(CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 19)

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2026 AND INDEPENDENT AUDIT REVIEW REPORT

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation into English of a review report originally issued in Turkish)

Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi;

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi (the Company) and its subsidiaries (the Group) as of 30 June 2026 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Mehmet Başol Çengel, SMMM
Partner

6 August 2026
İstanbul, Türkiye

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EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

ASSETS	Note	(Reviewed) Current Period 30 June 2026 USD'000	(Reviewed) Current Period 30 June 2026 TRY'000	(Audited) Previous Period 31 December 2025 USD'000	(Audited) Previous 31 December 2025 TRY'000
CURRENT ASSETS		**5.699.982**	**265.474.934**	**5.849.533**	**250.627.343**
Cash and Cash Equivalents		2.604.979	121.326.093	2.695.176	115.476.723
Financial Investments		5.054	235.401	-	-
Trade Receivables		557.333	25.957.618	640.617	27.447.677
Due From Related Parties	*3*	*15.607*	*726.913*	*17.503*	*749.930*
Other Trade Receivables from Third Parties		*541.726*	*25.230.705*	*623.114*	*26.697.747*
Other Receivables		6.142	286.069	6.446	276.186
Due From Related Parties	*3*	*696*	*32.418*	*632*	*27.062*
Other Receivables from Third Parties		*5.446*	*253.651*	*5.814*	*249.124*
Financial Derivative Instruments		4.990	232.392	646	27.657
Inventories	4	2.136.727	99.517.419	2.086.220	89.385.563
Prepaid Expenses		65.241	3.038.597	47.873	2.051.174
Prepaid Expenses to Related Parties	*3*	*3.483*	*162.234*	*6.667*	*285.659*
Other Prepaid Expenses to Third Parties		*61.758*	*2.876.363*	*41.206*	*1.765.515*
Other Current Assets		319.516	14.881.345	372.555	15.962.363
NON CURRENT ASSETS		**7.163.211**	**333.624.411**	**7.186.342**	**307.903.852**
Financial Investments		3.936	183.327	4.347	186.245
Other Receivables		5.300	246.858	4.309	184.625
Due From Related Parties	*3*	*4.433*	*206.456*	*4.046*	*173.372*
Other Receivables from Third Parties		*867*	*40.402*	*263*	*11.253*
Financial Derivative Instruments		-	-	1	59
Investments Accounted for Using Equity Method	5	39.174	1.824.527	34.337	1.471.206
Investment Properties		32.492	1.513.282	32.549	1.394.573
Property, Plant and Equipment	6	6.586.791	306.777.827	6.472.056	277.299.787
Right of Use Assets		33.956	1.581.499	33.649	1.441.694
Intangible Assets		253.222	11.793.772	258.497	11.075.488
Goodwill		*18.781*	*874.731*	*18.781*	*804.696*
Other Intangible Assets	*6*	*234.441*	*10.919.041*	*239.716*	*10.270.792*
Prepaid Expenses		152.702	7.112.012	300.817	12.888.711
Prepaid Expenses to Related Parties	*3*	*1.306*	*60.829*	*1.306*	*55.958*
Other Prepaid Expenses to Third Parties		*151.396*	*7.051.183*	*299.511*	*12.832.753*
Deferred Tax Assets	11	16.608	773.510	9.089	389.430
Other Non Current Assets		39.030	1.817.797	36.691	1.572.034
TOTAL ASSETS		**12.863.193**	**599.099.345**	**13.035.875**	**558.531.195**

The details of presentation currency translation to TRY explained in Note 2.1.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

LIABILITIES	Note	(Reviewed) Current Period 30 June 2026 USD'000	(Reviewed) Current Period 30 June 2026 TRY'000	(Audited) Previous Period 31 December 2025 USD'000	(Audited) Previous 31 December 2025 TRY'000
CURRENT LIABILITIES		**3.188.820**	**148.785.900**	**2.723.795**	**116.913.185**
Short Term Borrowings	7	410.733	19.164.239	558.032	23.952.367
Short Term Portion of Long Term Borrowings	7	865.189	40.368.502	374.269	16.064.704
Trade Payables		1.736.349	81.015.600	1.601.989	68.762.035
Due to Related Parties	*3*	*130.866*	*6.106.016*	*168.435*	*7.229.719*
Other Trade Payables to Third Parties		*1.605.483*	*74.909.584*	*1.433.554*	*61.532.316*
Payables for Employee Benefits	9	47.346	2.209.078	56.129	2.409.225
Other Payables		14.833	692.070	11.399	489.281
Financial Derivative Instruments		1.510	70.464	4.978	213.680
Deferred Revenue		51.217	2.389.731	43.001	1.845.732
Current Tax Liabilities	11	5.731	267.422	11.766	505.046
Short Term Provisions	8	28.710	1.339.573	33.060	1.419.013
Other Current Liabilities		27.202	1.269.221	29.172	1.252.102
NON CURRENT LIABILITIES		**2.604.717**	**121.532.394**	**3.362.732**	**144.338.226**
Long Term Borrowings	7	2.176.257	101.541.090	2.756.660	118.323.824
Long Term Provisions		184.287	8.598.591	157.099	6.743.142
Long term provisions for employee benefits	*9*	*184.287*	*8.598.591*	*157.099*	*6.743.142*
Deferred Tax Liabilities	11	243.563	11.364.328	448.332	19.243.720
Other Non Current Liabilities		610	28.385	641	27.540
EQUITY		**7.069.656**	**328.781.051**	**6.949.348**	**297.279.784**
Equity Attributable to Equity Holders of the Parent		**6.847.750**	**318.646.912**	**6.723.092**	**287.771.905**
Share Capital	12	1.918.505	7.000.000	1.918.505	7.000.000
Treasury Shares (-)		(108.569)	(1.315.022)	(108.569)	(1.315.022)
Share Issue Premium (Discounts)		55.303	106.447	55.303	106.447
Other Comprehensive Income (Expenses) Not to be Reclassified to Profit (Loss)		(207.873)	130.299.565	(191.570)	118.701.456
Actuarial (Loss) Gain funds		*(192.188)*	*(3.352.325)*	*(175.885)*	*(2.593.253)*
Foreign Currency Translation Reserves		*(15.685)*	*133.651.890*	*(15.685)*	*121.294.709*
Other Comprehensive Income (Expense) to be Reclassified to Profit (Loss)		(308.258)	(14.382.930)	(300.714)	(12.907.506)
Foreign Currency Translation Reserves		*(309.418)*	*(14.437.031)*	*(299.805)*	*(12.868.507)*
Cash Flow Hedging Gain (Loss)		*1.160*	*54.101*	*(909)*	*(38.999)*
Restricted Reserves Assorted from Profit		1.568.955	14.022.976	1.520.777	11.864.692
Retained Earnings		3.728.850	173.982.914	3.816.379	163.810.037
Net Profit (Loss) for the Period		200.837	8.932.962	12.981	511.801
Non-Controlling Interests		**221.906**	**10.134.139**	**226.256**	**9.507.879**
TOTAL LIABILITIES AND EQUITY		**12.863.193**	**599.099.345**	**13.035.875**	**558.531.195**

The details of presentation currency translation to TRY explained in Note 2.1.

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Unaudited) Current Period 1 April- 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000	(Unaudited) Previous Period 1 April- 30 June 2025 TRY'000
Revenue	13	2.800.608	124.567.404	64.882.557	2.537.087	94.957.592	41.412.965
Cost of Sales	13	(2.560.397)	(113.883.136)	(59.003.908)	(2.332.224)	(87.290.004)	(37.546.635)
GROSS PROFIT		**240.211**	**10.684.268**	**5.878.649**	**204.863**	**7.667.588**	**3.866.330**
Marketing Expenses	14	(34.491)	(1.534.132)	(828.504)	(32.357)	(1.211.057)	(651.791)
General Administrative Expenses	14	(90.389)	(4.020.375)	(2.174.162)	(80.385)	(3.008.648)	(1.609.536)
Research and Development Expenses		(5.145)	(228.826)	(118.907)	(4.502)	(168.515)	(84.762)
Other Operating Income	14	27.779	1.235.560	578.547	34.530	1.292.343	773.219
Other Operating Expenses	14	(20.252)	(900.777)	(527.135)	(22.309)	(834.995)	(454.146)
OPERATING PROFIT		**117.713**	**5.235.718**	**2.808.488**	**99.840**	**3.736.716**	**1.839.314**
Income from Investing Activities		3.892	173.095	140.751	17.257	645.886	35.375
Expenses from Investing Activities	14	(50.536)	(2.247.794)	(2.224.314)	(2.485)	(93.015)	(10.532)
Share of Investments' Profit (Loss) Accounted by Using The Equity Method	5	4.837	215.139	152.524	1.043	39.021	25.182
OPERATING PROFIT BEFORE FINANCE INCOME (EXPENSES)		**75.906**	**3.376.158**	**877.449**	**115.655**	**4.328.608**	**1.889.339**
Finance Income	15	72.575	3.228.029	1.617.705	93.500	3.499.501	1.442.771
Finance Expense	15	(176.324)	(7.842.651)	(3.903.076)	(210.256)	(7.869.319)	(3.533.153)
Net Monetary Gain/(Loss)	16	32.848	1.461.107	734.125	11.631	435.332	173.452
PROFIT BEFORE TAX		**5.005**	**222.643**	**(673.797)**	**10.530**	**394.122**	**(27.591)**
Tax (Expense) Income	11	202.221	8.994.500	9.485.154	37.989	1.421.822	1.395.631
Current Corporate Tax (Expense) Income		(6.610)	(294.020)	(127.748)	(7.713)	(288.692)	(166.785)
Deferred Tax (Expense) Income		208.831	9.288.520	9.612.902	45.702	1.710.514	1.562.416
NET PROFIT (LOSS) FOR THE PERIOD		**207.226**	**9.217.143**	**8.811.357**	**48.519**	**1.815.944**	**1.368.040**
Non-Controlling Interests		6.389	284.181	262.251	2.218	83.000	61.485
Equity Holders of the Parent		200.837	8.932.962	8.549.106	46.301	1.732.944	1.306.555
EARNINGS PER SHARE (LOSS) (TRY 1 Nominal value per share)			1,3289	1,2718		0,2578	0,1944

The details of presentation currency translation to TRY explained in Note 2.1.

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Unaudited) Current Period 1 April- 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000	(Unaudited) Previous Period 1 April- 30 June 2025 TRY'000
PROFIT (LOSS) FOR THE PERIOD		**207.226**	**9.217.143**	**8.811.357**	**48.519**	**1.815.944**	**1.368.040**
OTHER COMPREHENSIVE INCOME (LOSS)							
Not to be reclassified subsequently to profit or loss							
Actuarial Gain (Loss) of Defined Benefit Plans		(19.132)	(890.869)	(890.869)	(12.573)	(499.778)	(499.778)
Tax Effect of Actuarial Gain (Loss) of Defined Benefit Plans	11	2.428	113.059	113.059	3.143	124.944	124.944
Foreign Currency Translation Gain (Loss)		-	27.318.480	16.027.994	-	32.156.416	14.199.485
To be reclassified subsequently to profit or loss							
Gain (Loss) in Cash Flow Hedging Reserves		2.757	124.132	(25.369)	(15.513)	(612.305)	(477.778)
Tax Effect of Gain (Loss) in Cash Flow Hedging Reserves	11	(689)	(31.033)	6.342	3.878	153.076	119.444
Foreign Currency Translation Gain (Loss)		(8.184)	(1.568.524)	(794.847)	(20.940)	(2.066.830)	(865.988)
OTHER COMPREHENSIVE INCOME (LOSS)		**(22.820)**	**25.065.245**	**14.436.310**	**(42.005)**	**29.255.523**	**12.600.329**
TOTAL COMPREHENSIVE INCOME (LOSS)		**184.406**	**34.282.388**	**23.247.667**	**6.514**	**31.071.467**	**13.968.369**
Distribution of Total Comprehensive Income							
Non-controlling Interests		7.417	1.139.277	714.273	1.946	1.016.836	461.600
Equity Holders of the Parent		176.989	33.143.111	22.533.394	4.568	30.054.631	13.506.769

The details of presentation currency translation to TRY explained in Note 2.1.

