

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS AND
LIMITED INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD 01 JANUARY – 30 JUNE 2025

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI A.Ş.
LIMITED INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 JUNE 2025

To the General Assembly of
Bagfaş Bandırma Gübre Fabrikaları A.Ş.

Introduction

We have conducted a limited review of the accompanying statement of financial position of Bagfaş Bandırma Gübre Fabrikaları Anonim Şirketi ("the Company") as of 30 June 2025, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the six-month period then ended, together with a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Turkish Accounting Standard 34 "Interim Financial Reporting" ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our limited review.

Scope of the Limited Review

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

Conclusion

We have conducted a limited review of the accompanying condensed statement of financial position of Bağfaş Bandırma Gübre Fabrikaları Anonim Şirketi ("the Company") as of 30 June 2025, and the condensed statement of profit or loss, condensed statement of other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the six-month interim period then ended.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting.

The engagement partner responsible for the conduct and conclusion of this independent review is Özkan Cengiz.

Istanbul, 18 August 2025

HSY Danışmanlık ve Bağımsız Denetim Anonim Şirketi

Member, Crowe Global

Özkan Cengiz

Engagement Partner, CPA

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BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS OF JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

	Notes	Current Period 30.06.2025 TRY	Previous Period 31.12.2024 TRY
ASSETS		12.369.482.249	11.823.091.206
Current Assets		2.249.827.037	1.809.342.853
Cash and Cash Equivalents	53	462.898.758	70.100.636
Financial Investments	46	11.120.105	16.310.178
Trade Receivables	7	436.681.363	25.696.031
- Trade Receivables from Related Parties	6	816.728	396.633
- Trade Receivables from Non-Related Parties	7	435.864.635	25.299.398
Other Receivables	9	88.752.879	82.538.196
- Other Receivables from Related Parties	6	13.080.065	--
- Other Receivables from Non-Related Parties	9	75.672.814	82.538.196
Inventories	10	680.860.214	1.096.955.786
Prepaid Expenses	12	388.855.210	330.727.182
- Prepaid Expenses to Non-Related Parties	12	388.855.210	330.727.182
Current Tax Assets	39	1.411.080	671.219
Other Current Assets	29	179.247.428	186.343.625
Subtotal		2.249.827.037	1.809.342.853
Total Current Assets		2.249.827.037	1.809.342.853
Non-Current Assets		10.119.655.212	10.013.748.354
Financial Investments	4	1.745.011	7.030.054
Other Receivables	9	60.897	71.051
- Other Receivables from Non-Related Parties	9	60.897	71.051
Property, Plant and Equipment	14	8.133.119.944	8.464.323.797
Right-of-Use Assets	20	399.733.045	406.659.578
Intangible Assets	17	2.392.156	2.616.264
-Other Intangible Assets	17	2.392.156	2.616.264
Prepaid Expenses	12	28.281.898	--
- Prepaid Expenses to Non-Related Parties	12	28.281.898	--
Deferred Tax Assets	39	1.554.322.261	1.133.047.610
Total Non-Current Assets		10.119.655.212	10.013.748.354
TOTAL ASSETS		12.369.482.249	11.823.091.206

The accompanying accounting policies and notes from an integral part of these financial statements.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS OF JUNE 30, 2025, LIMITED REVIEWED**

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

	Notes	Current Period 30.06.2025 TRY	Prior Period 31.12.2024 TRY
LIABILITIES		12.369.482.249	11.823.091.206
Short- Term Liabilities		4.309.629.345	3.279.636.624
Short- Term Debts	46	1.584.480.403	1.082.775.991
- Other Short- Term Debts	46	1.584.480.403	1.082.775.991
Short- Term Portion of Long- Term Debts	46	1.897.078.992	1.661.758.952
- Other Short- Term Portion of Long- Term Debts	46	1.897.078.992	1.661.758.952
Trade Payables	7	293.069.279	168.411.888
- Trade Payables to Related Parties	6	8.874.997	21.343.554
- Other Trade Payables	7	284.194.282	147.068.334
Liabilities Under Employee Benefits	27	22.787.959	13.390.162
Other Payables	9	30.617.834	34.094.995
- Other Payables	9	30.617.834	34.094.995
Deferred Income	12	469.378.777	312.348.696
- Other Deferred Income	12	469.378.777	312.348.696
Short- Term Provisions	25	12.216.101	6.855.940
- Short- Term Provisions for Employee Benefits	25	8.740.013	3.790.811
- Other Short- Term Provisions	25	3.476.088	3.065.129
SUBTOTAL		4.309.629.345	3.279.636.624
TOTAL SHORT- TERM LIABILITIES		4.309.629.345	3.279.636.624
LONG- TERM LIABILITIES		1.445.588.216	2.148.937.657
Long- Term Debts	46	1.420.640.843	2.134.638.851
- Other Long- Term Debts	46	1.420.640.843	2.134.638.851
Other Debts	9	243.096	283.630
- Other Payables to Non- Related Parties	9	243.096	283.630
Long- Term Provisions	25	24.704.277	14.015.177
- Long- Term Provisions Related to Employee Benefits	25	24.704.277	14.015.177
Total Long- Term Liabilities		1.445.588.216	2.148.937.657
EQUITY		6.614.264.688	6.394.516.925
Equity Attributable to Owners of the Parent		6.614.264.688	6.394.516.925
Paid- in Capital	30	135.000.000	135.000.000
Capital Adjustment Differences	30	2.546.733.713	2.546.733.713
Share Premiums/ Discounts	30	39.465.697	39.632.019
Accumulated Other Comprehensive Income (Loss) That Will Not Be Reclassified to Profit or Loss	30	(10.444.808)	(10.444.808)
- Revaluation and Remeasurement Gains (Losses)	30	(10.444.808)	(10.444.808)
- Remeasurement Gains (Losses) on Defined Benefit Plans	30	(10.444.808)	(10.444.808)
Accumulated Other Comprehensive Income (Loss) That Will Be Reclassified to Profit or Loss	30	6.940.102	9.799.279
- Revaluation and Remeasurement Gains (Losses)	30	6.940.102	9.799.279
- Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	30	6.940.102	9.799.279
Restricted Reserves Appropriated from Profit	30	354.807.109	354.175.895
Retained Earnings/ Accumulated Losses	30	3.326.790.505	4.849.717.823
Net Profit/ Loss for the Period		214.972.370	(1.530.096.996)
Total Equity		6.614.264.688	6.394.516.925
TOTAL LIABILITIES AND EQUITY		12.369.482.249	11.823.091.206

