**31 December 2025**	**31 December 2024**
Provisions for Litigation	144.320	74.122
Provisions for Unused Vacation	1.804.544	885.825
Total	**1.948.864**	**959.947**

NOTE 16 – SHORT-TERM AND LONG-TERM PROVISIONS (Continued)

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

Long-Term Provisions for Employee Benefits

	31 December 2025	31 December 2024
Provisions for Severance Pay	2.186.037	1.915.923
Total	**2.186.037**	**1.915.923**

In accordance with the Labor Law in Turkey, the Group is required to pay severance benefits to employees who retire or whose employment is terminated for reasons other than resignation or statutory misconduct. The amount of severance pay is calculated based on one month's salary for each year of service, up to a maximum of 1296,72 USD per year (31 December 20254: 1320,04 USD).

The movement table for the provision for severance pay for the periods ended 31 December 2025 and 31 December 2024 are presented below:

	01.01-31.12.2025	01.01-31.12.2024
Opening Balance	1.915.923	1.196.110
Payments During the Period	(287.203)	(427.054)
Service Cost	304.027	337.482
Interest Cost	72.123	295.926
Actuarial (Gains) / Losses	181.167	513.459
Closing Balance	**2.186.037**	**1.915.923**

NOTE 17– GOVERNMENT GRANTS AND INCENTIVES

Investment grants and incentives consist of support such as corporate/income tax reductions (which vary by region), reductions in the employer's social security contribution, allocation of investment sites, and interest support. As stated, the group will benefit from these investment incentives in the current and future periods in connection with the investments it plans to make.

The total expenditure incurred by the Group under investment incentive certificates for the period from 1 January 2025 to 31 December 2025 amount to 1.111.817 USD (1 January 2024- 31 December 2024: 1.518.268 USD).

NOTE 18 – EMPLOYEE BENEFIT LIABILITIES

The details of the Group's liabilities relating to employee benefits as of 31 December 2025 and 31 December 2024 are as follows;

Employee Benefit Liabilities	31 December 2025	31 December 2024
Social Security Payable	337.863	331.208

Payable to Employees	808.038	635.832
Total	**1.145.901**	**967.040**

NOTE 19 – INVESTMENT PROPERTIES

The details of the Company's investment properties as of 31 December 2025 and 31 December 2024 are as follows;

	31.12.2024	Additions	Disposals	Transfers	Revaluation Increases	Foreign Currency Translation Differences	31.12.2025
Land	8.035.929	-	-	-5.023.258	160.425	(847.542)	2.325.554
Buildings	4.111.359	-	(807.549)	5.023.258	765.516	2.000.594	11.093.178
	12.147.288	**-**	**(807.549)**	**-**	**925.941**	**1.153.052**	**13.418.732**

	1.01.2024	Additions	Disposals	Revaluation Increases	31.12.2024
Land	8.811.786	-	-	(775.857)	8.035.929
Buildings	3.900.269	-	-	211.090	4.111.359
Total	**12.712.055**	**-**	**-**	**(564.767)**	**12.147.288**

NOTE 20 – EARNINGS / (LOSS) PER SHARE

The Group's earnings per share and gross dividends per share as of 31 December 2025 and 31 December 2024 are as follows;

	1 January-31 December.25	1 January-31.December.24
Net Profit / (Loss) for the Period	30.052.499	12.968.372
Weighted Average Number of Shares	54.436.408	54.436.408
Basic and Diluted Earnings / (Loss) per share	0,55	0,23

NOTE 21 – EQUITY, RESERVES AND OTHER COMPONENTS OF EQUITY

12.1 Paid-in Capital

The Company's share capital structure as of 31 December 2025 and 31 December 2024 is as follows;

	31 December 2025		31December 2024	
Name	Share Amount	Share Holding Percentage	Share Amount	Share Holding Percentage

Cüneyt Ali Turgut	19.836.627	36,44%	19.836.627	36,44%
Abdullah Turgut	12.465.936	22,90%	12.465.936	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%
Publicly Traded Portion	12.890.544	23,68%	12.890.544	23,68%
Nominal Capital	**54.436.408**	**100,00%**	**54.436.408**	**100,00%**

21. Re-measurement Gains/ (Losses) of Defined Benefit Plans and Revaluation Increases of Tangible Fixed Assets

The Company has reflected its severance pay obligation, calculated based on the expected inflation rate and the real discount rate, discounted to the date of the consolidated statement of financial position, in accordance with the principles explained in Note 2, for the fiscal periods ended 31 December 2025 and 31 December 2024. All gains and losses, except for the calculated actuarial gain/(loss), are presented in the income statement, while actuarial gains/(losses) are shown in the statement of changes in equity.