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

					Other comprehensive income (expense) not to be reclassified subsequently to profit or loss		Other comprehensive income (expense) to be reclassified subsequently to profit or loss			Retained Earnings				
(Reviewed)	Note	Share Capital	Treasury Shares (-)	Share Issue Premium (Discounts)	Foreign Currency Translation Reserves	Actuarial Gain (Loss) Funds	Cash Flow Hedging Gain (Loss)	Foreign Currency Translation Reserves	Restricted Reserves Assorted from Profit	Retained Earnings	Net Profit For The Period	**Equity Attributable to the Parent**	Non-controlling Interests	**Total Shareholders' Equity**
1 January 2026		**7.000.000**	**(1.315.022)**	**106.447**	**121.294.709**	**(2.593.253)**	**(38.999)**	**(12.868.507)**	**11.864.692**	**163.810.037**	**511.801**	**287.771.905**	**9.507.879**	**297.279.784**
Inflation effect (**)	2.1	-	-	-	-	-	-	-	493.257	935.671	-	**1.428.928**	156.018	**1.584.946**
Net profit for the period		-	-	-	-	-	-	-	-	-	8.932.962	**8.932.962**	284.181	**9.217.143**
Other comprehensive income (loss)		-	-	-	26.444.645	(759.072)	93.100	(1.568.524)	-	-	-	**24.210.149**	855.096	**25.065.245**
Total comprehensive income (loss)		-	-	-	26.444.645	(759.072)	93.100	(1.568.524)	-	-	8.932.962	**33.143.111**	1.139.277	**34.282.388**
Dividends (*)		-	-	-	-	-	-	-	-	(3.697.032)	-	**(3.697.032)**	(669.035)	**(4.366.067)**
Transfers		-	-	-	-	-	-	-	1.665.027	(1.153.226)	(511.801)	-	-	-
Increase (decrease) due to other changes (***)	2.1	-	-	-	(14.087.464)	-	-	-	-	14.087.464	-	-	-	-
30 June 2026		**7.000.000**	**(1.315.022)**	**106.447**	**133.651.890**	**(3.352.325)**	**54.101**	**(14.437.031)**	**14.022.976**	**173.982.914**	**8.932.962**	**318.646.912**	**10.134.139**	**328.781.051**
(Reviewed)														
1 January 2025		**7.000.000**	**(1.315.022)**	**106.447**	**98.513.282**	**(2.961.205)**	**47.523**	**(9.772.072)**	**10.973.470**	**120.873.630**	**13.481.348**	**236.947.401**	**7.477.010**	**244.424.411**
Inflation effect (**)	2.1	-	-	-	-	-	-	-	351.588	809.100	-	**1.160.688**	129.739	**1.290.427**
Net profit for the period		-	-	-	-	-	-	-	-	-	1.732.944	**1.732.944**	83.000	**1.815.944**
Other comprehensive income (loss)		-	-	-	31.212.102	(366.528)	(457.057)	(2.066.830)	-	-	-	**28.321.687**	933.836	**29.255.523**
Total comprehensive income (loss)		-	-	-	31.212.102	(366.528)	(457.057)	(2.066.830)	-	-	1.732.944	**30.054.631**	1.016.836	**31.071.467**
Dividends (*)		-	-	-	-	-	-	-	-	(1.680.469)	-	**(1.680.469)**	(37.169)	**(1.717.638)**
Transfers		-	-	-	-	-	-	-	239.268	13.242.080	(13.481.348)	-	-	-
Increase (decrease) due to other changes (***)	2.1	-	-	-	(18.101.921)	-	-	-	-	18.101.921	-	-	-	-
30 June 2025		**7.000.000**	**(1.315.022)**	**106.447**	**111.623.463**	**(3.327.733)**	**(409.534)**	**(11.838.902)**	**11.564.326**	**151.346.262**	**1.732.944**	**266.482.251**	**8.586.416**	**275.068.667**

(*) At Annual General Assembly dated 26 March 2026, dividend distribution (gross dividend per share: TRY 0,55 (2025: TRY 0,25) amounting to TRY 3.850.000 thousand from 2025 net profit and retained earnings (26 March 2025: TRY 1.750.000 thousand) was approved by majority of votes. As of 26 March 2026, which is the dividend distribution decision date of the Company, dividend pertaining to the shares owned by the Company due to the ownership of 3,97% of its own shares with a nominal value of 1 TRY, is shown by netting off the amount of dividends to be distributed. Group approved TRY 669.035 thousand (2025: TRY 37.169 thousand) dividend to non-controlling shares on Isdemir, which is subsidiary of the Group. Dividend distribution has began on 3 June 2026.

(**) Inflation adjustments were made in accordance with TAS 29 in the financial statements of subsidiaries that were subject to consolidation and whose functional currency was Turkish Lira.

(***) Retained earnings; in the condensed consolidated financial statements, in accordance with TAS 21, the details of conversion of retained earnings to the presentation currency, Turkish Lira, in the condensed consolidated statement of financial position dated 30 June 2026 by converting to US Dollars at historical rates, are explained in Note 2.1.

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000
CASH FLOWS FROM OPERATING ACTIVITIES		**483.398**	**21.285.028**	**877.563**	**34.035.787**
Profit (Loss) for The Period		**207.226**	**9.217.143**	**48.519**	**1.815.944**
Adjustments to Reconcile Profit (Loss)		**79.962**	**2.860.776**	**149.530**	**5.432.192**
Adjustments for Depreciation and Amortisation Expenses	6/13/14	168.633	7.500.579	133.110	4.982.030
Adjustments for Impairment Loss (Reversal of Impairment Loss)		46.571	2.071.395	(12.101)	(452.926)
Adjustments for Provision (Reversal of Provision) for Receivables		*(11)*	*(534)*	*(49)*	*(1.842)*
Adjustments for Provision (Reversal of Provision) for Inventories	*4*	*(13)*	*(563)*	*(9.728)*	*(364.111)*
Adjustments for Provision (Reversal of Provision) for Property, Plant and Equipment	*6*	*(2.462)*	*(109.516)*	*(2.324)*	*(86.973)*
Adjustments for Provision (Reversal of Provision) for Other Impairment	*14*	*49.057*	*2.182.008*	-	-
Adjustments for Provisions		34.948	1.554.483	40.682	1.522.608
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	*9*	*26.350*	*1.172.033*	*25.681*	*961.165*
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	*8*	*8.598*	*382.450*	*15.001*	*561.443*
Adjustments for Interest (Income) and Expenses		72.703	3.233.729	20.991	785.653
Adjustments for Interest Income	*15*	*(69.203)*	*(3.078.051)*	*(93.172)*	*(3.487.233)*
Adjustments for Interest Expense	*15*	*154.972*	*6.892.960*	*126.974*	*4.752.386*
Unearned Financial Income from Credit Sales		*(13.066)*	*(581.180)*	*(12.811)*	*(479.500)*
Adjustments for Unrealised Foreign Exchange Differences		(7.493)	(339.629)	4.107	155.289
Adjustments for Fair Value (Gains) Losses		(2.729)	(121.397)	23.129	865.671
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	*15*	*(2.729)*	*(121.397)*	*23.129*	*865.671*
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(4.837)	(215.139)	(1.043)	(39.021)
Adjustments for Tax (Income) Expenses	11	(202.221)	(8.994.500)	(37.989)	(1.421.822)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		1.096	48.773	(11.138)	(416.845)
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		*1.096*	*48.773*	*1.115*	*41.775*
Adjustments for Losses (Gains) on Disposal of Investment Properties		-	-	*(12.253)*	*(458.620)*
Other Adjustments for Reconciliation of Profit (Loss)		(26.709)	(1.877.518)	(10.218)	(548.445)
Changes in Working Capital		**223.371**	**10.415.167**	**636.781**	**25.330.405**
Adjustments for Decrease (Increase) in Trade Receivables		97.366	4.534.793	109.420	4.348.438
Decrease (Increase) in Trade Receivables from Related Parties		*1.896*	*88.306*	*(760)*	*(30.203)*
Decrease (Increase) in Trade Receivables from Third Parties		*95.470*	*4.446.487*	*110.180*	*4.378.641*
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		(237)	(11.039)	3.900	154.989
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-	-	*4.660*	*185.192*
Decrease (Increase) in Other Receivables from Operations from Third Parties		*(237)*	*(11.039)*	*(760)*	*(30.203)*
Decrease (Increase) in Derivative Financial Instruments		(4.343)	(202.273)	7.061	280.610
Adjustments for Decrease (Increase) in Inventories		(45.682)	(2.127.625)	123.826	4.920.944
Decrease (Increase) in Prepaid Expenses		(14.003)	(652.169)	7.083	281.484
Adjustments for Increase (Decrease) in Trade Payables		134.360	6.269.049	421.030	16.762.215
Increase (Decrease) in Trade Payable to Related Parties		*(37.569)*	*(1.752.917)*	*143.849*	*5.726.974*
Increase (Decrease) in Trade Payable to Third Parties		*171.929*	*8.021.966*	*277.181*	*11.035.241*
Adjustments for Increase (Decrease) in Other Payables Related from Operations		(3.024)	(141.096)	(70.478)	(2.805.898)
Increase (Decrease) in Other Payables to Third Parties Related from Operations		*(3.024)*	*(141.096)*	*(70.478)*	*(2.805.898)*
Increase (Decrease) in Derivative Liabilities		2.019	94.204	(8.929)	(355.485)
Adjustments for Other Increase (Decrease) in Working Capital		56.915	2.651.323	43.868	1.743.108
Decrease (Increase) in Other Assets Related from Operations		*50.700*	*2.361.339*	*47.127*	*1.872.857*
Increase (Decrease) in Other Payables Related from Operations		*6.215*	*289.984*	*(3.259)*	*(129.749)*
Cash Flows Provided by Operating Activities		**510.559**	**22.493.086**	**834.830**	**32.578.541**
Payments Related to Provisions for Employee Termination Benefits	9	(4.105)	(182.601)	(13.521)	(506.053)
Payments Related to Other Provisions	8	(10.799)	(480.302)	(6.077)	(227.427)
Income Taxes Refund (Paid)	11	(12.257)	(545.155)	(1.869)	(74.269)
Other Cash Inflows (Outflows)		-	-	64.200	2.264.995
CASH FLOWS FROM INVESTING ACTIVITIES		**(122.587)**	**(5.331.170)**	**(197.011)**	**(7.234.055)**
Cash Inflows Arising From Purchase of Third Parties' Debt Instruments or Funds		-	-	87.572	3.345.320
Cash Outflows Arising From Purchase of Third Parties' Debt Instruments or Funds		(5.000)	(222.393)	(42.280)	(1.582.447)
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		407	18.067	107	3.986
Cash Inflow from Sales of Property, Plant and Equipment		*407*	*18.067*	*107*	*3.986*
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(108.013)	(4.784.193)	(206.142)	(7.688.384)
Cash Outflow from Purchase of Property, Plant and Equipment		*(107.842)*	*(4.776.582)*	*(206.106)*	*(7.687.025)*
Cash Outflow from Purchase of Intangible Assets		*(171)*	*(7.611)*	*(36)*	*(1.359)*
Cash Inflow from Sales of Investment Property		-	-	147.913	5.600.000
Cash Advances		(9.981)	(342.651)	(184.181)	(6.912.530)
Other Cash Advances		*(9.981)*	*(342.651)*	*(184.181)*	*(6.912.530)*
CASH FLOWS FROM FINANCING ACTIVITIES		**(421.545)**	**(18.901.038)**	**(119.512)**	**(4.482.271)**
Cash Inflow from Borrowings		156.170	6.946.258	671.151	25.119.689
Cash Inflow from Loans		*156.170*	*6.946.258*	*671.151*	*25.119.689*
Cash Outflow from Repayments of Borrowings		(377.167)	(16.775.885)	(676.709)	(25.327.709)
Cash Outflow from Loan Repayments		*(377.167)*	*(16.775.885)*	*(676.709)*	*(25.327.709)*
Cash Outflow from Debt Payments for Leasing Contracts		(7.424)	(330.223)	(7.489)	(280.313)
Dividends Paid		(95.033)	(4.361.573)	-	-
Interest Paid		(164.673)	(7.324.424)	(189.783)	(7.103.177)
Interest Received		66.582	2.944.809	83.318	3.109.239
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**(60.734)**	**(2.947.180)**	**561.040**	**22.319.461**
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(31.222)	8.701.627	(16.402)	6.302.567
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(91.956)**	**5.754.447**	**544.638**	**28.622.028**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		2.691.681	115.326.954	1.564.322	55.189.748
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2.599.725**	**121.081.401**	**2.108.960**	**83.811.776**

- As of reporting date, the Group's total amount of time deposit interest accrual is TRY 244.692 thousand (USD 5.254 thousand) (30 June 2025: TRY 84.986 thousand (USD 2.139 thousand)).