The accompanying accounting policies and notes from an integral part of these financial statements.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD JANUARY 1 – JUNE 30, 2025, LIMITED REVIEWED

(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

	Notes	Current Period 01.01.2025 30.06.2025 TRY	Prior Period 01.01.2024 30.06.2024 TRY	Current Period 01.04.2025 30.06.2025 TRY	Prior Period 01.04.2024 30.06.2024 TRY
Revenue	31	2.927.659.311	1.194.789.177	1.501.842.542	228.046.455
Cost of Sales (-)	31	(2.497.592.349)	(1.025.752.111)	(1.300.190.941)	(196.355.741)
GROSS PROFIT/LOSS FROM COMMERCIAL ACTIVITIES		430.066.962	169.037.066	201.651.600	31.690.714
GROSS PROFIT/LOSS		430.066.962	169.037.066	201.651.600	31.690.714
General Administrative Expenses (-)	33	(153.955.297)	(73.410.292)	(74.690.954)	(39.741.317)
Marketing Expenses (-)	33	(11.455.318)	(12.409.139)	(6.433.485)	(3.708.313)
Other Income from Operations	34	93.765.996	175.060.143	48.846.975	86.897.632
Other Expenses from Operations (-)	34	(158.768.510)	(989.709.591)	(106.397.580)	(422.939.157)
OPERATING PROFIT/LOSS		199.653.833	(731.431.814)	62.976.557	(347.800.441)
Income from Investing Activities	35	5.430	--	131	--
Shares of Profits (Loss) of Investments Valued by Equity Method	35	1.399.255	(1.981.306)	78.921	(5.414.439)
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME/EXPENSES		201.058.518	(733.413.119)	63.055.609	(353.214.880)
Financial Income	36	33.331.819	50.244.852	13.419.122	8.433.274
Financial Expenses (-)	36	(831.265.627)	(720.137.596)	(386.827.560)	(225.502.814)
Net Monetary Position Gains (Losses)	50	228.648.601	375.837.440	119.989.900	460.396.274
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(368.226.689)	(1.027.468.423)	(190.362.930)	(109.888.146)
Continuing Operations Tax Income/(Expense)		583.199.059	(59.831.923)	(5.035.810)	392.886.571
- Deferred Tax Income /(Expense)	39	583.199.059	(59.831.923)	(5.035.810)	392.886.571
PROFIT/(LOSS) CONTINUING OPERATIONS FOR THE PERIOD		214.972.370	(1.087.300.346)	(195.398.740)	282.998.425
PROFIT/(LOSS) FOR THE PERIOD		214.972.370	(1.087.300.346)	(195.398.740)	282.998.425
PROFIT/(LOSS) FOR THE PERIOD		214.972.370	(1.087.300.346)	(195.398.740)	282.998.425
- Non-controlling interests	40	--	--	(4.871.472)	--
- Parent Company	40	214.972.370	(1.087.300.346)	(190.527.268)	282.998.425
Earnings (Loss) Per Share		0,0016	(0,0081)	(0,0014)	0,0021
- Earnings (Loss) Per Share from Continuing Operations	40	0,0016	(0,0081)	(0,0014)	0,0021
PROFIT/(LOSS) FOR THE PERIOD		214.972.370	(1.087.300.346)	(195.398.740)	282.998.425
OTHER COMPREHENSIVE INCOME		(2.859.177)	(894.608)	(1.619.958)	379.524
Items that will not be reclassified subsequently to profit or loss		(2.859.177)	(894.608)	(1.619.958)	379.524
Other Comprehensive Income (Expense) Related to Financial Assets at Fair Value Through Other Comprehensive Income	37	(2.859.177)	(894.608)	(1.619.958)	379.524
- Gains (Losses) from Financial Assets at Fair Value Through Other Comprehensive Income	37	(2.859.177)	(894.608)	(1.619.958)	379.524
OTHER COMPREHENSIVE INCOME		(2.859.177)	(894.608)	(1.619.958)	379.524
TOTAL COMPREHENSIVE INCOME (EXPENSES)		212.113.193	(1.088.194.954)	(197.018.698)	283.377.949
- Non-controlling interests		--	--	(4.871.472)	--
- Parent Company		212.113.193	(1.088.194.954)	(192.147.226)	283.377.949

The accompanying accounting policies and notes from an integral part of these financial statements.