	31 December 2025	31 December 2024
Accumulated re-measurement gains/(losses) of defined benefit plans	(1.034.996)	(911.603)
Revaluation and reclassification gains/(losses)	1.050.657	1.050.657
Total	**15.661**	**139.054**

21.2.Restricted Reserves Appropriated from Profit

Retained earnings in the statutory books can be distributed, expect for the provisions related to the statutory reserves specified below.

According to the Turkish Commercial Code, statutory reserves are divided into first and second-tier statutory reserves. First-tier statutory reserves are allocated at 5% of the legal net profit until they reach 20% of the Parent Group's paid-in capital, in accordance with the Turkish Commercial Code.

Second-tier statutory reserves consist of 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, statutory reserves can only be used to offset losses, provided that they do not exceed 50% of the paid-in capital, and cannot be used for any other purpose.

Reserves Appropriated from Profit	31 December 2025	31 December 2024
Statutory Reserves	1.448.645	1.145.390
Total	**1.448.645**	**1.145.390**

NOTE 21 – EQUITY, RESERVES AND OTHER COMPONENTS OF EQUITY (Continued)

21.3.Share Premiums / Discounts on Shares

The details of the Group's share premiums and discounts as of 31 December 2025 and 31 December 2024 are as follows;

Share Premiums/ Discounts on Shares	31 December 2025	31 December 2024
Share Issue Premiums	35.895.672	35.895.672
Total	**35.895.672**	**35.895.672**

Publicly traded companies distribute dividends in accordance with the Capital Markets Board's (CMB) Communiqué on Dividends, Serial: II-19.1, which has been in effect since 1 February 2014. The regulations and explanations included in the Dividends Communiqué are summarized below.
Dividend distribution will be carried out by the general assembly within the framework of the Dividend Distribution Policy, also decided by the general assembly. While determining their dividend distribution policies, companies will also decide whether or not to distribute dividends. Within this framework, dividend distribution is, in principle, discretionary. The Capital Markets Board (CMB) may establish different rules regarding dividend distribution policies depending on the nature of the companies.

In their dividend distribution policies, companies regulate the following matters:
- Whether or not dividends will be distributed.
- Dividend rates and the accounts to which these rates 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 number of dividends to be distributed is limited to the distributable amount of the relevant dividend sources recorded in the statutory books. As a rule, dividends are distributed equally to all existing shares as of the dividend distribution date, regardless of the acquisition or issuance dates of the shares. According to the Turkish Commercial Code, no additional reserves can be allocated or profits carried forward to the next year until the reserves required by law, as well as the dividends for shareholders specified in the articles of association and dividend distribution policy, are set aside. Provided it is stipulated in the articles of association, dividends may be paid to holders of preferred shares or usufructuary certificates, members of the board of directors, employees, and other non-shareholder individuals. However, dividends cannot be paid to usufructuary certificate holders, board members, employees, or other individuals before the cash dividend due to shareholders is paid. The Communiqué stipulates, as a principle, that unless the articles of association specify otherwise, the total dividends to be paid to the aforementioned persons, excluding preferred shares, cannot exceed one-fourth of the dividends distributed to shareholders.

If dividends are to be distributed to persons other than shareholders and installment payments are involved, the installment amounts shall be paid proportionally and on the same basis as the installment payments to shareholders.

The new Capital Markets Law, and consequently the new Communiqué, allows companies to make donations. However, a provision in the articles of association is required. While the amount of donations can be determined by the general assembly, the Capital Markets Board (CMB) may set an upper limit.
For publicly traded companies:

- The board of directors' proposal regarding dividend distribution,
- Or the board of directors' decision regarding interim dividend distribution,
- The dividend distribution schedule or the interim dividend distribution schedule

shall be disclosed to the public. The dividend distribution schedule must be publicly announced no later than the date on which the agenda of the ordinary general assembly is announced.

NOTE 22 – CONTINGENT ASSETS AND LIABILITIES

a) Contingent Liabilities

As of 31 December 2025, and 31 December 2024, the Parent Company's guarantees, pledges, and mortgage positions are as follows;

Contingent Liabilities

Guarantees, Pledges and Mortgages given by the Parent Company (GPM)

	31 December 2025	**31 December 2024**
A. Total Amount of PM's Given on Its Own Behalf	23.398.206	78.828.100
B. Total Amount of GPM's Given in Favor of Subsidiaries Included in the Scope Full Consolidation	-	-
C. Total Amount of GPM's Given in Favor of Third Parties to Secure Their Liabilities in the Ordinary Course of Business	-	-
D. Total Amount of Other GPM's Given	-	-
i. Total Amount of GPM's Given in Favor of the Parent Company	-	-
ii. Total Amount of GPM's Given in Favor of Other Group Companies Not Included under Items B and C	-	-
iii.Total Amount of GPM's Given in Favor of Third Parties Not included under Item C	-	-
Total	**23.398.206**	**78.828.100**