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Erdemir Group ("Group"), is composed of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ("Erdemir" or "the Company"), and its subsidiaries which it owns the majority of their shares or has a significant influence on their management structure.

The main parent and ultimate controlling party of the Group are ATAER Holding A.Ş. and Ordu Yardımlaşma Kurumu, respectively.

Ordu Yardımlaşma Kurumu ("OYAK") was incorporated on 1 March 1961 under the Act No. 205 as a private entity under its own law subject to Turkish civil and commercial codes and autonomous in financial and administrative matters. OYAK, being an "aid and retirement fund" for Turkish Armed Forces members, provides various services and benefits within the framework of social security concept anticipated by Turkish Constitution. OYAK has direct and indirect subsidiaries in industry, finance and service sectors. The detailed information about OYAK can be found on its official website (www.oyak.com.tr).

Ereğli Demir ve Çelik Fabrikaları T.A.Ş. was incorporated in Türkiye as a joint stock company in 1960. The principal activities of the Company are production of iron, steel, alloyed and non-alloyed iron, cast and pressed steel, coke and their by-products.

The Company's shares have been traded in Istanbul Stock Exchange since the establishment of the Istanbul Stock Exchange (year 1986).

The main operations of the companies included in the consolidation and the share percentage of the Group for these companies are as follows:

Name of the Company	Country of Operation	Operation	2026 Effective Share Rate %	2025 Effective Share Rate %
İskenderun Demir ve Çelik A.Ş.	Türkiye	Integrated Steel Production	94,87	94,87
Erdemir Madencilik San. ve Tic. A.Ş.	Türkiye	Iron Ore and Pellet	90	90
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	Türkiye	Steel Service Center	100	100
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	Türkiye	Management and Consultancy	100	100
Erdemir Romania S.R.L.	Romania	Electrical Steel Production	100	100
Erdemir Asia Pacific Private Limited	Singapore	Trading	100	100
Erdemir Enerji Üretim A.Ş.	Türkiye	Renewable Energy Production	100	100
İsdemir Linde Gaz Ortaklığı A.Ş.	Türkiye	Industrial Gas Production and Sales	47	47
Kümaş Manyezit Sanayi A.Ş.	Türkiye	Magnesite Ore, Refractory	100	100
Yenilikçi Yapı Malz. ve Üretim San. Tic. A.Ş.	Türkiye	Recycling, Special Purpose Entity	100	100

The registered address of the Company is Barbaros Mahallesi Ardıç Sokak No:6 Ataşehir / İstanbul.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (cont'd)

The number of the personnel employed by the Group as of reporting date as follows:

	Paid Hourly Personnel	Paid Monthly Personnel	30 June 2026 Personnel
Ereğli Demir ve Çelik Fab. T.A.Ş.	4.135	1.820	5.955
İskenderun Demir ve Çelik A.Ş.	3.571	1.356	4.927
Erdemir Madencilik San. ve Tic. A.Ş.	191	176	367
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	236	79	315
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	-	306	306
Erdemir Romania S.R.L.	185	40	225
Erdemir Asia Pacific Private Limited	-	1	1
Kümaş Manyezit Sanayi A.Ş.	520	133	653
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	14	3	17
Erdemir Enerji Üretim A.Ş.	-	6	6
	8.852	3.920	12.772

	Paid Hourly Personnel	Paid Monthly Personnel	31 December 2025 Personnel
Ereğli Demir ve Çelik Fab. T.A.Ş.	4.166	1.801	5.967
İskenderun Demir ve Çelik A.Ş.	3.560	1.369	4.929
Erdemir Madencilik San. ve Tic. A.Ş.	193	175	368
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş.	235	80	315
Erdemir Mühendislik Yön. ve Dan. Hiz. A.Ş.	-	305	305
Erdemir Romania S.R.L.	186	40	226
Erdemir Asia Pacific Private Limited	-	1	1
Kümaş Manyezit Sanayi A.Ş.	553	137	690
Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş.	14	3	17
Erdemir Enerji Üretim A.Ş.	-	6	6
	8.907	3.917	12.824

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Group's subsidiaries incorporated in Türkiye maintain their legal books of account and prepare their statutory financial statements in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying condensed financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

In addition, the condensed interim consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

The financial statements are prepared on the basis of historical cost, with the exception of derivative financial instruments carried at fair value. In determining the historical cost, generally the fair value of the amount paid for the assets is taken as basis.

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed interim consolidated financial statements in the interim period. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as at 31 December 2025.

<u>Functional and reporting presentation currency</u>

Although the currency of the country in which is the Company is domiciled is Turkish Lira (TRY), the Company's functional currency is determined as US Dollar. US Dollar is used to a significant extent in, and has a significant impact on the operations of the Company and reflects the economic substance of the underlying events and circumstances relevant to the Company. Therefore, the Company uses the US Dollar in measuring items in its financial statements and as the functional currency.

The financial statements of each entity of the Group are presented in the currency (functional currency) valid in the basic economic environment in which they operate. The functional currency of the Company and its subsidiaries' İskenderun Demir ve Çelik A.Ş. "İsdemir", Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. "Ersem" and Kümaş Manyezit Sanayi A.Ş. "Kümaş" are US Dollars while the functional currency of Erdemir Madencilik San. ve Tic. A.Ş. "Ermaden", Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş., and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş. are Turkish Lira.

The accompanying condensed consolidated financial statements are prepared in Turkish Lira (TRY) in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013.

Functional currency for the subsidiaries abroad

The functional currency of the foreign subsidiaries Erdemir Asia Pacific Private Limited "EAPPL" and Erdemir Romania S.R.L is US Dollars and EUR respectively.

Functional currency of the joint venture

The functional currency of the Group's joint venture İsdemir Linde Gaz Ortaklığı A.Ş. is US Dollars.

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

<u>Adjustment of financial statements during periods of high inflation</u>

The Public Oversight, Accounting and Auditing Standards Authority ("POA") made a statement regarding the scope and application of TAS 29 on 23 November 2023. It has been stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting for the effect of inflation in accordance with the relevant accounting principles in TAS 29.

In accordance with CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards, starting from the annual financial reports for the accounting period ending as of 31 December 2023, has been decided to apply inflation accounting by applying articles of TAS 29.

TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements. If hyperinflation exists in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be expressed in the measurement unit valid at the end of the reporting period.

The company and its subsidiaries, İskenderun Demir ve Çelik A.Ş., Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. and Kümaş Manyezit Sanayi A.Ş., operating in Türkiye and whose functional currency is the US Dollar, do not need to make any adjustments within the scope of TAS 29 since their functional currencies are US Dollars, a non-inflationary currency, in their financial statements to be prepared in accordance with TFRS.

Accordingly, inflation adjustments were made in accordance with TAS 29 in the financial statements of Erdemir Madencilik San. ve Tic. A.Ş., Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş. and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş., which were subject to consolidation and whose functional currency is Turkish Lira.

All non-monetary assets and liabilities and profit or loss statements of subsidiaries whose functional currency of the Group is Turkish Lira have been adjusted using the Consumer Price Index. As a result of the correction made according to the inflation effect; The effect of TAS 29 indexation until 1 January 2023 is accounted under equity, and the effect of TAS 29 indexation of equity items after 1 January 2023, excluding the indexation effect, are accounted for in the consolidated statement of profit or loss.

Since the Company's functional currency is a non-inflationary currency; no adjustments made within the scope of inflation accounting for the amounts for the comparative periods presented in the attached condensed consolidated financial statements in accordance with TAS 29.

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Presentation currency translation

In accordance with the Public Oversight, Accounting and Auditing Standards Authority's ("POA") announcement "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards" dated 15 March 2021, the Group carried out a valuation for the assets and liabilities in the condensed consolidated financial statements based on the current buying and selling rates effective as of the end of the reporting period, and translated them into the presentation currency at the same exchange rates.

Presentation currency of the condensed consolidated financial statements is Turkish Lira. According to TAS 21 ("The Effects of Changes in Foreign Exchange Rates") financial statements, that are prepared in US Dollars for the Company, İsdemir, Ersem, Kümaş, EAPPL; in EUR for Erdemir Romania, have been translated in TRY as the following method:

a) The assets on condensed consolidated statement of financial position as of 30 June 2026 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying exchange rates which is TRY 46,5747 = US $ 1 and TRY 53,0866 = EUR 1 and the liabilities have been translated into TRY using the Central Bank of Türkiye's exchange selling rate which is TRY 46,6586 = US $ 1 and TRY 53,1823 = EUR 1 on the balance sheet date (Rates for assets and liabilities as of 31 December 2025: TRY 42,8457 = US $ 1, TRY 50,2859 = EUR 1; TRY 42,9229 = US $ 1, TRY 50,3765 = EUR 1 respectively).
b) For the six months period ended 30 June 2026, condensed consolidated statements of profit or loss are translated from average TRY 44,4787 = US $ 1 and TRY 51,9131 = EUR 1 rates of 2026 January – June period (30 June 2025: TRY 37,4278 = US $ 1 and 40,9554 = EUR 1).
c) Retain earnings and foreign currency translation reported under other comprehensive income (loss) to be reclassified subsequently to profit or loss are carried in US Dollar in the condensed consolidated financial statements after being translated into US Dollar at the historical currency rates as per TAS 21, and retained earnings in the statement of condensed consolidated financial position as of 30 June 2026 are presented by being translated at the TRY 46,6586 = US $ 1 rate, which is the effective foreign currency selling rate as of 30 June 2026 as announced by the Central Bank of the Republic of Türkiye (31 December 2025: TRY 42,9229 = US $ 1).
d) Exchange differences arising from translation to TRY presentation currency are shown in other comprehensive income as of foreign currency translation reserve.
e) Share capital and restricted legal reserves are presented in the accompanying financial statements at their values in the statutory records. The differences between the values arising from translation of the historical values of these items into the presentation currency and their carrying values from statutory records are recognized as foreign currency translation differences in the statement of other comprehensive income.

USD amounts presented in the condensed interim financial statements

The figures in USD amounts presented in the accompanying condensed interim consolidated financial statements comprising the condensed consolidated statements of financial position as of 30 June 2026 and 31 December 2025, condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of cash flows for the interim period ended 30 June 2026 and 2025 represent the condensed consolidated financial statements prepared according to USD reporting currency within the frame of functional currency change that the Company has made, which is effective as of 1 July 2013, prepared in accordance with the TAS 21- Effects of Changes in Foreign Exchange Rates.

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Going concern

The Group prepared its condensed interim consolidated financial statements in accordance with the going concern assumption.

Approval of the consolidated financial statements

The condensed interim consolidated financial statements have been approved and authorized to be published on 6 August 2026 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

2.2 Comparative Information and Restatement of Consolidated Financial Statements with Prior Periods

The Group's condensed consolidated financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period condensed consolidated financial statements.

2.3 Adoption of New and Revised Financial Reporting Standards

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as of 30 June 2026 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS standards and TFRS interpretations effective as of 1 January 2026 summarized below.

a) Amendments that are mandatorily effective from 1 January 2026

Amendments to TFRS 9 and TFRS 7 : Classification and Measurement of Financial Instruments
Amendments to TFRS 9 and TFRS 7 : Contracts Referencing Nature-dependent Electricity
Annual Improvements to TFRSs : Volume 11

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

Amendments to TFRS 9 and TFRS 7 :Classification and measurement of financial instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognized on the settlement date.