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

The accompanying accounting and notes from an integral part of these financial statements.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 – JUNE 30, 2025, LIMITED REVIEWED**

(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

	Notes	Current Period 01.01.2025 30.06.2025 TRY	Prior Period 01.01.2024 30.06.2024 TRY
A. CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		855.404.676	(1.340.595.796)
Profits (Losses) for The Period (+/-)		214.972.370	(1.087.300.346)
- Profit (Loss) from Continuing Operations	39	214.972.370	(1.087.300.346)
Adjustments regarding period profit/loss reconciliation		(84.221.137)	(1.312.442.413)
Adjustments for Depreciation and Amortization	24,17,20	419.268.900	410.829.012
Adjustments for Impairment (Reversal) (+/-)	7	313.430	(237.701)
- Adjustments for Impairment (Reversal) on Receivables	7	313.430	(237.701)
Adjustments for Provisions (+/-)	25	15.630.142	(1.966.211.212)
- Adjustments for Provisions for Employee Benefits (Reversal)	25	15.657.222	5.082.728
- Adjustments Related to Other Provisions (Reversals)	25	(27.080)	(1.971.293.940)
Adjustments for Interest Income and Expenses (+/-)	34,36	66.624.625	184.472.347
- Adjustments for Interest Income	36	(3.189.565)	(1.500.871)
- Adjustments for Interest Expenses	36	76.587.495	183.873.075
- Deferred Financing Costs Arising from The Term Purchase	34	2.471.753	6.887.745
- Unearned Finance Income Arising from Forward Sales	34	(9.245.058)	(4.787.602)
Adjustment for fair value losses/gains (+/-)	30	(2.859.177)	(1.126.782)
- Other Adjustments for Fair Value Losses (Gains)	30	(2.859.177)	(1.126.782)
Adjustments for Tax Revenue/Expenditure	39	(583.199.056)	59.831.923
Changes Realized in Working Capital		525.577.602	623.058.039
Increase/Decrease in Financial Investments	46	19.390.309	11.806.887
Adjustments for Increase/Decrease in Trade Receivables	6,7	(410.217.072)	116.956
- Increase/Decrease in Trade Receivables from Related Parties	6	10.488.886	(187.146)
- Increase/Decrease in Other Trade Receivables	7	(420.705.959)	304.102
Adjustments for Increase/Decrease in Other Receivables Related with Activities	9	5.601.201	38.114.238
- Decrease (Increase) in Other Receivables from Related Parties		(13.080.065)	—
- Decrease (Increase) in Other Receivables from Non-Related Parties	9	18.681.266	38.114.238
Adjustments for Increase/Decrease in Inventories	10	688.269.908	1.202.824.280
Increase/Decrease in Prepaid Expenses	12	(32.473.633)	(282.051.061)
Adjustments for Increase/Decrease in Trade Payables	6,7	109.834.621	(166.770.630)
- Increase/Decrease in Trade Payables to Related Parties	6	(15.518.775)	11.676.499
- Increase/Decrease in Trade Payables to Other Parties	7	125.353.396	(178.447.129)
Increase/Decrease in Payables as Part of Employee Benefits	25	7.484.202	(3.537.343)
Adjustments for Increase/Decrease in Other Payables Related with Activities	8	(8.430.761)	(23.212.202)
- Increase/Decrease in Other Payables Related with Activities to Other Parties	8	(8.430.761)	(23.212.202)
Increase/Decrease in Deferred Income	12	112.392.170	(165.534.748)
Adjustments on Other Increase/Decrease in Realized Working Capital	29	33.726.658	11.301.663
- Increase/Decrease in Other Assets Related with Activities	29	33.726.658	11.301.663
The Cash Flow Generated from Operations (+/-)		656.328.836	(1.776.684.720)
Payments Related to Employee Benefits	25	(2.563.583)	(5.891.378)
Tax Refunds (Payments)	39	(878.556)	1.634.619
Inflation Impact on Operating Activities	--	202.517.979	440.345.682
B. CASH FLOW FROM INVESTING ACTIVITIES		1.136.901.176	1.163.548.754
Cash Outflows Related to Acquisitions of Subsidiary Control		(2.171.608)	—
Cash Outflows Arising from the Purchase of Tangible and Intangible Fixed Assets	14	(80.914.410)	(177.972.726)
- Cash Outflows Arising from the Purchase of Tangible Fixed Assets	14	(80.914.410)	(177.972.726)
- Cash Outflows Arising from the Purchase of Intangible Fixed Assets	--	1.219.987.194	1.341.521.480
C. CASH FLOWS FROM FINANCING ACTIVITIES		(701.346.028)	54.401.401
Cash Inflows Resulted from Debts	46	1.233.972.982	2.546.019.993
- Cash Inflows from Bank Loans	46	1.233.972.982	2.546.019.993
Cash Outflows Related to Debt Payments	46	(1.908.231.734)	(2.360.499.714)
- Cash Outflows Related to Loan Repayments	46	(1.908.231.734)	(2.360.499.714)
Interest Paid	32,35	(76.587.495)	(183.873.075)
Interest Received	32,35	3.189.565	1.500.871
Inflation Impact on Financing Activities	--	46.310.653	51.253.325
D. Inflation Impact		(908.179.818)	(1.440.704.215)
BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		382.780.004	(1.563.349.856)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		382.780.004	(1.563.349.856)
E.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		382.780.004	(1.563.349.856)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		70.100.636	1.817.312.859
G. Inflation Impact on Cash and Cash Equivalents		10.018.117	533.989.731
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+B+C+D+E+F+G)		462.898.758	787.952.734

The accompanying accounting policies and notes from an integral part of these financial statements.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

BAGFAŞ Bandırma Fertilizer Factories Inc. ("Parent Partnership" or "Company") was established in Bandırma, Balıkesir in March 1970 and started production in July 1975. The main activity of the Group is; chemical fertilizer and acid manufacturing, import, internal and external sales.

Head office address	: Kılıçali Paşa Mah. Susam Sokak No:22 Beyoğlu-İstanbul/ Türkiye
Foundation Year	: 1970
Trade Register Number	: 156662-104069
Tax Office	: ISTANBUL - Büyük Mükellefler Tax Office Directorate
Tax No	: 1400030568
Phone- Fax	: 0212 293 08 85 – 0212 249 97 44
Website	: http://www.bagfas.com.tr/

As of 30.06.2025, the number of employees of the Group is 216 (Dec 31,2024: 138). The Group's capital structure is given in Note 31.