The details of GPM as of 31 December 2025 and 31 December 2024 are as follows;

	31 December 2025	**USD Equivalent**	**TL**	**USD**	**EURO**
A. Total Amount of PM's Given on Its Own Behalf					
	-Guarantee	23.440.883	1.014.735	9.986.000	12.440.148
	-Mortgage	54.261.687	42.524.687	-	11.737.000

Total		**77.702.570**	**43.539.422**	**9.986.000**	**24.177.148**

	31 December 2024	USD Equivalent	TL	USD	EURO
A. Total Amount of PM's Given on Its Own Behalf					
	-Guarantee	13.334.735	189.645	5.785.000	7.336.473
	-Mortgage	65.493.365	52.807.884	2.250.000	10.412.689
Total		**78.828.100**	**52.997.530**	**8.035.000**	**17.749.162**

NOTE 23 – REVENUE AND COST OF SALES

1. Revenue

The details of the Company's revenue for the fiscal periods ended 31 December 2025 and 31 December 2024 are as follows;

Revenue	31 December 2025	31 December 2024
Domestic Revenue	252.165.804	258.528.656
Foreign Revenue	333.015.976	289.763.117
Other Income	418.497	2.607.338
Sales Returns (-)	(285.254)	(523.027)
Other deductions	(1.776.502)	(3.147.087)
Total	**583.538.521**	**547.228.997**

2. Cost of Sales

The details of the Company's cost of sales for the fiscal periods ended 31 December 2025 and 31 December 2024 are as follows;

Cost of Sales	01 January- 31 December 2025	01 January- 31 December 2024
Raw Materials and Supplies Expenses	(445.622.398)	(427.927.895)
Cost of Trade Goods Sold	(59.982.751)	(43.601.502)
Electricity Expenses	(3.543.441)	(5.493.397)
Direct Labor Costs	(9.053.329)	(12.274.158)
Depreciation and Amortization Expenses	(10.944.134)	(9.406.682)
Material Costs	(4.464.248)	(3.563.650)

Natural Gas Expenses	(31.384)	(70.740)
Changes in Finished Goods Inventory	692.369	9.404.110
Other Manufacturing Overheads	(1.759.370)	(8.949.655)
Total	**(534.708.686)**	**(501.883.569)**

NOTE 24 – OPERATING EXPENSES

1. General and Administrative Expenses

The details of the Group's general and administrative expenses for the accounting periods ended 31 December 2025 and 31 December 2024 are as follows;

General and Administrative Expenses	1. January- 31 December 2025	1 January- 31 December 2024
Personnel, salaries, bonuses and other employee benefits expenses	(10.205.571)	(6.891.910)
Consultancy expenses	(1.452.466)	(630.323)
Depreciation and amortization expenses	(1.833.799)	(1.159.819)
Donations and grants	(68.950)	(135.501)
Travel Expenses	(1.182.494)	(823.183)
Insurance Expenses	(119.543)	(159.203)
Rental Expenses	(481.604)	(210.222)
Maintenance and repair expenses	(111.605)	(98.200)
Taxes, duties and fees	(440.173)	(462.420)
Telephone, fax and internet expenses	(57.248)	(28.658)
Representation Expenses	(501.724)	(17.839)
Software Expenses	(208.111)	(25.094)
Membership fees	(120.635)	(81.318)
Transportation and delivery expenses	(58.853)	(68.841)
Other	(88.340)	(875.304)
Total	**(16.931.116)**	**(11.667.835)**

2. Marketing Expenses

The details of the Company's marketing expenses for the accounting periods ended 31 December 2025 and 31 December 2024 are as follows;

Marketing Expenses	1 January- 31 December 2025	1 January- 31 December 2024
Export Expenses	(5.030.585)	(4.501.916)
Transportation Expenses	(4.776.798)	(4.482.982)
Import Expenses	(1.565.835)	(2.006.964)

Personal Expenses	(2.622.684)	(2.304.929)
Travel Expenses	(219.884)	(95.565)
Fuel and Oil Expenses	(69.386)	(10.416)
Depreciation and amortization expenses	(137.083)	(60.021)
Insurance Expenses	(102.953)	(67.329)
Maintenance and repair Expenses	(69.656)	(54.195)
Consultancy Expenses	(216.166)	(123.062)
Advertising Expenses	(154.850)	--
Other	(35.961)	(1.448.398)
Total	**(15.001.841)**	**(15.155.777)**