It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The new requirements are applied retrospectively with an adjustment to opening retained earnings.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

a) Amendments that are mandatorily effective from 1 January 2026 (cont'd)

Amendments to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price".
- TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.
- TAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

b) TFRSs in issue but not yet effective and not early adopted

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to TFRS 10 and TAS 28	:Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
TFRS 17	:The Standard for Insurance Contracts
TFRS 18	:The Standard for Presentation and Disclosure Financial Statements
TFRS 19	:Subsidiaries without Public Accountability:Disclosures
TAS 21	:Translation to a Hyperinflationary Presentation

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

b) TFRSs in issue but not yet effective and not early adopted (cont'd)

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

In December 2017, POA postponed the effective date of these amendments to TFRS 10 and TAS 28 indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 The Standard for Insurance Contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2027 with the announcement made by the POA.

TFRS 18 The Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

TFRS 19 The Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards.

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective and not early adopted (cont'd)

TFRS 19 The Standard for Subsidiaries without Public Accountability: Disclosures (cont'd)

An entity that is a subsidiary does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

Amendments to TAS 21 Translation to a Hyperinflationary Presentation

The amendments issued by the POA in April 2026 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with TAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with TAS 29. Other entities will apply the amendments retrospectively.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.4 Summary of Significant Accounting Policies

The condensed interim consolidated financial statements for the six months period ended 30 June 2026 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements for the six months period ended 30 June 2026, are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2025.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025. As explained in Note 1 there has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope of consolidation as of 30 June 2026, from the interests reported as of 31 December 2025.

2.5 Restatement and Errors in the Accounting Policies and Estimates

Any change in the accounting policies resulted from the first time adoption of a new standards is made either retrospectively or prospectively in accordance with the transition requirements of the standards. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.6 Segment Reporting

The operations of the Group in İskenderun and Ereğli have been defined as geographical segments. However, the segments with similar economic characteristics have been combined into a single operating segment considering the nature of the products and the production processes, methods to allocate the products and the type of customers or to provide services.

NOTE 3 – RELATED PARTY DISCLOSURES

The main parent and ultimate controlling parties of the Group are ATAER Holding A.Ş. and Ordu Yardımlaşma Kurumu, respectively (Note 1).

The transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated in the consolidation and therefore are not disclosed in this note.

The details of transactions between the Group and other related parties are disclosed below:

Due from related parties (short term)	30 June 2026	31 December 2025
OYAK NYK RO-RO Liman İşletmeleri A.Ş. [1]	95.129	-
OYAK Renault Otomobil Fab. A.Ş.[2]	430.270	606.024
İsdemir Linde Gaz Ortaklığı A.Ş.[3]	-	12.047
OYAK Çimento Fabrikaları A.Ş. [2]	15.140	30.860
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş. [1]	150.522	95.927
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. [1]	5.779	-
Other	30.073	5.072
	726.913	749.930

The trade receivables from related parties mainly arise from sales of steel, energy, service and by-products.

(1) Subsidiaries of the parent company
(2) Joint venture of the parent company
(3) Joint venture of the subsidiary
(4) Ultimate partner

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 3 – RELATED PARTY DISCLOSURES (cont'd)

Other receivables from related parties (short term)	30 June 2026	31 December 2025
OYAK NYK RO-RO Liman İşletmeleri A.Ş. [1]	32.418	27.062
	32.418	27.062

Other receivables from related parties (long term)	30 June 2026	31 December 2025
OYAK NYK RO-RO Liman İşletmeleri A.Ş. [1]	206.456	173.372
	206.456	173.372

Short term and long term other receivables from related parties, consists of monetary receivables within the scope of sub-leases in accordance with TFRS 16.

Prepaid expenses to related parties(short term)	30 June 2026	31 December 2025
OYAK Pazarlama Hizmet ve Turizm A.Ş.[1]	540	-
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.[1]	159.411	285.623
OYAK Çimento Fabrikaları A.Ş. [2]	2.244	-
Other	39	36
	162.234	285.659

Prepaid expenses to related parties (long term)	30 June 2026	31 December 2025
OYAK Savunma ve Güvenlik Sistemleri A.Ş.[1]	60.829	55.958
	60.829	55.958

Prepaid expenses from related parties are generally related with services and advance transactions of fixed assets.

(1) Subsidiaries of the parent company
(2) Joint venture of the parent company
(3) Joint venture of the subsidiary
(4) Ultimate partner

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 3 – RELATED PARTY DISCLOSURES (cont'd)

Due to related parties (short term)	30 June 2026	31 December 2025
Amsterdam Scrap Terminal B.V. [1]	2.050.874	3.403.140
OYAK Dijital Bilişim ve Teknoloji A.Ş. [1]	51.603	38.898
Omsan Lojistik A.Ş.[1]	1.453.308	1.198.653
Ordu Yardımlaşma Kurumu [4]	471.055	784.690
OYAK Pazarlama Hizmet ve Turizm A.Ş.[1]	871.428	777.213
OYAK Savunma ve Güvenlik Sistemleri A.Ş.[1]	329.708	288.014
Omsan Logistica SRL[1]	5.607	17.459
OYAK Denizcilik ve Liman İşletmeleri A.Ş. [1]	604.480	406.809
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.[1]	40.586	41.207
OYAK İnşaat A.Ş. [1]	-	41.323
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. [1]	20.951	26.496
Doco Petrol ve Danışmanlık A.Ş. [1]	88.046	67.806
Other	118.370	138.011
	6.106.016	7.229.719

Trade payables to related parties mainly arise from purchase of services, fixed assets, energy and scrap.

Major sales to related parties	1 January - 30 June 2026	1 January - 30 June 2025
Ordu Yardımlaşma Kurumu [4]	-	5.536.072
OYAK Renault Otomobil Fab. A.Ş.[2]	1.251.725	1.273.184
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. [1]	433	2.464
OYAK Çimento Fabrikaları A.Ş. [2]	16.190	12.172
Likitgaz Dağıtım ve Endüstri A.Ş. [1]	1.263	17.251
OYAK Denizcilik ve Liman İşletmeleri A.Ş.[1]	8.741	8.879
İskenderun Enerji Üretim ve Ticaret A.Ş. [1]	701.611	2.470.450
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş. [1]	337.983	240.960
İsdemir Linde Gaz Ortaklığı A.Ş.[3]	200.837	213.555
Other	1.358	53.958
	2.520.141	9.828.945

The major sales to related parties are generally due to the sales transactions of iron, steel, raw material, by-products and service transactions.

(1) Subsidiaries of the parent company
(2) Joint venture of the parent company
(3) Joint venture of the subsidiary
(4) Ultimate partner

The name of İndisol Bilişim ve Teknoloji Hizmetleri A.Ş., a subsidiary of the ultimate partner, has been changed to OYAK Dijital Bilişim ve Teknoloji A.Ş. as of the reporting date.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 3 – RELATED PARTY DISCLOSURES (cont'd)

The Group had carried out a fixed asset sale amounting to TRY 5.600.000 thousand from the "Investment Properties" item in the condensed consolidated financial position statement's previous period to its ultimate parent, the Ordu Yardımlaşma Kurumu, as of the sale date.

The amount related to the sale of investment property was collected in cash as of the previous period and reported under "Cash Inflow from Sales of Investment Property" in the consolidated statement of cash flow.

The fair value related to the sale was determined based on valuations conducted by independent appraisal companies authorized by the CMB, primarily referencing comparable property values.

As of previous period, the income of TRY 458.620 thousand obtained from the sale of the investment property has been recorded under the "Income from Investment Activities" item in the Group's condensed consolidated statement of profit or loss.

Major purchases from related parties	1 January - 30 June 2026	1 January - 30 June 2025
AST Trade FZCO (1)	147.104	-
Amsterdam Scrap Terminal B.V. (1)	2.042.703	2.511.808
Omsan Denizcilik A.Ş.(1)	223.768	372.239
OYAK Pazarlama Hizmet ve Turizm A.Ş.(1)	1.544.514	1.195.870
Omsan Lojistik A.Ş.(1)	3.245.609	2.339.824
OYAK Savunma ve Güvenlik Sistemleri A.Ş.(1)	499.081	482.100
Omsan Logistica SRL(1)	61.021	91.625
OYAK Denizcilik ve Liman İşletmeleri A.Ş.(1)	999.549	520.100
Doco Petrol ve Danışmanlık A.Ş. (1)	155.510	102.150
İsdemir Linde Gaz Ortaklığı A.Ş.(3)	408.783	373.446
OYAK Çimento Fabrikaları A.Ş. (2)	131.326	142.434
OYAK İnşaat A.Ş. (1)	1.870	548.800
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.(1)	1.383.961	242.082
Güzel Enerji Akaryakıt A.Ş.(1)	11.664	10.809
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş. (1)	7.181	7.281
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş. (1)	33.205	33.315
OYAK Dijital Bilişim ve Teknoloji A.Ş. (1)	167.995	137.207
Other	360.494	389.175
	11.425.338	9.500.265

Purchases from related parties are generally related to services, fixed assets, energy and scrap purchases.

(1) Subsidiaries of the parent company
(2) Joint venture of the parent company
(3) Joint venture of the subsidiary
(4) Ultimate partner

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 3 – RELATED PARTY DISCLOSURES (cont'd)

The terms and policies applied to the transactions with related parties performed:

The period end balances are un-secured and their collections will be in cash. For the six months period ended 30 June 2026, the Group did not set any provision for the receivables from related parties (31 December 2025: None).

Salaries, bonuses and other benefits of the key management:

The key management of the Group consists of the Board of Directors, the Group President and Vice Presidents, General Manager and Assistant General Managers. For the six months period ended 30 June 2026, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the key management of the Group is TRY 105.849 thousand (30 June 2025: TRY 122.699 thousand).

NOTE 4 – INVENTORIES

As of the reporting date, the detail of the Group's inventories is as follows:

	30 June 2026	31 December 2025
Raw materials	23.402.527	24.199.305
Work in progress	19.154.942	15.662.542
Finished goods	15.637.815	13.735.590
Spare parts	19.303.196	17.304.164
Goods in transit	16.248.002	12.924.967
Other inventories	8.400.028	7.978.590
Allowance for impairment on inventories (-)	(2.629.091)	(2.419.595)
	99.517.419	89.385.563

The movement of the allowance for impairment on inventories is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	2.419.595	2.895.193
Provision for the period	-	211.612
Provision released (-)	(563)	(575.723)
Translation difference	210.059	344.572
Closing balance	2.629.091	2.875.654

The Group has provided the provision for the impairment on the inventories of finished goods and work in progress within the scope of aging reports in the cases when their net realizable values are lower than their costs or for slow moving inventories. The provision for the period and provision released has been recognized under cost of sales (Note 13). There is no provision released in the consolidated financial statements of subsidiaries whose functional currency is the Turkish Lira as of the reporting date.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Group's detail of the investments accounted for using equity method of the as follows:

	Right to vote ratio %	30 June 2026	Right to vote ratio %	31 December 2025	Business segment
Joint Venture					
İsdemir Linde Gaz Ortaklığı A.Ş.	50	1.824.527	50	1.471.206	Industrial Gas Production and Sale

Group's investments accounted for using equity method movement is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	1.471.206	1.280.062
Net profit (loss)	215.139	39.021
Dividend	-	(180.298)
Translation difference	138.182	159.369
Closing balance	1.824.527	1.298.154

Group's share on net assets of investments accounted for using equity method is as follows:

	30 June 2026	31 December 2025
Total assets	3.732.537	3.116.147
Total liabilities	83.483	173.736
Net assets	3.649.054	2.942.411
Group's share on net assets	1.824.527	1.471.206

	30 June 2026	31 December 2025
Share capital	140.000	140.000

İsdemir Linde Gaz Ortaklığı A.Ş., as an affiliate of the Group under joint management, benefited from right of to deduct TRY 110.643 thousand (31 December 2025: TRY 24.485 thousand) from corporate tax of the investment deduction where profit will occur in the upcoming years pursuant to the Resolution No 2012/3305 on Government Aids in Investments and the Cabinet Decision issued in the Official Gazette on 22 February 2017. The deferred tax asset of TRY 86.158 thousand of additional investment deduction (its effect in the profit or loss statement of Group is TRY 43.079 thousand) is included in the financial statements prepared as of reporting date.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (cont'd)