The following subsidiaries are consolidated under the Parent Company:

Subsidiaries	Field of Activity	Subsidiaries
T Gübre Dış Ticaret Anonim Şirketi (Subsidiary)	Import-Export	Turkey
Bagfaş Servis Pazarlama Limited Şirketi (Subsidiary)	Marketing	Turkey

The activities of the companies in the Group are summarized below:

Bagfaş Bandırma Gübre Fabrikaları Anonim Şirketi (Parent Company)

Bagfaş Bandırma Gübre Fabrikaları A.Ş. ("Corporation"), was established in Bandırma, Balıkesir in March 1970 and started production in July 1975. The address where the Company is registered; Kılıçali Paşa Mahallesi, Susam Sokak No:22 Cihangir Beyoğlu/İstanbul. The company's shares have been traded on Borsa İstanbul A.Ş. since 1986. The company operates in the production, import, internal and external sales of chemical fertilizers and acids. The company continues its production activities in its facilities in Bandırma, Balıkesir.

T Gübre Dış Ticaret Anonim Şirketi (Subsidiary)

On July 29, 2019, the Company established T Gübre Dış Ticaret A.Ş. ("T Gübre"), with a capital of 50,000 Turkish Liras in total, divided into 50,000 shares of 1.00 Turkish Liras, with a 100% partnership rate. T Gübre's headquarters is in Beyoğlu district of İstanbul province. Address; Kılıçali Paşa Mahallesi Susam Sk. No: 22/3 Beyoğlu/İstanbul. The purpose of the company; Import, export and wholesale internal trade of all kinds of fertilizer and fertilizer raw materials, chemicals, petrochemical products and plastic raw materials, pesticides, minerals, seeds and agricultural product machinery and equipment, industrial, commercial, chemical and agricultural facilities, purchasing and sales organization Establishing and operating wholesale and retail stores, dealerships, liaison offices, carrying out all kinds of import, export and representation works, etc., engaging in commercial activities and contract manufacturing, carrying out transportation and agency work, establishing and operating storage facilities, providing provisions for domestic and foreign flagged ships. , port management, warehousing, warehousing, all kinds of fuel oil, petroleum derivatives and mineral oil trading and dealership. T Gübre was included in the consolidation as of December 31, 2019.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (CONT.)**Bagfaş Servis Pazarlama Limited Şirketi (Subsidiary)**

Bagfaş Servis Pazarlama LTD. ŞTİ. ("the Company") was established in Bandırma, Balıkesir in September 1997. The registered address of the Company is Bandırma Erdek Highway, 10th KM, No.0, Erdek/Balıkesir. The Company's objective is to provide domestic and international transportation services by land, sea, and air. It also engages in the transportation of by-products and production waste generated during the production of chemical fertilizers, acids, and their derivatives, and implements rehabilitation projects to minimize environmental impact. Additionally, the Company is involved in personnel shuttle services, representation, brokerage, and agency services. Bagfaş Servis has been included in the scope of consolidation as of January 1, 2025.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**2.1) Basis of Presentation**

- **Applied financial reporting standards**

The attached financial statements have been prepared in accordance with the Turkish Accounting Standards ("TAS") and their annexes and interpretations put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). The financial statements and notes have been presented in accordance with the TAS taxonomy published by the Public Oversight, Accounting and Auditing Standards Authority (POA) on October 4, 2022.

- **Comparative Information and Adjustment Financial Statements of Previous Period**

In order to identify trends in financial position and performance, the Company's financial statements are prepared on a comparative basis with the previous period.

The Company has prepared the statement of financial position as of 30 June 2025, together with the comparative financial statements, including the statement of financial position as of 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the accounting period of 1 January – 30 June 2025, compared with the corresponding financial statements for the accounting period of 1 January – 30 June 2024.

- **Going Concern Assumption**

The consolidated financial statements have been prepared on the going concern assumption, under the premise that the Group will continue to derive benefits from its assets and fulfill its liabilities within the natural course of its operations over the next year.

- **Functional and Reporting Currency**

Financial statements of the Group are represented with currency that is valid within the basic economic framework in which it engages in activity (functional currency). Financial situation of the Group and result of the activity are mentioned in TRY which is valid currency of the Group that is also used in the presentation of financial statements.

- **Applied Consolidation Principles**

The Company's share percentages in the capital of the companies included in the consolidation are given below:

	30.06.2025	31.12.2024
T Gübre Dış Tic. A. Ş. ⁽¹⁾	100,00%	100,00%
Bagfaş Servis Pazarlama Ltd. Şti. ⁽¹⁾⁽²⁾	55,00%	--

1) Indicates the Company's shareholding percentage in the capital of T Gübre Dış Ticaret A.Ş. and Bagfaş Servis Pazarlama Ltd. Şti., which are included in the consolidation.

2) As of January 1, 2025, Bagfaş Servis Pazarlama Ltd. Şti. has been included in the scope of consolidation; in prior periods, it was accounted for under long-term financial investments at cost.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.1) Basis of Presentation (Cont.)****• Applied Consolidation Principles (Cont.)**

Consolidated financial statements have been prepared in accordance with the consolidation method, which involves combining the assets, liabilities, equity, income and expenses included in the financial statements of the parent company and subsidiaries within the scope of consolidation as a whole and preparing consolidated financial statements by making the necessary adjustments within the framework of consolidation principles and principles.

Subsidiaries represent businesses in which the Parent Company, directly or through other subsidiaries or affiliates, has more than 50% of the shares, voting rights, or the right to elect the majority of the management or the majority of the management within the framework of capital and management relations. Control power is defined as the power of the Parent Company (investor company) to manage the financial and business policies of its subsidiaries and the power to benefit from their activities. An investor controls an investee when it is exposed to, or has rights to, variable returns from its relationship with the investee and has the ability to influence those returns through its power over the investee.