NOTE 24 – OPERATING EXPENSES (Continued)

The functional breakdown of depreciation and amortization expenses is as follows;

	1 January- 31 December 2025	**1 January- 31 December 2024**
Cost of Sales	(10.944.134)	(9.406.682)
Marketing Expenses	(137.083)	(60.021)
General and Administrative Expenses	(1.833.799)	(1.159.819)
Total	**(12.915.016)**	**(10.626.522)**

The functional breakdown of personnel expenses is as follows;

	1 January- 31 December 2025	**1 January- 31 December 2024**
Cost of Sales	(6.965.945)	(12.274.158)
Marketing Expenses	(2.622.684)	(2.304.929)
General and Administrative Expenses	(10.205.571)	(6.891.910)
Total	**(19.794.200)**	**(21.470.997)**

NOTE 25 – OTHER INCOME / (EXPENSES) FROM MAIN OPERATIONS

The Group’s other income from main operations for the fiscal years ended 31 December 2025 and 31 December 2024 is as follows;

Other Income from Main Operations	**1 January- 31 December 2025**	**1 January- 31 December 2024**
Discount Income	126.673	398.471
Provision without basis	113.746	-
Salary Promotion Income	131.222	196.836
Insurance and Compensation Income	61.536	153.528
Prior Period Income and Gains	7.571	3.589
Exhibition Incentive Income	2.113.941	-
Reconciliation and Rounding Differences	476.724	-

Other Income	497.160	211.813
Total	**3.528.573**	**964.237**

NOTE 25 – OTHER INCOME / (EXPENSES) FROM MAIN OPERATIONS (Continued)

The Group's other expenses from main operations for the fiscal years ended 31 December 2025 and 31 December 2024 are as follows;

Other Expenses from Main Operations	1 January- 31 December 2025	1 January- 31 December 2024
Discount Expenses	(1.338.129)	(715.736)
Cost of Damaged Vehicles and Goods	(32.515)	-
Donations and Grants	(92.763)	(2)
Non-deductable Expenses	(251.438)	-
Non-Deductible Expenses	(574.943)	(97.929)
Other Expenses	(21.637)	(92.047)
Total	**(2.311.425)**	**(905.714)**

NOTE 26 – INCOME / (EXPENSES) FROM INVESTING ACTIVITIES

The Group's income from investing activities for the fiscal years ended 31 December 2025 and 31 December 2024 is as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Gains on Sale of Fixed Assets	343.857	259.449
Lease Income	96.909	225.122
Gains on Sale of Securities	2.889.868	-
Other	1.005.864	543.321
Total	**4.336.498**	**1.027.892**

Expenses from Investing Activities	1 January- 31 December 2025	1 January- 31 December 2024

Losses on Sale of Fixed Assets	(2.552.925)	-
Other	-	(564.767)
Total	**(2.552.925)**	**(564.767)**

NOTE 27 – FINANCE INCOME / (EXPENSES)

The details of the Company's finance income for the fiscal years ended 31 December 2025 and 31 December 2024 are as follows;

Finance Income	1 January- 31 December 2025	1 January- 31 December 2024
Commission Interest Income	--	552.329
Interest Income	11.125.990	19.006.694
Foreign Currency Gains	14.473.488	--
Total	**25.599.478**	**19.559.023**

The details of the Company's finance expenses for the fiscal years ended 31 December 2025 and 31 December 2024 are as follows;

Finance Expenses	1 January- 31 December 2025	1 January- 31 December 2024
Foreign Currency Gains	--	(15.452.942)
Interest on Loans	(11.495.794)	(13.655.809)
Total	**(11.495.794)**	**(29.108.751)**

NOTE 28 – TAX ASSETS AND LIABILITIES

Deferred Tax

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

The breakdown of accumulated temporary differences and deferred tax assets and liabilities, prepared using the applicable tax rates as of the statement of financial position dates, is as follows;

Deferred Tax Assets / (Liabilities)	31 December 2025	31 December 2024
Investment Incentives and Loss Carryforwards	1.261.456	7.896.233
Receivables Discount	305.262	--
Provisions for Severance Pay	498.693	433.873
Provision for Employee Leave Entitlements	411.664	200.601
Provision for Doubtful Receivables	112.296	22.930
Accrued Loan Interest	(295.603)	(62.647)
Discount on Payables	(28.897)	--
Foreign Exchange Adjustments	10.813	--
Adjustments on Investment Properties	(229.464)	(1.118.799)
Amortization Adjustments on Tangible and Intangible Fixed Assets	7.172.455	(3.570.837)
Adjustments on Deferred Income	(29.935)	--
Other	32.923	(297.527)
Deferred Tax Assets	**9.221.663**	**3.503.827**