Group's share on profit of investments accounted for using equity method is as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Revenue	415.466	411.510
Operating profit	74.605	101.361
Net profit (loss) for the period	430.278	78.041
Group's share on net profit (loss)	215.139	39.021

NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

As of reporting the date, the details of Group's movement of tangible assets is as follows:

	30 June 2026	30 June 2025
Opening balance as of 1 January		
Cost	570.787.846	439.111.528
Accumulated depreciation	(293.488.059)	(232.198.675)
Net book value	277.299.787	206.912.853
Net book value at the beginning of the period	277.299.787	206.912.853
Inflation Effect	3.452.696	1.824.973
Additions (*)	10.669.721	20.487.744
Disposals (-)	(66.840)	(45.186)
Cost of disposals	*(530.393)*	*(226.406)*
Accumulated depreciation of disposals	*463.553*	*181.220*
Transfers to intangible assets	(26.311)	(26.474)
Currency translation difference	22.590.552	25.899.226
Cost currency translation difference	*47.486.560*	*54.702.763*
Accumulated depreciation currency translation difference	*(24.896.008)*	*(28.803.537)*
Current period depreciation (-)	(7.251.294)	(4.777.940)
Impairment released (losses)	109.516	86.973
Net book value at the end of the period	306.777.827	250.362.169
Closing balance end of period		
Cost	633.929.057	517.287.186
Accumulated depreciation	(327.151.230)	(266.925.017)
Net book value	306.777.827	250.362.169

(*) The amount of capitalized borrowing cost is TRY 688.568 thousand for the current period (30 June 2025: TRY 996.124 thousand).

As of 30 June 2026, the Group has no collaterals or pledges on upon its tangible assets (30 June 2025: None).

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS (cont'd)

As of the reporting date, the details of Group's movement of intangible assets is as follows:

	30 June 2026	30 June 2025
Opening balance as of 1 January		
Cost	17.504.421	14.133.803
Accumulated amortisation	(7.233.629)	(5.453.369)
Net book value	10.270.792	8.680.434
Net book value at the beginning of the period	10.270.792	8.680.434
Inflation Effect	4.030	2.384
Additions	7.611	1.359
Disposals (-)	-	(575)
Cost disposals	-	*(841)*
Accumulated depreciation disposals	-	*266*
Transfers from tangible assets	26.311	26.474
Currency translation difference	881.456	1.081.402
Cost currency translation difference	*1.517.817*	*1.787.770*
Accumulated depreciation currency translation difference	*(636.361)*	*(706.368)*
Current period amortisation (-)	(271.159)	(257.300)
Net book value at the end of the period	10.919.041	9.534.178
Closing balance end of period		
Cost	19.075.935	15.961.301
Accumulated amortisation	(8.156.894)	(6.427.123)
Net book value	10.919.041	9.534.178

As of 30 June 2026, the Group has no collaterals or pledges on upon its intangible assets (30 June 2025: None).

The distribution of total depreciation and amortization expenses related to tangible, intangible assets, right of use assets amounting to TRY 189.191 thousand (30 June 2025: TRY 165.642 thousand) and investment properties amounting to TRY 2.545 thousand (30 June 2025: TRY 36.991 thousand) are as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Associated with cost of production	7.098.709	4.769.100
General administrative expenses	322.017	258.706
Marketing expenses	248.006	173.447
Research and development expenses	45.457	36.620
	7.714.189	5.237.873

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 7 – BORROWINGS

The Group's detail of the borrowings as of reporting date is as follows:

	30 June 2026	31 December 2025
Short term bank borrowings	19.164.239	23.952.367
Short term portion of long term bank borrowings	36.239.204	12.263.172
Long term bank borrowings	58.339.852	78.525.865
Total bank borrowings	113.743.295	114.741.404
Short term portion of long term corporate bonds issued	3.618.251	3.329.658
Long term corporate bonds issued	42.307.701	38.932.382
Total corporate bonds issued	45.925.952	42.262.040
Short term portion of long term lease payables	570.183	516.190
Cost of short term portion of long term lease payables (-)	(59.136)	(44.316)
Long term lease payables	4.385.963	3.781.321
Cost of long term lease payables (-)	(3.492.426)	(2.915.744)
Total lease payables	1.404.584	1.337.451
Total borrowings	161.073.831	158.340.895

The bond issued abroad, with a nominal value of USD 750 million, a maturity of 5 years, a redemption date of 23 July 2029, priced over a resale yield of 8,625%, and a coupon rate of 8,375% with payment per 6 months, was completed as of 23 July 2024. In addition to aforementioned bond, another bond issued abroad, with a nominal value of USD 200 million, a maturity of 5 years, a redemption date of 23 July 2029, an annual yield rate of 8,125%, and an annual coupon rate of 8,375% with payment per 6 months, was completed as of 30 July 2024. As of the reporting date, the Group has fulfilled its financial ratio obligations related to the bond.

As of 30 June 2026, the breakdown of the Group's loans and issued corporate bonds with their original currency and weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weighted Average Rate of Effective Interest (%)	Short Term Portion	Long Term Portion	30 June 2026
Fixed	TRY	40,25	8.448.929	-	8.448.929
Fixed	US Dollars	7,87	30.212.681	80.086.975	110.299.656
Fixed	EURO	5,10	2.124.956	-	2.124.956
Floating	US Dollars	TERM SOFR+2,76	17.551.627	18.159.801	35.711.428
Floating	EURO	Euribor+0,47	683.501	2.400.777	3.084.278
			59.021.694	100.647.553	159.669.247

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 7– BORROWINGS (cont'd)

As of 31 December 2025, the breakdown of the Group's loans and issued corporate bonds with their original currency and their weighted average interest rates is as follows:

Interest Type	Type of Currency	Weighted Average Rate of Interest (%)	Short Term Portion	Long Term Portion	31 December 2025
Fixed	TRY	44,94	9.129.599	-	9.129.599
Fixed	US Dollars	7,81	21.491.416	87.075.966	108.567.382
Fixed	EURO	5,10	1.955.182	-	1.955.182
Floating	US Dollars	TERM SOFR+3	6.320.491	27.797.432	34.117.923
Floating	EURO	Euribor+0,47	648.509	2.584.849	3.233.358
			39.545.197	117.458.247	157.003.444

Breakdown of loan repayments according to their maturities are as follows:

	30 June 2026			
	Bank Borrowings	Corporate Bonds Issued	Lease Payables	Total Borrowings
Within 1 year	55.403.443	3.618.251	511.047	59.532.741
Between 1-2 years	35.698.471	3.333.048	107.403	39.138.922
Between 2-3 years	14.448.930	3.069.636	57.113	17.575.679
Between 3-4 years	3.608.401	35.905.017	32.038	39.545.456
Between 4-5 years	951.198	-	27.845	979.043
Five years or more	3.632.852	-	669.138	4.301.990
	113.743.295	45.925.952	1.404.584	161.073.831

	31 December 2025			
	Bank Borrowings	Corporate Bonds Issued	Lease Payables	Total Borrowings
Within 1 year	36.215.539	3.329.658	471.874	40.017.071
Between 1-2 years	47.013.522	3.067.203	150.613	50.231.338
Between 2-3 years	19.055.458	2.825.124	71.956	21.952.538
Between 3-4 years	6.819.680	33.040.055	27.907	39.887.642
Between 4-5 years	1.599.783	-	24.253	1.624.036
Five years or more	4.037.422	-	590.848	4.628.270
	114.741.404	42.262.040	1.337.451	158.340.895

NOTE 8 - PROVISIONS

As of reporting date the Group's short term provisions are as follows:

	30 June 2026	31 December 2025
Provision for lawsuits	1.167.633	1.197.012
Penalty provision for employment shortage of disabled personnel	38.442	24.030
Provision for state right on mining activities	128.928	190.407
Provision for land occupation	4.570	7.564
	1.339.573	1.419.013

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 8 – PROVISIONS (cont'd)

The movement of the provisions is as follows:

	1 January 2026	Change for the period	Payments	Provision released	Translation difference	30 June 2026
Provision for lawsuits	1.197.012	344.057	(303.466)	(80.465)	10.495	1.167.633
Penalty provision for employment shortage of disabled personnel	24.030	14.407	-	-	5	38.442
Provision for state right on mining activities	190.407	107.592	(176.836)	-	7.765	128.928
Provision for land occupation	7.564	2.176	-	(5.317)	147	4.570
	1.419.013	468.232	(480.302)	(85.782)	18.412	1.339.573

	1 January 2025	Change for the period	Payments	Provision released	Translation difference	30 June 2025
Provision for lawsuits	880.160	512.935	(37.090)	(58.225)	34.533	1.332.313
Penalty provision for employment shortage of disabled personnel	9.505	12.540	-	-	139	22.184
Provision for state right on mining activities	149.949	100.925	(152.613)	(3.402)	7.513	102.372
Provision for land occupation	47.930	2.912	(37.724)	(6.242)	801	7.677
	1.087.544	629.312	(227.427)	(67.869)	42.986	1.464.546

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 8 – PROVISIONS (cont'd)

Provision for lawsuits

As of reporting date, lawsuits filed by and against the Group are as follows:

	30 June 2026	31 December 2025
Lawsuits filed by the Group	1.872.016	1.981.681

The provision for the lawsuits filed by the Group represents the doubtful trade receivables and other receivables.

	30 June 2026	31 December 2025
Lawsuits filed against the Group	720.122	701.000
Provision for lawsuits filed against the Group	1.167.633	1.197.012

Resolution of Constitutional Court on Electricity and Coal Gas Consumption Tax

The claims filed every month for refunding of taxes paid and deduction thereof from Electric and Coal Gas Consumption Tax collected by the Municipality on the Electric and Coal Gas consumption quantity produced by the Company in the facilities and used for industrial production of the Company were concluded in the court of first instance and the Council of State against the Company. Thereafter, the Company used its right to individual application at the Constitutional Court on 16 March 2015. In the General Assembly Resolution of Constitutional Court notified to the Company on 27 December 2018, it is decided that the property rights of the Company were violated, and retrial should be held in order to eliminate the consequences of the violation of the property rights for 15 cases which were brought together within the scope of Company's individual application.

Similarly, the Constitutional Court that the Company's property right was violated, and retrial should be held in order to eliminate the consequences of the violation of the property rights for 21 cases which were brought together within the scope of the Company's individual application.

There are 3 applications for which the decisions are awaited from the Constitutional Court.

The cases which the Constitutional Court has sent to Zonguldak Tax Court to be retrialed, have been retrialed by Zonguldak Tax Court and the Court has resolved in favor of the Company. 69 cases have been finalized in favor of the Company.

Lawsuit against The Municipality of Kdz. Ereğli's Tax Penalty Notifications

A real estate tax review was carried out by the Municipality of Kdz Ereğli under the name of "Real Estate Tax Determination Field Study" at Company's Ereğli facilities in August 2019. As a result of this tax inspection, 1.924 tax penalty notifications were notified to the company on 23 December 2019. With the 1.924 tax penalty notices, the building tax and related cultural assets contribution share has been levied for 2014 to 2019, as well as the tax loss penalty for the same periods. The amount of tax and related cultural assets contribution assessment is TRY 25.586 thousand and TRY 23.888 thousand tax loss penalty has been imposed.

NOTE 8 – PROVISIONS (cont'd)

Provision for lawsuits (cont'd)

Lawsuit against The Municipality of Kdz. Ereğli's Tax Penalty Notifications (cont'd)

6 lawsuits were filed against the notifications for penalty in the Zonguldak Tax Court by the Company on 20 January 2020. Zonguldak Tax Court has accepted the lawsuits and decided to cancel such notifications. Karadeniz Ereğli Municipality appealed against the decisions. Ankara Regional Administrative Court rejected the appeal of Kdz. Ereğli Municipality subject to appeal. Kdz. Ereğli Municipality appealed to the Council of State. The Council of State rejected the appeal of Kdz. Ereğli Municipality. The cases have been finalized in favor of the Company on 6 December 2022.