The above subsidiaries consolidated within the Parent Company have been consolidated because the controlling power belongs to the Group. Accordingly, the consolidated balance sheet and income statement are prepared according to the main principles explained below:

- a) The balance sheet and income statement items of the consolidated partnerships are consolidated by adding them to each other. The book value of the shares held by the Parent Company in its consolidated subsidiaries has been mutually offset with the equity accounts of the subsidiary.
- b) The receivables and debts of the partnerships within the scope of consolidation from each other and the income and expense items arising from the sales of goods and services between the partnerships within the scope of consolidation and their transactions with each other have been mutually offset.
- c) Current and fixed assets purchased from each other by the partnerships subject to the consolidation method are shown in the consolidated balance sheet at their amounts, by making adjustments to ensure that these assets are shown at their acquisition costs to the partnerships within the scope of consolidation.
- d) Amounts corresponding to shares other than the parent company and subsidiaries are deducted from all equity account group items, including paid/issued capital, of the subsidiaries within the scope of consolidation and are shown under the name of the "Non-Controlling Interests" account group, before the equity account group of the consolidated balance sheet.
- e) As of the date when the partnership within the scope of consolidation becomes a subsidiary and for one-time use in subsequent share purchases, the acquisition cost of the shares held by the parent company in the capital of the subsidiary, as of the date of purchase, is the representation of these shares in the equity capital of the subsidiary in the balance sheet valued at fair value. is deducted from the value.
- f) Acquisitions by the Group are accounted for using the purchase method. In this method, the acquisition is reflected in the records based on cost. The Group includes the operating results of the acquired business in its consolidated income statement as of the date of acquisition, and on this date, it includes in its balance sheet each identifiable asset and liability of the acquired entity, as well as any goodwill or negative goodwill arising from the acquisition, if any.

NOTE 2- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.1) Basis of Presentation (Cont.)**

- **Adjusting consolidated financial statements during periods of high inflation**

According to the decision numbered 81/1820 dated December 28, 2023, by the Capital Markets Board of Türkiye (CMB), issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards have decided to apply inflation accounting starting from the annual financial statements for the fiscal years ending on December 31, 2023, by applying the provisions of "Turkish Accounting Standards" (TAS) 29.

In this context, inflation adjustments have been made according to TAS 29 for the consolidated financial statements dated June 30, 2025, December 31, 2024 and June 30, 2024.

Consolidated Financial statements and related figures from previous periods have been restated for changes in the general purchasing power of the functional currency, resulting in financial statements and related figures from previous periods being expressed in the measurement unit currency applicable at the end of the reporting period in accordance with the TAS 29 Financial Reporting in Hyperinflationary Economies standard.

TAS 29 is applied to the financial statements of every entity whose functional currency is the currency of a high inflationary economy, including consolidated financial statements. In the presence of high inflation in an economy, TAS 29 requires the financial statements of an entity whose functional currency is the currency of a high inflationary economy to be expressed in the measurement unit currency applicable at the end of the reporting period.

The table below contains the inflation rates for the relevant years calculated by taking into account the Consumer Price Indexes published by the Turkish Statistical Institute (TSI):

Date	Index	Adjustment Coefficient
30.06.2025	3.132,17	1,000
31.12.2024	2.684,55	1,166
30.06.2024	2.319,29	1,350

The main outlines of the indexation process under TAS 29 are as follows;

- Using the relevant price index coefficients, all items except those shown with current purchasing power as of the balance sheet date have been indexed. Amounts from previous years have also been indexed in the same manner.
- Monetary assets and liabilities, which are expressed with the current purchasing power as of the balance sheet date, have not been subjected to indexing. Monetary items include cash and items payable or receivable in cash.
- Fixed assets, investments, and similar assets have been indexed based on their acquisition values, ensuring they do not exceed market values. Depreciation expenses have been adjusted in a similar manner. Amounts within equity have been recalculated based on the application of general price indices at the time these amounts were contributed to or arose within the company.
- All items in the income statement, except those affecting the income statement due to non-monetary items in the balance sheet, have been indexed using coefficients calculated based on the periods when income and expenses were initially reflected in the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)

2.1) Basis of Presentation (Cont.)

- **Adjusting consolidated financial statements during periods of high inflation (Cont.)**

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

The impact of applying the TAS 29 Inflation Accounting standard is summarized as follows:

- **Reorganization of the Financial Position Statement**

Amounts in the financial position statement that are not expressed in the measurement unit currency applicable at the end of the reporting period are restated. Accordingly, monetary items are not restated as they are expressed in the currency current at the end of the reporting period. Non-monetary items need to be restated unless they are shown at their current amounts at the end of the reporting period.

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

- **Reorganization of the Profit or Loss Statement**

All items in the income statement are expressed in the measurement unit currency applicable at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

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

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

- **Reorganization of the Cash Flow Statement**

All items in the cash flow statement are expressed in the measurement unit currency applicable at the end of the reporting period.

- **Consolidated Financial Statements**

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated using the general price index before being included in the consolidated financial statements prepared by the parent company. If such a subsidiary is a foreign subsidiary, the restated financial statements are translated at the closing exchange rate.

In the case of consolidating financial statements with different reporting periods, all monetary and non-monetary items are restated according to the measurement unit valid at the date of the consolidated financial statements.

- **Comparative figures**

The relevant figures for the previous reporting period are restated by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also expressed in the measurement unit valid at the end of the reporting period.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.2) Declaration of Compliance with TAS**

The accompanying financial statements have been prepared in accordance with the Capital Markets Board ("CMB") Communiqué No. II-14.1 on "Principles of Financial Reporting in Capital Markets" and Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), based on Article 9(b) of Decree Law No. 660, and presented in compliance with the TMS taxonomy published by the POA on 4 October 2022.

The Group maintains its statutory accounting records in accordance with Tax Legislation and the Uniform Chart of Accounts (Communiqué on the Implementation of Accounting System) published by the Republic of Turkey Ministry of Finance, and prepares them in Turkish Lira.