The Company's income / (expense) from taxes recognized in the statement of profit or loss for the fiscal years ended 31 December 2025 and 31 December 2024 is as follows;

Continuing Operations Tax Income / (Expense)	1 January- 31 December 2025	1 January- 31 December 2024
Deferred Tax Income / (Expense)	3.258.200	3.443.425
Net Tax Income / (Expense)	**3.258.200**	**3.443.425**

The movement of the Company's deferred tax assets and liabilities for the fiscal years ended 31 December 2025 and 31 December 2024 is presented below;

Deferred Tax Assets / (Liabilities)	31 December 2025	31 December 2024

Opening balance at the Beginning of the Period	3.503.827	(660.020)
Recognized in Profit or Loss	3.258.200	3.872.297
Recognized in Equity	2.659	147.896
Foreign Currency Translation Differences	2.456.977	143.654
Deferred Tax Assets / (Liabilities)	**9.221.663**	**3.503.827**

NOTE 28 – TAX ASSETS AND LIABILITIES (Continued)

Corporate Tax

The company is subject to corporate income tax in Turkey, and provisions for estimated tax liabilities related to the company's current period operating results have been recognized in the accompanying financial statements. Corporate tax is calculated on the taxable profit, which is determined by adjusting the accounting profit for expenses that are not deductible for tax purposes, adding tax-exempt income, subtracting non-taxable income and other deductions (if any, including prior year losses and, if elected, investment incentives), and the remaining taxable base is then subject to the applicable corporate income tax rate.

In Turkey, the corporate income tax rate is 25% as of 31 December 2025 (31 December 2024: 25%). The corporate tax rate is applied to the taxable profit, which is determined by adjusting the accounting profit for non-deductible expenses under tax legislation, adding tax-exempt income (such as participation exemption and investment incentives) and subtracting allowable deductions (such as R&D incentives). No further tax is payable if profits are not distributed

Prepaid corporate income tax for the year is offset against the corporate tax calculated in the tax return to be filed for the following year. If any prepaid tax remains after the offset, it can either be refunded in cash or applied against any other financial liabilities owed to the government

Tax authorities are authorized to review accounting records retrospectively for a period of five years, and if any discrepancies or errors are identified, they may adjust the tax amounts accordingly, resulting in additional tax assessments.

Tax Losses Carried Forward

Under Turkish tax legislation, tax losses reported in the tax return can be offset against taxable profits of subsequent periods for up to five years. However, tax losses cannot be offset against prior years' profits

Withholding Income Tax

In addition to corporate income tax, withholding income tax is required to be calculated on dividends, except for those distributed to fully taxable companies that include such dividends in their taxable profit and to the Turkish branches of foreign companies. The withholding income tax rate was 15% until the end of 2021 and 10% for subsequent periods. Capitalization of profit is not considered a dividend distribution, and dividends added to capital instead of being distributed are not subject to withholding income tax. The net loss resulting from foreign currency gains or losses on monetary assets and liabilities is as follows:

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 arising from a counterparty's failure to meet its contractual obligations. The Group is exposed to credit risk primarily through its trade receivables from sales on credit and deposits held at banks. The Group's management mitigates credit risk related to receivables by setting individual credit limits for each customer, obtaining guarantees where necessary, and, for customers deemed high-risk, restricting sales to cash collections only. The Group's exposure to collection risk arises mainly from trade receivables. Trade receivables are assessed by management based on past experience and current economic conditions, and an appropriate allowance for doubtful receivables is recognized to present the net amount in the statement of financial position.

The credit risk exposure of the Group by type of financial instrument as of 31 December 2025 and 31 December 2024 is presented below;

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

31 December 2025	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	Other
Maximum Credit Risk Exposure as of the Reporting Date (A+B+C+D+E) (*)	-	52.943.418	-	2.195.940	41.956.189	92
Portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net carrying amount of financial assets neither past due nor impaired	-	52.943.418	-	2.195.940	41.956.189	92
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be past due or impaired (**)	-	-	-	-	-	-
C.Net carrying amount of past due but not impaired financial assets	-	-	-	-	-	-
Portion secured by collateral, etc.	-	-	-	-	-	-
D. Net carrying amount of impaired financial assets	-	-	-	-	-	-
Past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	492.255	-	-	-	-
Portion of net amount secured by collateral, etc.	-	- 492.255	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net amount secured by collateral, etc.	-	-	-	-	-	-
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-