Lawsuits against Cease and Desist Orders and Zoning Administrative Fines of The Municipality of Kdz. Ereğli

The Municipality of Kdz. Ereğli has sealed 15 buildings in Company factory site with cease and desistorders. Subsequently, with Municipal Committee's decisions, administrative fines amounting to TRY 258.683 thousand have been notified to Company. 15 lawsuits with suspension of execution request have been filed against aforementioned cease and desist orders and administrative fines at the Zonguldak Administrative Court.

In all cases, the court decided to cancel the proceedings that were the subject of the lawsuit. The Municipality has appealed against these decisions. In one of this case, the Regional Administrative Court has definitely decided to annul the decision and partially accepted the case. In 14 of the cases, the Regional Administrative Court decided to reject the appeal of Karadeniz Ereğli Municipality.

In 11 cases the Municipality has appealed to the Council of State against these decisions. 3 cases were finalized in favor of the Company without appeal. Council of State has decided to approve definitely the 7 cases out of 11 cases in favor of the Company. In 4 cases The Council of State accepted the appeal request and reversed the judgement and decided to send the cases to the Regional Administrative Court to be redecided. Regional Administrative Court has decided to accept the appeals in 4 cases and has sent them back to the local court for a new decision to be given after a merits review. In three of these cases the local court has partially accepted the cases. The Company has appealed to the Regional Administrative Court against these decisions. The Regional Administrative Court accepted the appeal request and decided to cancel the proceedings that were the subject of the lawsuit. The Municipality has appealed to the Council of State against these decisions. Two cases have been finalized following the Council of State's decisions affirming the judgments. One case is currently pending before the Council of State on appeal. In one of these 4 cases the local court has accepted the case. The Municipality of Kdz. Ereğli has appealed to the Regional Administrative Court against the decision. The Regional Administrative Court accepted the appeal request and decided to send the case to the Zonguldak Administrative Court. Zonguldak Administrative Court has dismissed the case. The Company has applied for the appeal against the decision.

No provision has been made in the consolidated financial statements due to the fact that no significant cash outflow is expected in line with the Group Management's assessments.

Provision for state right on mining activities

According to "Mining Law" numbered 3213 and regulation on "Mining Law Enforcement" published in the Official Gazette, numbered 25716 on 3 February 2005, the Group is calculated state right on mining activities based on the sales and recognized provision on financial statements.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 8 – PROVISIONS (cont'd)

Land occupation

The Group owns and operates properties within and outside its factory grounds that are parking lots, parks, and roads, all under the ownership and control of the Municipality. In accordance with Article 75 of the State Tender Law No. 2886 and Article 85 of the Regulation on the Administration of Treasury Immovable Properties published in the Official Gazette dated 19/06/2007, No. 26557, compensation for unauthorized use of these properties is accrued as determined by the valuation committee. In the current period, land occupation provision is recognized in the consolidated financial statements, considering property fair values presented land occupation notifications, their probable annual increases, and the discount rates applicable in the case of early payment and non-objection.

NOTE 9 – EMPLOYEE BENEFITS

The Group's short term payables of the employee termination benefits are as follows:

	30 June 2026	31 December 2025
Due to personnel	1.362.041	1.668.168
Social security premiums payable	847.037	741.057
	2.209.078	2.409.225

The Group's long term provisions of the employee termination benefits as of the reporting date are as follows:

	30 June 2026	31 December 2025
Provisions for employee termination benefits	6.789.985	5.326.510
Provisions for seniority incentive premium	793.817	707.462
Provision for unpaid vacations	1.014.789	709.170
	8.598.591	6.743.142

According to the articles of Turkish Labor Law in force, the Group have obligation to pay the legal employee termination benefits to each employee whose are 25 years of working life by completing at least one year of service, leaving for military services and deceased.

As of 30 June 2026, the employee termination benefit has been updated to a maximum of TRY 64.948,77 (31 December 2025: TRY 53.919,68). As of 1 July 2026, the employee termination benefit has been updated to TRY 73.729,87.

The employee termination benefit legally is not subject to any funding requirement.

The employee termination benefit has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. The obligation as of 30 June 2026 has been calculated by an independent actuary and projected unit credit method is used in the calculation. The actuarial assumptions used in calculating the present value of the liabilities are below.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 9 – EMPLOYEE BENEFITS (cont'd)

	30 June 2026	31 December 2025
Discount rate	%32,56	%27,12
Inflation rate	%28,04	%22,06

Discount rates are determined considering the expected duration of the retirement obligations and the currency in which the obligations will be paid. In calculations as of 30 June 2026 fixed discount rate is used. Long term inflation estimates are made using an approach consistent with discount rate estimates and long term inflation rate fixed over years is used. The anticipated rate of resignation which do not result in the payment of employee benefits is also considered in the calculation. The anticipated rate of resignation is assumed to be related with the past experience, therefore past experiences of employees are analyzed and considered in the calculation. The anticipated rate of resignation is considered to be inversely proportional to the past experience. The anticipated rate of resignation is between 2% - 0% for the employees with past experience between 0-15 years or over.

The movement of the provision for employee termination benefits is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	5.326.510	5.121.104
Service cost	282.003	232.778
Interest cost	447.603	411.018
Actuarial loss/(gain)	890.869	499.778
Termination benefits paid	(130.628)	(426.190)
Translation difference	(26.372)	(21.662)
Closing balance	6.789.985	5.816.826

According to the current labor agreement, employees completing their 5th, 10th, 15th and 20th service years receive seniority incentive premium payments.

The movement of the provision for seniority incentive premium is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	707.462	361.262
Service cost	74.037	38.555
Interest cost	91.275	43.152
Actuarial loss/(gain)	(51.772)	92.748
Termination benefits paid	(26.379)	(26.004)
Translation difference	(806)	(994)
Closing balance	793.817	508.719

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 9 – EMPLOYEE BENEFITS (cont'd)

The movement of the provision for unused vacation is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	709.170	689.016
Provision for the period	596.765	497.224
Vacation paid during the period (-)	(25.594)	(53.859)
Provisions released (-)	(267.878)	(354.310)
Translation difference	2.326	8.733
Closing balance	1.014.789	786.804

NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The guarantees received by the Group are as follows:

	30 June 2026	31 December 2025
Letters of guarantees received	21.639.728	22.567.810
	21.639.728	22.567.810

The Collaterals, Pledges and Mortgages (CPM) given by the Group are as follows:

	30 June 2026	31 December 2025
A. Total CPM given for the Company's own legal entity	31.990.825	32.511.931
B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis	7.051.361	8.127.414
C. Total CPM given in favour of other 3rd parties for ordinary trading operations	-	-
D. Other CPM given	-	-
i. Total CPM given in favour of parent entity	-	-
ii. Total CPM given in favour of other Group companies out of the scope of clause B and C	-	-
iii. Total CPM given in favour of other 3rd parties out of the scope of clause C	-	-
	39.042.186	40.639.345

The CPMs provided by the Group on behalf of its own legal entity consist of issued guarantee letters. Total CPM given by the Group in favor of subsidiaries consolidated on line-by-line basis amounting to TRY 7.051.361 thousand has been given as collateral for financial liabilities explained in Note 7, for tax receivables and raw material procurements. As of 30 June 2026, the ratio of the other CPM given by the Group to shareholders equity is 0% (31 December 2025: 0%).

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

The breakdown of the Group's collaterals according to their original currency is as follows:

	30 June 2026	31 December 2025
US Dollars	9.286.515	10.524.647
Turkish Lira	27.730.708	28.034.062
EURO	2.024.963	2.080.636
	39.042.186	40.639.345

NOTE 11 – TAX ASSETS AND LIABILITIES

The details of the Group's tax expenses as of the reporting period are as follows:

Corporate tax payable:	30 June 2026	31 December 2025
Corporation tax for the prior period	39.728	-
Current corporate tax provision	307.531	798.826
Prepaid taxes and funds (-)	(79.837)	(293.780)
	267.422	505.046

Taxation:	1 January - 30 June 2026	1 January - 30 June 2025
Current corporate tax expense	294.020	288.692
Deferred tax (income) / expense	(9.288.520)	(1.710.514)
Tax (income) expense reported in the profit or loss	(8.994.500)	(1.421.822)

Corporate tax

The Group, except its subsidiaries in Romania and Singapore, is subject to Turkish corporate taxes in force. The necessary provisions are allocated in the consolidated financial statements for the estimated liabilities based on the Group's results for current period. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, non-taxable income.

Institutions with the Law No. 7456 published in the Official Gazette dated 15 July 2023 by making changes in the first paragraph of Article 32 of the Tax Law, the year 2023 and the following the corporate tax rate for corporate earnings of taxation periods has been increased to 25%. As of reporting date, the current corporate tax rate for the corporate earnings has been determined as 25% (31 December 2025: 25%).

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Corporate tax (cont'd)

With the Law No. 7456 published in the 32249 numbered Official Gazette dated 15 July 2023, the exemption rate to be applied to the gains arising from the sale of immovables which in companies' assets before 15 July 2023 has been determined as 25%, and the deferred tax rate to be applied based on the temporary differences arising on the revaluation of the related assets are 18,75%.

For the six months period ended 30 June 2026, the current corporate tax rate in Türkiye is 25%, 16% in Romania and 17% in Singapore (31 December 2025: in Türkiye 25%, in Romania 16%, in Singapore 17%).

The total corporate tax payments made by the Group during the six-month interim period of 2026 amounted to TRY 545.155 thousand (30 June 2025: TRY 74.269 thousand).

Pursuant to the provisional article added to the Tax Procedure Law No. 213, which entered into force following its publication in the Official Gazette dated 25 December 2025 and numbered 33118, a legislative amendment has been enacted stipulating that, regardless of whether the conditions for inflation adjustment set forth under repeated Article 298 of the Tax Procedure Law are met, statutory financial statements will not be subject to inflation adjustment for the 2025 fiscal year including provisional tax periods as well as for the 2026 and 2027 fiscal years.

With the Law No. 7582, published in the Official Gazette dated 4 June 2026 and numbered 33270, an amendment was made to the eighth paragraph of Article 32 of the Corporate Tax Law No. 5520. Pursuant to this amendment, the corporate income tax rate applicable to income derived exclusively from production activities by corporations holding an industrial registry certificate and actually engaged in manufacturing activities, as well as to income derived exclusively from agricultural production activities by corporations engaged in such activities, has been set at 12,5%. This change in the tax rate will apply to income earned in the 2027 taxation period and subsequent taxation periods.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of income and expenses tax bases in different reporting periods in the financial statements prepared according to TFRS.

Article 32, paragraph seven of the Corporate Tax Law No. 5520 stipulates that the corporate tax rate shall be applied with a 5 point reduction to the profits derived exclusively from export activities of exporting companies; and paragraph eight of the same article stipulates that the corporate tax rate shall be applied with a 1 point reduction to the profits derived exclusively from production activities of companies holding an industrial registration certificate and actually engaged in production activities.

In this context, the effective corporate tax rate that the Group will use for deferred tax accounting as of the reporting date has been determined taking into account the above regulations.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax (cont'd)

As a result of the Law No. 7582, published in the Official Gazette dated 4 June 2026 and numbered 33270, which set the corporate income tax rate applicable to income derived from production activities by corporations holding an industrial registry certificate and actually engaged in manufacturing activities, as well as to income derived from agricultural production activities, at 12,5% effective for the 2027 fiscal year and subsequent taxation periods, the effect of this rate change has been reflected in deferred tax calculations as of the reporting date. Accordingly, a 12,5% tax rate has been used in measuring deferred tax assets and liabilities (excluding land plots and land) relating to temporary differences expected to reverse in 2027 and subsequent periods.

The effective corporate tax rate is 16% in Romania and 17% in Singapore (31 December 2025: in Türkiye 24%, in Romania 16%, in Singapore 17%). The deferred tax on the temporary timing differences arising from land is calculated with the 18,75% tax rate (31 December 2025: 18,75%).

As the companies in Türkiye cannot give a consolidated corporate tax declaration, subsidiaries that have deferred tax assets are not netted off with subsidiaries that have deferred tax liabilities and disclosed separately.