The financial statements have been prepared on a historical cost basis, except for land and buildings held for use, underground and above-ground improvements, and investment properties, which are carried at their fair values.

2.3) Changes in Turkish Financial Reporting Standards

The accounting policies applied in the preparation of the condensed consolidated financial statements for the period ended 30 June 2025 have been consistently applied with those used in the prior year, except for the new and amended Turkish Accounting Standards ("TAS")/TFRS and TAS/TFRS interpretations effective as of 1 January 2025, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

Changes and Changes and interpretations effective from 2025:**- TAS 21 (Amendments) Lack of Exchangeability**

These amendments provide guidance on when a currency is considered exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

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

Standards and amendments published as of 30 June 2025 but not yet effective:

- **TFRS 10 and TAS 28 (Amendments) — Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture**

The Public Oversight, Accounting and Auditing Standards Authority (POA) has indefinitely postponed the effective date of these amendments made in December 2017 to TFRS 10 and TAS 28, pending ongoing research on the equity method. However, early application is still permitted.

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

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.3) Changes in Turkish Financial Reporting Standards (Cont.)**

- **TFRS 17 Insurance Contracts**

In February 2019, the Public Oversight, Accounting and Auditing Standards Authority (POA) issued TFRS 17, a comprehensive new accounting standard covering recognition and measurement, presentation, and disclosure for insurance contracts. TFRS 17 introduces a model that measures insurance contract liabilities at current balance sheet values and recognizes profit over the period during which services are provided. Certain changes in future cash flow estimates and risk adjustments are also recognized over the service period. Entities may choose to account for the effects of changes in discount rates in either profit or loss or other comprehensive income. The standard provides specific guidance for the measurement and presentation of insurance contracts with participation features. In addition, amendments published by the POA in December 2021 grant a transition option to address potential accounting mismatches between financial assets and insurance contract liabilities in comparative information presented upon first-time adoption of TFRS 17.

Through an announcement by the POA, the mandatory effective date of the standard for certain entities has been deferred to annual reporting periods beginning on or after January 1, 2026.

- **TFRS 17(Amendments) Insurance Contracts — Comparative Information with the Initial Application of TFRS 17 and TFRS 9**

Amendments have been made to TFRS 17 to reduce implementation costs, simplify the communication of results, and facilitate transition.

The comparative information amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information for financial assets as if the classification and measurement requirements of TFRS 9 had been applied to those assets before.

These amendments are to be applied upon initial application of TFRS 17.

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

In May 2025, the POA issued TFRS 18, replacing TAS 1. TFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the provision of specific totals and subtotals. It requires entities to present all income and expenses in the statement of profit or loss under one of the following categories: operating, investing, or financing activities, including income taxes. The standard also mandates disclosure of management-defined performance measures and introduces new requirements for the aggregation and disaggregation of financial information in the primary financial statements and the notes, aligned with their defined functions. The issuance of TFRS 18 also resulted in certain amendments to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. TFRS 18 and the related amendments are effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. TFRS 18 will be applied retrospectively.

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

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.3) Changes in Turkish Financial Reporting Standards (Cont.)**

- **Amendments Issued by the International Accounting Standards Board (IASB) but Not Yet Issued by the POA**

The two amendments to IFRS 9 and IFRS 7, the Annual Improvements to IFRS Standards, and IFRS 19 issued by the IASB, as described below, have not yet been incorporated into or issued as part of the Turkish Financial Reporting Standards (TFRS) by the Public Oversight, Accounting and Auditing Standards Authority (POA). Therefore, they do not form part of TFRS at this stage. The Group will make the necessary changes in its financial statements and notes after these standards and amendments become effective under TFRS.

- **IFRS 9 and IFRS 7 (Amendments)**

Classification and Measurement of Financial Instruments

Annual Improvements to IFRS Standards — IFRS 9 and IFRS 7 (Amendments), IFRS 19

Contracts for Electricity Generated from Natural Resources – New Subsidiaries without Public Accountability

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

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments. The amendments clarify that financial liabilities are derecognised on the settlement date. In addition, the amendments introduce an accounting policy choice, subject to certain conditions, to derecognise financial liabilities settled via an electronic payment system before the settlement date. The amendments also provide clarifications on how to assess the contractual cash flow characteristics of financial assets with Environmental, Social and Governance (ESG)-linked or other similar contingent features, as well as on the application for non-recourse assets and contractually linked financial instruments. Furthermore, the amendments introduce additional disclosure requirements in IFRS 7 for financial assets and liabilities that include contractual terms referring to a contingent event (including ESG-linked events), and for equity instruments measured at fair value through other comprehensive income.

The Group does not expect these amendments to have a significant impact on its financial statements.

- **Annual Improvements to IFRS Accounting Standards – 11th Amendment**

In July 2024, the IASB issued the "Annual Improvements to IFRS Standards / 11th Amendment," which includes the following changes.

Hedge accounting by an entity applying IFRS for the first time under IFRS 1: The amendment was made to eliminate potential confusion caused by inconsistencies between the wording in IFRS 1 and the hedge accounting requirements in IFRS 9.

IFRS 7 Financial Instruments: Disclosures Gains or losses on derecognition: The wording related to unobservable inputs in IFRS 7 has been revised, and a reference to IFRS 13 has been added.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.3) Changes in Turkish Financial Reporting Standards (Cont.)**

- **Annual Improvements to IFRS Accounting Standards – 11th Amendment (Cont.)**

IFRS 9 Financial Instruments – Derecognition of Lease Liability by the Lessee and Transaction Price: When the lease liability is extinguished by the lessee, amendments have been made to IFRS 9 to clarify that any gain or loss arising from the application of derecognition requirements should be recognized in profit or loss. Additionally, amendments have been made to IFRS 9 to remove the reference to the transaction price.