31 December 2024	Trade Receivables		Other Receivables		Cash and Cash Equivalents	
	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	Other
Maximum Credit Risk Exposure as of the Reporting Date (A+B+C+D+E) (*)	-	39.478.258	-	1.643.793	46.669.107	180
Portion of the maximum risk secured by collateral, etc.	-	-	-	-	-	-
A. Net carrying amount of financial assets neither past due nor impaired	-	39.478.258	-	1.643.793	46.669.107	180
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be past due or impaired (**)	-	-	-	-	-	-
C.Net carrying amount of past due but not impaired financial assets	-	-	-	-	-	-

Portion secured by collateral, etc.	-	-	-	-	-	-
D. Net carrying amount of impaired financial assets	-	-	-	-	-	-
Past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	101.256	-	-	-	-
Portion of net amount secured by collateral, etc.	-	- 101.256	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net amount secured by collateral, etc.	-	-	-	-	-	-
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-

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

(1) In determining the amounts, factors that enhance creditworthiness, such as received collateral, have not been taken into account. No collateral has been obtained for the receivables.

(2) No impairment or credit risk is expected in respect of financial assets that are neither past due nor impaired.

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

31.12.2025	Past Due Amounts	Allowance for Doubtful Receivables
Past Due Over 1 Year	492.255	(492.255)
Total	**492.255**	**(492.255)**
Portion Secured by Collateral etc.	-	-

	Receivables	
31.12.2024	Past Due Amounts	Allowance for Doubtful Receivables
Past Due Over 1 Year	101.256	(101.256)
Total	**101.256**	**(101.256)**
Portion Secured by Collateral etc.	-	-

Interest Rate Risk

Fluctuations in the value of financial instruments may arise due to changes in market prices. Such fluctuations may result from changes in the prices of securities or from factors specific to the issuer of the securities or affecting the market as a whole. The Group has no financial instruments with variable interest rates; therefore, it is not exposed to interest rate risk.

Foreign Exchange Risk

Foreign exchange risk arises from changes in exchange rates affecting the Group’s foreign currency-denominated assets, liabilities, and off-balance sheet commitments. Transactions in foreign currencies during the period are translated using the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Foreign exchange gains or losses resulting from the translation of foreign currency-denominated monetary assets and liabilities are recognized in the statement of profit or loss. The Group is exposed to foreign exchange risk when its monetary foreign currency liabilities exceed monetary foreign currency assets; in such cases, an increase in exchange rates would have an adverse impact on the Group

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

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

Foreign Currency Position Table

	31 December 2025			
	USD Equivalent (Functional Currency is USD)	**TL**	**EUR**	**GBP**
1. Trade Receivables	23.188.212	501.776.383	9.126.753	570.170
2a. Monetary Financial Assets (including cash and bank balances)	4.272.104	6.188.287	3.435.310	71.382
2b. Non-monetary Financial Assets	--	0	0	0
3. Other	13.144.628	441.069.355	2.423.914	4.046
4.Current Assets (1+2+3)	**40.604.943**	**949.034.025**	**14.985.977**	**645.598**
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)	40.604.943	949.034.025	14.985.977	645.598
10. Trade Payables	(6.078.392)	-	(5.156.840)	-19.415
11. Financial Liabilities	(50.261.923)	-	(42.825.271)	-
12a. Other Monetary Liabilities	(1.174.823)	(378.814)	(987.382)	(5.319)
12b. Other Non-Monetary Liabilities	--		-	-
13. Short-Term Liabilities(10+11+12)	**(57.515.138)**	**(378.814)**	**(48.969.493)**	**(24.734)**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	(47.395.838)	--	(47.395.838)	(47.395.838)
16a. Other Monetary Liabilities	--	--	--	--
16a. Other nbon-Monetary Liabilities	--	--	--	--
17. Long-term Liabilities (14+15+16)	**(47.395.838)**	**--**	**(47.395.838)**	**(47.395.838)**
18. Total Liabilities	**(104.910.976)**	**(378.814)**	**(96.365.331)**	**(24.734)**
19. Net Off-Balance Sheet Foreign Currency Derivative Assets/ (Liabilities) Position (19a-19b)	--	--	--	--
19a. Off-Balance Sheet Foreign Currency Derivatives – Asset Amount	--	--	--	--

19b. Off-Balance Sheet Foreign Currency Derivatives – Liability Amount	--	--	--	--
20. Net Foreign Currency Assets/Liabilities Position(9-18+19)	**(64.306.033)**	**948.655.211**	**(81.379.354)**	**620.864**
21. Net Foreign Currency Position of Monetary Items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(64.306.033)**	**948.655.211**	**(81.379.354)**	**620.864**