Deferred tax assets:	30 June 2026	31 December 2025
Provisions for employee benefits	1.200.211	1.907.074
Investment incentive	88.591	59.444
Provision for lawsuits	280.369	233.502
Fair values of the derivative financial instruments	-	51.261
Inventories	307.891	431.049
Unused tax losses	2.295.608	3.602.307
Tangible and intangible assets	776.480	876.088
Financial lease payables	180.617	321.235
Other	1.056.972	710.322
	6.186.739	8.192.282
Deferred tax liabilities:		
Tangible and intangible assets	(14.961.403)	(25.606.606)
Fair values of the derivative financial instruments	(38.963)	-
Amortized cost adjustment on loans	(113.268)	(133.301)
Right of use assets	(204.058)	(346.209)
Inventories	(1.039.426)	(525.734)
Other	(420.439)	(434.722)
	(16.777.557)	(27.046.572)
	(10.590.818)	(18.854.290)

Group Management evaluates that unused tax losses, which are subject to deferred tax, will be deductible based on future profit projections, taking into account their usable lifetimes.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax (cont'd)

In the financial statements which are prepared according to the TFRS, of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its subsidiaries that are separate taxpayer entities, the net deferred tax assets and liabilities of the related companies are classified separately within the accounts of deferred tax assets and liabilities of Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and its subsidiaries' condensed consolidated financial statements.

The temporary differences disclosed above besides the deferred tax asset and liabilities, have been prepared on the basis of the gross values and show the net deferred tax position.

Presentation of deferred tax assets/(liabilities):	30 June 2026	31 December 2025
Deferred tax assets	773.510	389.430
Deferred tax (liabilities)	(11.364.328)	(19.243.720)
	(10.590.818)	(18.854.290)

Movements of deferred tax asset/(liability) is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	(18.854.290)	(13.418.844)
Deferred tax income/(expense)	9.288.520	1.710.514
The amount in comprehensive income	82.026	278.020
Translation difference	(1.107.074)	(1.595.858)
Closing balance	(10.590.818)	(13.026.168)

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax (cont'd)

Reconciliation of tax provision is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Profit (Loss) before tax	222.643	394.122
Statutory tax rate	25%	25%
Calculated tax expense according to effective tax rate	(55.661)	(98.531)
Reconciliation between the tax provision and calculated tax:		
- Non-deductible expenses	(87.001)	(69.227)
- Non-deductible income	15.261	13.129
- Effect of currency translation (*)	(1.249.694)	114.160
- The effect of investments valued using the equity method	51.633	9.755
- Investment incentive	1.221.546	1.458.411
- Application of 1 point reduction in the effective tax rate	2.226	3.942
- Effect of the different tax rates due to foreign subsidiaries	(15.160)	(9.817)
- Correction effect of the corporate income tax rate and the rates subject to deferred tax	9.111.350	-
Total tax expense reported in the statement of income (loss)	8.994.500	1.421.822

(*) The effect of exchange rate differences arises from the discrepancy between the company's functional currency and the currency used for determining the tax base.

The Group has a strategic investment incentive certificate based on the Council of Ministers Decision No. 2012/3305 published in the Official Gazette dated 19 June 2012. As of the reporting date, TRY 1.221.546 thousand reduced corporate tax has been used under the strategic investment incentive certificate as a result of meeting the applicable conditions.

NOTE 12 – EQUITY

As of the reporting date the detail of the capital is as follows:

Shareholders	(%)	30 June 2026	(%)	31 December 2025
ATAER Holding A.Ş.	49,54	3.467.965	49,54	3.467.965
Quoted in Stock Exchange	46,49	3.253.911	46,49	3.253.911
Erdemir's own shares	3,97	278.124	3,97	278.124
Historical capital	100,00	7.000.000	100,00	7.000.000
Restated capital		7.000.000		7.000.000
Treasury shares (-)		(1.315.022)		(1.315.022)
		5.684.978		5.684.978

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 13 – SALES AND COST OF SALES

The Group derives its revenue from the transfer of goods at a point in time in the following major product lines. The amount of performance obligations in the ongoing contracts of the Group will be eligible for recognition in the future is TRY 2.270.536 thousand. Group plans to recognize related revenue amount as a revenue in a year.

As of the reporting date the detail of the sales revenue is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Domestic sales	101.036.491	52.641.871	67.628.161	30.866.709
Export sales	16.787.533	8.433.032	22.028.149	7.871.737
Other revenues	5.915.215	3.392.695	4.543.134	2.270.756
Interest income from sales with maturities	993.097	498.265	896.595	457.419
Sales returns (-)	(118.779)	(81.539)	(46.957)	(20.077)
Sales discounts (-)	(46.153)	(1.767)	(91.490)	(33.579)
	124.567.404	64.882.557	94.957.592	41.412.965
Cost of sales (-)	(113.883.136)	(59.003.908)	(87.290.004)	(37.546.635)
Gross profit	10.684.268	5.878.649	7.667.588	3.866.330

All kinds of iron and steel by product sales are included in other revenues, and the total amount of by product exports in other revenues is TRY 2.802.810 thousand (30 June 2025: TRY 1.981.388 thousand). Total interest income from export sales with maturities is TRY 176 thousand (30 June 2025: TRY 6.777 thousand).

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 13 – SALES AND COST OF SALES (cont'd)

As of the reporting date the detail of the cost of sales is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Raw material usage	(76.056.303)	(38.909.647)	(59.217.056)	(22.439.496)
Personnel costs	(13.043.966)	(7.037.739)	(8.340.505)	(4.415.785)
Energy costs	(7.086.119)	(3.524.024)	(6.571.534)	(3.376.970)
Depreciation and amortization expenses	(6.797.742)	(3.457.906)	(4.442.978)	(2.345.401)
Manufacturing overheads	(5.778.050)	(3.035.227)	(4.560.469)	(2.361.776)
Other cost of goods sold	(2.986.757)	(1.994.060)	(1.422.200)	(658.949)
Non-operating costs (*)	(250.784)	(190.189)	(1.214.991)	(703.930)
Freight costs for sales delivered to customers	(1.254.847)	(560.249)	(1.140.135)	(656.642)
Allowance expenses for impairment on inventories (Note 4)	-	-	(211.612)	(211.612)
Inventory provision released (Note 4)	563	563	575.723	19.596
Amortization of right of use assets	(87.357)	(44.885)	(70.279)	(38.482)
Other	(541.774)	(250.545)	(673.968)	(357.188)
	(113.883.136)	(59.003.908)	(87.290.004)	(37.546.635)

(*) Non-operating part costs amounting to TRY (250.784) thousand incurred due to planned and/or unplanned halt production in the Group's production facilities is not associated with the product cost and is directly recognized in the cost of sales.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 14 – EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES)

The Group's detail of marketing expenses according to their nature as of the reporting date are as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Personnel expenses (-)	(640.158)	(343.202)	(483.066)	(262.627)
Depreciation and amortization (-)	(238.670)	(129.487)	(164.738)	(87.635)
Benefits and services from third parties (-)	(645.968)	(351.072)	(554.544)	(297.070)
Amortization of right of use assets (-)	(9.336)	(4.743)	(8.709)	(4.459)
	(1.534.132)	(828.504)	(1.211.057)	(651.791)

The Group's detail of the general administrative expenses according to their nature as of the reporting date are as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Personnel expenses (-)	(1.910.289)	(1.035.805)	(1.409.113)	(775.748)
Depreciation and amortization (-)	(229.519)	(117.009)	(172.052)	(72.954)
Benefits and services from third parties (-)	(1.714.887)	(927.308)	(1.269.308)	(679.436)
Tax, duty and charges (-)	(73.716)	(47.163)	(73.363)	(35.966)
Provision/ Provision released for doubtful receivables (net)	534	240	1.842	348
Amortization of right of use assets (-)	(92.498)	(47.117)	(86.654)	(45.780)
	(4.020.375)	(2.174.162)	(3.008.648)	(1.609.536)

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 14 – EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES) (cont'd)

The Group's detail of the other operating income as of the reporting date is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Foreign exchange gain from trade receivables and payables (net)	566.561	224.255	545.602	346.994
Forfeit advances from customers	1.529	1.228	1.329	193
Discount income	186	91	191	94
Provisions released	80.465	55.161	58.225	24.582
Service income	127.873	57.596	178.239	84.883
Maintenance repair and rent income	31.668	15.699	24.093	11.822
Warehouse income	52.222	28.469	57.202	21.985
Indemnity and penalty detention income	15.800	8.909	16.627	6.230
Insurance indemnity income	4.131	272	30.432	28.810
Lawsuit income	3.040	970	41.016	1.727
Overdue interest income	33.577	15.246	67.408	15.936
Other income and gains	318.508	170.651	271.979	229.963
	1.235.560	578.547	1.292.343	773.219

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 14 – EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES) (cont'd)

The Group's detail of the other operating expenses as of the reporting date is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Provision expenses	(358.464)	(219.016)	(525.475)	(294.914)
Lawsuit compensation expenses	(175.684)	(128.475)	(26.048)	(14.824)
Donation expenses	(61.758)	(27.382)	(31.294)	(16.315)
Service expenses	(94.811)	(31.914)	(75.203)	(42.262)
Penalty expenses	(8.343)	(3.369)	(16.098)	(8.683)
Other expenses and losses	(201.717)	(116.979)	(160.877)	(77.148)
	(900.777)	(527.135)	(834.995)	(454.146)

The Group's detail of the expenses from investment activies as of the reporting date is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Loss on sales of tangible assets	(22.339)	(19.835)	(605)	(307)
Loss on disposal of tangible assets	(38.088)	(22.070)	(41.772)	(4.350)
Expenses from investment properties	(647)	68	(10.287)	(2.677)
Net gain/(loss) from venture capital mutual fund at fair value through profit or loss	(4.712)	(469)	(40.351)	(3.198)
Impairment of advances given	(2.182.008)	(2.182.008)	-	-
	(2.247.794)	(2.224.314)	(93.015)	(10.532)

As a result of the reassessment of investment plans in line with technological and operational developments, indicators suggesting a possible decrease in the recoverable amounts of the related assets were identified. Within this scope, an impairment provision amounting to TRY 2.182.008 thousand was recognized in the financial statements for such assets as of the reporting date.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 15 – FINANCE INCOME AND EXPENSES

The Group's detail of the financial income as of the reporting date is as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Interest income on bank deposits	3.078.051	1.594.707	3.487.233	1.437.188
Fair value differences of derivative financial instruments (net)	121.397	17.500	-	-
Other financial income	28.581	5.498	12.268	5.583
	3.228.029	1.617.705	3.499.501	1.442.771

The Group's detail of the financial expenses as of the reporting date are as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April- 30 June 2025
Interest expenses on borrowings	(6.747.549)	(3.290.783)	(4.639.262)	(2.357.819)
Foreign exchange loss (net)	(304.794)	(220.957)	(1.745.159)	(300.626)
Interest cost of employee benefits	(538.878)	(269.325)	(454.170)	(228.199)
Interest expenses on leasings	(145.411)	(71.911)	(113.124)	(62.934)
Fair value differences of derivative financial instruments (net)	-	-	(865.671)	(544.902)
Other financial expenses	(106.019)	(50.100)	(51.933)	(38.673)
	(7.842.651)	(3.903.076)	(7.869.319)	(3.533.153)

As of reporting period, the borrowing costs of TRY 688.568 thousand have been capitalized as part of tangibles (30 June 2025: TRY 996.124 thousand).

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 16 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

Inflation adjustments have been made in accordance with TAS 29 for all non-monetary assets, liabilities, and profit or loss statements of the Group's subsidiaries whose functional currency is the Turkish Lira.