IFRS 10 Consolidated Financial Statements – Determination of "De Facto Agent": Amendments have been made to the Standard to resolve inconsistencies in the paragraphs of IFRS 10.

IAS 7 Statement of Cash Flows – Cost Method: Following previous amendments removing the term "cost method," the related expression has been deleted from the Standard.

The Group does not expect a significant impact on the financial statements.

IFRS 9 and IFRS 7 (Amendments) – Contracts for Electricity Generated from Natural Resources

The IASB issued the "Contracts for Electricity Generated from Natural Resources" amendment (related to IFRS 9 and IFRS 7) in December 2024. The amendment clarifies the application of the "own use" exemption and permits hedge accounting when such contracts are used as hedging instruments. Additionally, the amendment introduces new disclosure requirements to help investors understand the impact of these contracts on the entity's financial performance and cash flows.

The Group does not expect a significant impact on the financial statements.

- **IFRS 19 New Subsidiaries without Public Accountability: Disclosure Standard**

In May 2024, the IASB issued IFRS 19, which provides certain entities with the option to apply reduced disclosures when applying recognition, measurement, and presentation requirements in IFRS. Unless otherwise specified, entities within the scope that choose to apply IFRS 19 will not be required to comply with the disclosure requirements in other IFRSs. An entity that is a subsidiary without public accountability and that has a parent (intermediate or ultimate) preparing consolidated financial statements compliant with IFRSs publicly available may elect to apply IFRS 19.

The Group does not expect a significant impact on the financial statements.

2.4) Changes and Errors in Accounting Policies and Estimates

If the effect of a change in an accounting estimate is related to only one period, in the current period in which the change is made; If it relates to future periods, it is reflected in the financial statements in a way that will be taken into account both in the period in which the change is made and in the future period, in determining the net profit or loss for the future period. The correction amount of an error is taken into account retroactively. An error is corrected by restating comparative amounts for previous periods in which it occurs or, if it occurs before the next reporting period, by restating the retained earnings account for that period. If rearranging the information causes an excessive cost, comparative information from previous periods is not rearranged, and the retained earnings account of the next period is rearranged with the cumulative effect of the error before the start of the period in question.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies****Recording revenues**

Income is recorded on an accrual basis based on the fair value of the consideration received or receivable from the sales of goods and services. Net sales are the invoice price of delivered goods and services performed, excluding sales discounts and returns. If there is a significant financing element in the sales, the fair value is determined by discounting future collections with the interest rate included in the financing element. The difference is recorded as financial income in the relevant periods on an accrual basis.

Sale of goods

The Group's sales of goods include the production, import, and domestic and international sales of all kinds of chemical fertilizers and acids. Income from the sale of these goods is recognized when the following conditions are met:

- The group transfers all significant risks and assets related to a property to the acquisition,
- The Group has no ongoing administrative involvement associated with ownership and no effective control over the goods sold,
- Reliable measurement of the amount of income,
- It is probable that the economic benefits associated with the transaction will flow to the Group, and
- Reliable measurement of the costs arising from the transaction.

Interest income

Interest income is accrued in the relevant period based on the effective interest method, which brings the remaining principal balance and the estimated cash inflows to be obtained from the relevant financial asset over its expected life to the net book value of the relevant asset.

Dividend income

Dividend income from stock investments is reflected in the consolidated financial statements when the shareholders' right to receive dividends is established.

Inventories

Inventories are valued at the lower of net realizable value or cost. The cost is calculated using the weighted average cost method. The elements that make up the cost included in inventories are materials, direct labor and general production expenses. Credit costs are not included in inventory costs. Net realizable value is the amount obtained by deducting the cost of completion and sales costs necessary to make the sale from the estimated sales price in ordinary commercial activity. Inventories include raw materials and materials, semi-finished products, operating materials, commercial goods and other stocks.

Tangible assets

Tangible assets (Lands and buildings are valued at their fair values reflecting the market conditions as of the reporting date) are shown over the amount after the accumulated depreciation and accumulated impairments are deducted from the cost values, excluding the lands and buildings. Lands and lands are not depreciated and are shown over the amount after deducting accumulated impairments from cost values.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Tangible Assets (Cont.)**

Cost value of the tangible asset; It consists of the purchase price, import taxes and non-refundable taxes, and the expenses incurred to make the tangible asset ready for use. Expenses such as repairs and maintenance that occur after the use of the tangible asset begins are recorded as expenses in the period in which they are incurred. If the expenses made provide an economic value increase to the relevant tangible asset in its future use, these expenses are added to the cost of the asset. Tangible assets are capitalized and depreciated when their capacities are ready for full use. Assets subject to depreciation are depreciated on a pro rata basis according to the straight-line depreciation method, with rates based on their estimated economic lives.

Land and buildings are expressed at their revalued amounts. The revalued amount is determined by deducting the accumulated depreciation and accumulated impairment in subsequent periods from the fair value determined on the revaluation date. Revaluations are made at regular intervals so that the fair value determined at the balance sheet date does not differ significantly from the book value.

The increase resulting from the revaluation of the land and buildings in question is included in the revaluation measurement gains calculation in equity. The increase in value resulting from revaluation is first recorded in the statement of profit or loss in proportion to the impairment in question, in case there is an impairment in the value of tangible fixed assets previously shown in the statement of profit or loss. If it exceeds the balance in the revaluation account regarding the revaluation of the land and buildings in question, it is recorded in the profit or loss statement.

The depreciation periods (economic life) and depreciation rates applied for existing fixed assets are below.

	Economic Life
Land improvements	5-50 Year
Buildings	5-50 Year
Plant, machinery, and equipment	4-40 Year
Vehicles	5 Year
Fixtures	5-20 Year
Other tangible assets	3-15 Year

The economic life and depreciation method are reviewed regularly, and accordingly, it is checked whether the method and depreciation period are in line with the economic benefits to be obtained from the relevant asset.