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

Foreign Currency Position Table

	31 December 2024			
	TL Equivalent (Functional Currency is USD)	**TL**	**EUR**	**GBP**
1. Trade Receivables	30.280.464	15.717.318	13.595.725	967.421
2a. Monetary Financial Assets (including cash and bank balances)	43.607.630	39.083.633	4.426.650	97.348
2b. Non-monetary Financial Assets	--	-	-	-
3. Other	5.556.390	5.138.416	412.904	5.070
4.Current Assets (1+2+3)	**79.444.484**	**59.939.367**	**18.435.278**	**1.069.839**
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**	**59.939.367**	**18.435.278**	**1.069.839**
10. Trade Payables	(7.658.087)	- 5.566.181	- 2.031.273	- 60.633
11. Financial Liabilities	(71.963.482)	- 8.253.830	- 63.709.653	-
12a. Other Monetary Liabilities	(856.848)	- 20.013	- 836.596	- 239
12b. Other Non-Monetary Liabilities	--	-	-	-
13. Short-Term Liabilities(10+11+12)	**(80.478.418)**	**- 13.840.023**	**- 66.577.522**	**- 60.872**
14. Trade Payables	--	-	-	-
15. Financial Liabilities	(14.045.670)	-	- 14.045.670	-
16a. Other Monetary Liabilities	--	-	-	-
16a. Other nbon-Monetary Liabilities	--	-	-	-
17. Long-term Liabilities (14+15+16)	(14.045.670)	-	- 14.045.670	-
18. Total Liabilities	**(94.524.088)**	**- 13.840.023**	**- 80.623.192**	**- 60.872**

19. Net Off-Balance Sheet Foreign Currency Derivative Assets/ (Liabilities) Position (19a-19b)	--	--	--	--
19a. Off-Balance Sheet Foreign Currency Derivatives – Asset Amount	--	--	--	--
19b. Off-Balance Sheet Foreign Currency Derivatives – Liability Amount	--	--	--	--
20. Net Foreign Currency Assets/Liabilities Position(9-18+19)	**(15.079.604)**	**46.099.343**	**(62.187.913)**	**1.008.966**
21. Net Foreign Currency Position of Monetary Items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(15.079.604)**	**46.099.343**	**(62.187.913)**	**1.008.966**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging		-	-	-

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

Foreign Exchange Risk Sensitivity Analysis

As of 31 December 2025, and 31 December 2024, if the Turkish Lira had **appreciated or depreciated by 10% against foreign currencies**, with all other variables held constant, the resulting **net foreign exchange gain or loss** arising from foreign currency-denominated assets and liabilities for the reporting period would have been as follows;

	Profit / (Loss)	**Equity**
	Foreign Currency Appreciation	Foreign Currency Depreciation
31.12.2025	In the event of a 10% change in the Turkish Lira against the US Dollar;	
1-Net Turkish Lira Assets / Liabilities	94.865.521	(94.865.521)
2-Turkish Lira Hedged Portion (-)	--	--
3-Net Effect of Turkish Lirai (1+2)	94.865.521	(94.865.521)
4-Net Euro Assets / Liabilities	(8.137.935)	8.137.935
5-Euro Hedged Portion (-)	--	--
6-Net Effect of Euro (4+5)	(8.137.935)	8.137.935
7-Net British Pound Assets / Liabilities	62.086	(62.086)
8-British Pound Hedged Portion (-)	--	--
9-Net Effect of British Pound (7+8)	62.086	(62.086)
Total (3+6+9)	**86.789.672**	**(86.789.672)**

	Profit / (Loss)	**Equity**
	Foreign Currency Appreciation	Foreign Currency Depreciation
31.12.2024	In the event of a 10% change in the Turkish Lira against the US Dollar;	
1-Net Turkish Lira Assets / Liabilities	4.609.934	(4.609.934)
2-Turkish Lira Hedged Portion (-)	-	-
3-Net Effect of Turkish Lirai (1+2)	4.609.934	(4.609.934)
4-Net Euro Assets / Liabilities	(6.218.791)	6.218.791
5-Euro Hedged Portion (-)	-	-
6-Net Effect of Euro (4+5)	(6.218.791)	6.218.791

7-Net British Pound Assets / Liabilities	1.008.966	(1.008.966)
8-British Pound Hedged Portion (-)	-	-
9-Net Effect of British Pound (7+8)	1.008.966	(1.008.966)
Total (3+6+9)	**(599.891)**	**599.891**

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

Liquidity Risk

Liquidity risk is the risk that the Group may be unable to meet its net funding obligations. Such risk arises from events that reduce the availability of funding sources, including market disruptions or a downgrade in the Group's credit rating. The Company's management manages liquidity risk by maintaining sufficient cash and cash equivalents to meet both current and potential obligations and by diversifying funding sources.