In this context, the inflation adjustments made in the financial statements of Erdemir Madencilik San. ve Tic. A.Ş., Erdemir Mühendislik Yönetim ve Danışmanlık Hizmetleri A.Ş., Erdemir Enerji Üretim A.Ş., and Yenilikçi Yapı Malzemeleri ve Üretim San. Tic. A.Ş., which are subject to consolidation and have the Turkish Lira as their functional currency, as of the reporting date are as follows:

	30 June 2026	30 June 2025
Statement of Financial Position Items	**1.391.051**	**458.237**
Inventories	46.775	47.632
Prepaid Expenses	75.316	185.254
Property, Plant and Equipment	3.702.688	2.127.940
Right of Use Assets	811	6.357
Intangible Assets	4.489	2.646
Inflation Adjustment to Capital	(1.009.967)	(731.216)
Revaluation Reserve of Tangible Assets	(13.888)	(9.963)
Actuarial (Loss) Gain funds	29.677	14.697
Restricted Reserves Assorted from Profit	(546.533)	(389.807)
Retained Earnings	(898.317)	(795.303)
Profit or Loss Items	**70.056**	**(22.905)**
Revenue	(306.387)	(239.691)
Cost of Sales	271.551	164.450
Marketing Expenses	921	477
General Administrative Expenses	21.321	15.076
Other Operating Income (Expense)	(2.662)	(2.068)
Income (Expenses) from Investing Activities	-	5
Finance Income (Expense)	85.312	38.846
Net Monetary Position Gains / (Losses)	**1.461.107**	**435.332**

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Additional information about financial instruments

Foreign currency risk management

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates its functional currency. Foreign currency position table represents foreign currencies other than each entity's functional currency.

As of 30 June 2026, the foreign currency position of the Group in terms of original currency is calculated as it as follows:

	30 June 2026				
	TRY (Reporting currency)	TRY (Original currency)	EURO (Original currency)	Jap. Yen (Original currency)	RON (Original currency)
1. Trade Receivables	3.275.747	434.343	52.635	-	4.686
2a. Monetary financial assets	18.818.726	18.563.236	3.341	61	7.761
2b. Non- monetary financial assets	-	-	-	-	-
3. Other	874.863	844.434	332	-	1.273
4. CURRENT ASSETS (1+2+3)	**22.969.336**	**19.842.013**	**56.308**	**61**	**13.720**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	1.041.367	1.041.157	4	-	-
6b. Non- monetary financial assets	-	-	-	-	-
7. Other	2.713.684	187.864	47.410	-	895
8. NON-CURRENT ASSETS (5+6+7)	**3.755.051**	**1.229.021**	**47.414**	**-**	**895**
9. TOTAL ASSETS (4+8)	**26.724.387**	**21.071.034**	**103.722**	**61**	**14.615**
10. Trade payables	11.825.875	9.197.017	45.557	60.581	18.494
11. Financial liabilities	4.222.548	1.380.222	53.445	-	-
12a. Other monetary financial liabilities	5.419.720	5.287.278	1.637	-	4.452
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	**21.468.143**	**15.864.517**	**100.639**	**60.581**	**22.946**
14. Trade payables	-	-	-	-	-
15. Financial liabilities	3.278.958	868.902	45.317	-	-
16a. Other monetary financial liabilities	8.247.717	8.238.320	-	-	921
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES (14+15+16)	**11.526.675**	**9.107.222**	**45.317**	**-**	**921**
18. TOTAL LIABILITIES (13+17)	**32.994.818**	**24.971.739**	**145.956**	**60.581**	**23.867**
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	**(34.959)**	**-**	**(659)**	**-**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	2.017.291	-	38.000	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	2.052.250	-	38.659	-	-
20. Net foreign currency asset/liability position (9-18+19)	**(6.305.390)**	**(3.900.705)**	**(42.893)**	**(60.520)**	**(9.252)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(9.858.978)**	**(4.933.003)**	**(89.976)**	**(60.520)**	**(11.420)**
22. Fair value of derivative financial instruments used in foreign currency hedge	6.530	-	123	-	-
23. Hedged foreign currency assets	2.052.250	-	38.659	-	-
24. Hedged foreign currency liabilities	2.017.291	-	38.000	-	-
25. Exports	19.590.519				
26. Imports	55.700.599				

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates its functional currency.

As of 31 December 2025, the foreign currency position of the Group in terms of original currency is calculated as it as follows:

	31 December 2025				
	TRY (Reporting currency)	TRY (Original currency)	EURO (Original currency)	Jap. Yen (Original currency)	RON (Original currency)
1. Trade Receivables	3.874.417	269.195	70.836	-	4.401
2a. Monetary financial assets	22.066.443	21.813.387	4.146	76	4.538
2b. Non- monetary financial assets	-	-	-	-	-
3. Other	740.818	716.413	328	-	804
4. CURRENT ASSETS (1+2+3)	**26.681.678**	**22.798.995**	**75.310**	**76**	**9.743**
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	1.035.255	1.035.055	4	-	-
6b. Non- monetary financial assets	-	-	-	-	-
7. Other	5.985.617	360.055	111.422	-	2.306
8. NON-CURRENT ASSETS (5+6+7)	**7.020.872**	**1.395.110**	**111.426**	**-**	**2.306**
9. TOTAL ASSETS (4+8)	**33.702.550**	**24.194.105**	**186.736**	**76**	**12.049**
10. Trade payables	13.075.121	7.964.429	98.399	125.850	11.984
11. Financial liabilities	5.514.116	2.876.055	52.367	-	-
12a. Other monetary financial liabilities	5.649.570	5.496.489	2.302	-	3.732
12b. Other non-monetary financial liabilities	-	-	-	-	-
13. CURRENT LIABILITIES (10+11+12)	**24.238.807**	**16.336.973**	**153.068**	**125.850**	**15.716**
14. Trade payables	-	-	-	-	-
15. Financial liabilities	3.426.297	826.728	51.603	-	-
16a. Other monetary financial liabilities	6.479.461	6.467.347	-	-	1.219
16b. Other non-monetary financial liabilities	-	-	-	-	-
17. Non-current liabilities (14+15+16)	**9.905.758**	**7.294.075**	**51.603**	**-**	**1.219**
18. TOTAL LIABILITIES (13+17)	**34.144.565**	**23.631.048**	**204.671**	**125.850**	**16.935**
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	**(1.267.686)**	**-**	**(25.210)**	**-**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	1.910.864	-	38.000	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	3.178.550	-	63.210	-	-
20. Net foreign currency asset/liability position (9-18+19)	**(1.709.701)**	**563.057**	**(43.145)**	**(125.774)**	**(4.886)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(7.168.450)**	**(513.411)**	**(129.685)**	**(125.774)**	**(7.996)**
22. Fair value of derivative financial instruments used in foreign currency hedge	(150.003)	-	(2.983)	-	-
23. Hedged foreign currency assets	3.178.550	-	63.210	-	-
24. Hedged foreign currency liabilities	1.910.864	-	38.000	-	-
25. Exports	44.543.720				
26. Imports	94.064.179				

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

The following table shows the Group's sensitivity to a 10% (+/-) change in the TRY, EUR, RON and Japanese Yen. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

As of 30 June 2026 on condensed consolidated statement of financial position are translated by using the following exchange rates for assets TRY 46,5747 = US $ 1,TRY 53,0866 = EUR 1, TRY 0,2863 = JPY 1 and TRY 10,0661 = RON 1; for liabilities TRY 46,6586 = US $ 1,TRY 53,1823 = EUR 1, TRY 0,2882 = JPY 1 and TRY 10,1979 = RON 1 (Rates for assets as of 31 December 2025: TRY 42,8457 = US $ 1, TRY 50,2859 = EUR 1, TRY 0,2729 = JPY 1, TRY 9,8123 = RON 1 and for liabilities ; TRY 42,9229 = US $ 1, TRY 50,3765 = EUR 1, TRY 0,2747 = JPY 1 and TRY 9,9407 = RON 1 respectively).

	Profit/(loss) after capitalization on tangible assets and before tax and non-controlling interest	
30 June 2026	Appreciation of foreign currency	Depreciation of foreign currency
1- TRY net asset/liability	(493.300)	493.300
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	(493.300)	493.300
5- RON net asset/liability	(11.810)	11.810
6- Hedged portion from RON risk (-)	-	-
7- Effect of capitalization (-)	-	-
8- RON net effect (5+6+7)	(11.810)	11.810
9- Euro net asset/liability	(479.049)	479.049
10- Hedged portion from Euro risk (-)	(3.498)	3.498
11- Effect of capitalization (-)	-	-
12- Euro net effect (9+10+11)	(482.547)	482.547
13- Jap. Yen net asset/liability	(1.744)	1.744
14- Hedged portion from Jap. Yen risk (-)	-	-
15- Effect of capitalization (-)	-	-
16- Jap. Yen net effect (13+14+15)	(1.744)	1.744
TOTAL (4+8+12+16)	**(989.401)**	**989.401**

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

	Profit/(loss) after capitalization on tangible assets and before tax and non-controlling interest	
31 December 2025	Appreciation of foreign currency	Depreciation of foreign currency
1- TRY net asset/liability	(51.341)	51.341
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	(51.341)	51.341
5- RON net asset/liability	(8.063)	8.063
6- Hedged portion from RON risk (-)	-	-
7- Effect of capitalization (-)	-	-
8- RON net effect (5+6+7)	(8.063)	8.063
9- Euro net asset/liability	(653.987)	653.987
10- Hedged portion from Euro risk (-)	(126.771)	126.771
11- Effect of capitalization (-)	-	-
12- Euro net effect (9+10+11)	(780.758)	780.758
13- Jap. Yen net asset/liability	(3.455)	3.455
14- Hedged portion from Jap. Yen risk (-)	-	-
15- Effect of capitalization (-)	-	-
16- Jap. Yen net effect (13+14+15)	(3.455)	3.455
TOTAL (4+8+12+16)	**(843.617)**	**843.617**

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Categories of the financial instruments and their fair values

30 June 2026	Financial assets/ liabilities at amortized cost	Derivative financial instruments through other comprehensive income	Derivative financial instruments through profit/loss	Carrying value
Financial Assets				
Cash and cash equivalents	121.326.093	-	-	121.326.093
Trade receivables	25.957.618	-	-	25.957.618
Financial investments	-	-	418.728	418.728
Other financial assets	532.927	-	-	532.927
Derivative financial instruments	-	141.559	90.833	232.392
Financial Liabilities				
Borrowings	161.073.831	-	-	161.073.831
Trade payables	81.015.600	-	-	81.015.600
Other liabilities	3.699.479	-	-	3.699.479
Derivative financial instruments	-	70.464	-	70.464
31 December 2025				
Financial Assets				
Cash and cash equivalents	115.476.723	-	-	115.476.723
Trade receivables	27.447.677	-	-	27.447.677
Financial investments	-	-	186.245	186.245
Other financial assets	460.811	-	-	460.811
Derivative financial instruments	-	25.246	2.470	27.716
Financial Liabilities				
Borrowings	158.340.895	-	-	158.340.895
Trade payables	68.762.035	-	-	68.762.035
Other liabilities	3.479.578	-	-	3.479.578
Derivative financial instruments	-	58.183	155.497	213.680

Group management, considers that the fair values of financial assets and liabilities approximate book values.

(Amounts are expressed in thousands of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

NOTE 17 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Categories of the financial instruments and their fair values (cont'd)

Financial asset and liabilities at fair value		Fair value level as of reporting date		
	30 June 2026	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital and financial investment fund	417.006	-	417.006	-
Derivative financial assets	90.833	-	90.833	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial assets	141.559	-	141.559	-
Derivative financial liabilities	(70.464)	-	(70.464)	-
Total	578.934	-	578.934	-

Financial asset and liabilities at fair value		Fair value level as of reporting date		
	31 December 2025	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital and financial investment fund	184.661	-	184.661	-
Derivative financial assets	2.470	-	2.470	-
Derivative financial liabilities	(155.497)	-	(155.497)	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial assets	25.246	-	25.246	-
Derivative financial liabilities	(58.183)	-	(58.183)	-
Total	(1.303)	-	(1.303)	-

First Level: Quoted (non-adjusted) prices in active markets for identical assets or liabilities.

Second Level: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Third Level: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTE 18 – SUBSEQUENT EVENTS

None.

NOTE 19 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS MATERIALLY OR THOSE REQUIRED TO BE DISCLOSED FOR A CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

Convenience translation to English:

As of 30 June 2026, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.