The tables below illustrate the Group's liquidity risk as of 31 December 2025 and 31 December 2024;

31.12.2025	Carrying Amount	Contractual Cash Flows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative Financial Liabilities						
Financial Liabilities	163.961.979	163.961.979	43.984.283	79.946.452	35.603.907	4.427.337
Trade Payables	67.399.401	67.399.401	67.399.401	-	-	-
Other Payables	272.164	272.164	272.164	-	-	-
Total	**231.633.544**	**231.633.544**	**111.655.848**	**79.946.452**	**35.603.907**	**4.427.337**

31.12.2024	Carrying Amount	Contractual Cash Flows	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**

When managing capital, the Group's objectives are to maintain the most appropriate capital structure in order to ensure the continuity of the group's operations, to provide returns to its shareholders and benefits to other stakeholders, and to reduce the cost of capital.

The Group monitors its capital management using the debt-to-equity ratio. This ratio is calculated by dividing net debt by total capital. Net debt is determined by deducting cash and cash equivalents from the total borrowings, which include both current and non-current liabilities as presented in the consolidated statement of financial position. Total capital is calculated as the sum of equity and net debt, as presented in the statement of financial position.

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

	31 December 2025	31 December 2024
Financial Liabilities	163.961.978	112.139.528

Less: Cash and Cash Equivalents	(41.956.281)	(46.669.287)
Net Debt	**122.005.697**	**65.554.089**
Total Equity	93.112.839	103.332.810
Total Capital	**215.118.536**	**168.886.899**
Net Debt/ Total Capital Ratio	**56,72%**	**38,82%**

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

Fair value represents the price at which a financial instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction, other than in a forced sale or liquidation scenario. Quoted market prices, if available, represent the most reliable evidence of the fair value of a financial instrument. The Group has estimated the fair values of its financial instruments to the extent that relevant and reliable information can be obtained from the financial markets in Turkey. These estimates may not necessarily reflect the amounts that could be realized in a market transaction. The methods and assumptions used by the Group in estimating the fair values of its financial instruments are described below.

The following methods and assumptions have been used to estimate the fair values of financial instruments for which fair value measurement is practically feasible:

Financial Assets

Monetary assets with carrying amounts approximating their fair values:

- Foreign currency balances are translated at the closing exchange rate at the reporting date.
- The fair values of certain financial assets presented at cost in the consolidated statement of financial position (e.g., cash and bank balances) are assumed to approximate their carrying amounts.
- The fair value of trade receivables is estimated to be close to their carrying amount after deducting the related allowances
-

Financial Liabilities

Monetary liabilities with carrying amounts approximating their fair values:

- The fair values of short-term borrowings and other monetary liabilities are assumed to approximate their carrying amounts due to their short-term nature.
- The fair value of long-term borrowings denominated in foreign currencies and translated at the closing exchange rates is assumed to equal their carrying amount.
- Trade payables and accrued expenses, representing amounts expected to be paid to third parties, are assumed to approximate their market values as reflected in the carrying amounts presented in the consolidated statement of financial position

Derivative Instruments

Derivative instruments held for speculative purposes, which do not meet the requirements for hedge accounting, are classified as "held for trading," and changes in their fair values are recognized in profit or loss. Derivative assets expected to be settled within 12 months after the reporting date are presented as current assets, while derivative liabilities with the same expected settlement period are presented as current liabilities.

The Group's derivative assets and liabilities arising from derivative transactions as of 31 December 2025 and 31 December 2024 are as follows:

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

The Group's derivative instruments as of the reporting dates are detailed below:

	31 December 2025		31 December 2024	
	Asset	**Liability**	**Asset**	**Liability**
Foreign Currnecy Forward Purchase /Sale Contracts	-	-	303.217	36.888
Forward Commodity Purchase / Sale Contracts	-	-	-	-
Total	**-**	**-**	**303.217**	**36.888**

NOTE 31 – EVENTS AFTER THE REPORTING PERIOD OF THE CONSOLIDATED FINANCIAL STATEMENTS

It has been decided to increase the paid-in capital of Mega Metal INC., a wholly owned subsidiary of the Group based in the USA, from its current level of USD 7.500.000 to USD 10.000.000, as part of the processes related to our investment in establishing a new production facility in the USA. This capital increase was announced to the public via a special disclosure on February 6, 2026.

NOTE 32 – OTHER MATTERS THAT HAVE A SIGNIFICANT EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENT OR THAT REQUIRE DISCLOSURE IN ORDER FOR THE CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

There are no such matters.