Intangible Assets

Intangible assets consisting of software rights are recorded at their acquisition cost. Software rights are amortized on a pro rata basis using the straight-line depreciation method, over 3 to 5 years, based on their adjusted cost.

The values of intangible assets are reviewed and the necessary provision is made if changes in conditions and events indicate that the carrying value may decrease.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Mine Preparation Expenses**

Expenditures related to the preparation of mine sites (including geophysical, topographical, geological and similar types of expenses) are recorded as expenses in the period in which they are incurred, unless there is an opinion that they will contribute to economically sustainable capital formation in the future. In this case, once a mine reaches commercial production capacity, the expenses in question are capitalized and amortized over the useful life of the mine (total reserve amount). Research and preparation expenses recorded as expenses before the development and construction phase of a mine, including the detection of a commercial mineral reserve as a result of these phases, are not capitalized subsequently. The expected useful life, residual value and amortization method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, it is accounted for prospectively. Mine preparation expenses; It consists of mine preparation and development expenses, mine exploration expenses, research and development expenses and other special assets subject to depletion.

Investment properties

Land and buildings held for rental or for capital appreciation, or both, rather than for use in the production of goods and services or for administrative purposes or for sale in the ordinary course of business, are classified as investment property.

Investment property is recognized as an asset if and only if the following conditions are:

- a) It is probable that the future economic benefits of the property will flow into the business.
- b) The cost of the investment property can be measured reliably.

The initial cost of a leased property that is classified as investment property is the lower of the fair value of the property and the present value of the minimum lease payments. Real estates classified as investment in subsequent periods are accounted for using the fair value or cost methods within the scope of the relevant TAS.

In this framework, the Group measures its investment classified as investment property using the fair method in accordance with the conditions specified in the relevant TAS, and the gain or loss arising from the change in the fair value of the investment property is recognized in the profit or loss statement in the period it occurs (Note 13).

Impairment of assets

For assets subject to amortization, if situations or events occur where it is not possible to recover the book value, an impairment test is applied. If the book value of the asset exceeds its recoverable amount, an impairment loss provision is recorded. The recoverable amount is the greater of fair value less costs to sell or value in use. To assess impairment, assets are grouped at the lowest level at which they have separate identifiable cash flows (cash-generating units). Non-financial assets are reviewed for possible indicators of impairment at each reporting date.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Government incentives and aid**

All government grants, including non-monetary government grants that are monitored at fair value, are recognized in the financial statements when there is a reasonable assurance that the conditions required for their acquisition will be met by the Group and that the incentive can be obtained by the Group, or when the incentive is obtained by the Group. Government incentives are accounted for by netting off the costs of the capitalizable intangible assets that are intended to be covered by these incentives.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that require a significant period of time to become ready for their intended use or sale are capitalized as part of the cost of the relevant assets. Other borrowing costs are written off as expenses in the periods in which they are incurred. Borrowing costs include interest and other costs incurred in connection with borrowing.

Provisions, Contingent Assets and Liabilities**Provisions**

Provisions are recorded only if the Group has a past obligation that is still ongoing, if there is a possibility of disposing of resources that provide economic benefit to the entity due to this obligation, and if the amount of the obligation can be determined reliably.

When the depreciation of money over time becomes significant, provisions are reflected with the discounted value of possible future expenses at the balance sheet date. Provisions are reviewed at each balance sheet date and necessary adjustments are made to reflect management's best estimates (Footnote 25).

Contingent liabilities and assets

Contingent liabilities are not reflected in the financial statements but are disclosed in the footnotes unless the situation requiring the transfer of resources is highly probable. Contingent assets are not reflected in the financial statements but are disclosed in footnotes if they are likely to generate economic returns (Note 25).

Business combinations and goodwill

Business combinations are considered as the combination of two separate legal entities or businesses into a single reporting entity.

The difference between the acquisition cost incurred in purchasing a business and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business is recognized as goodwill in the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Business combinations and goodwill (Cont.)**

The cash-generating unit to which goodwill is allocated is subjected to impairment testing every year. If there are signs that the unit is impaired, the impairment test is performed more frequently. If the recoverable amount of the cash-generating unit is less than its book value, the impairment provision is first set aside from the goodwill allocated to the unit, and then the book value of the assets within the unit is reduced. The impairment provision for goodwill is recognized directly in profit/loss in the consolidated income statement. The goodwill impairment provision is not canceled in subsequent periods. If the acquirer's share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference is associated with the consolidated income statement. During the sale of the relevant cash-generating unit, the amount determined for goodwill is included in the calculation of profit/loss in the sale transaction.

Lease Transactions

The Group has applied accounting policy changes resulting from the new standard, amendments and interpretations effective as of January 1, 2019 and the first application of the "IFRS 16 Leases" standard, in accordance with the transitional provisions of the relevant standard.

The Group – As a Lessee

If a contract regulates the right to control the use of the asset defined in the contract for a specified period of time and for a certain price, it is considered to be a lease or to include a lease. At the beginning of a contract, the Group evaluates whether the contract is a lease or not. The Group considers the following conditions when evaluating whether a contract delegates its right to control the use of a defined asset for a specified period of time:

- The existence of an explicit or implicitly identifiable asset that is the subject of the lease agreement,
- The lessee has the right to obtain nearly all of the economic benefits to be derived from the use of the defined asset that is the subject of the lease contract,
- The leaser has the right to manage the use of the defined asset that is the subject of the lease contract. In the cases listed below, the lessee is considered to have to right to manage the defined asset that is the subject of the lease contract;
- The lessee is entitled to operate the asset for the duration of its use (or to direct others to operate the asset in its own way) and the lessor does not have the right to change these operating instructions, or,
 - The lessee has designed the asset (or specific features of the asset) to predetermine how and for what purpose the asset will be used throughout its lifetime.

If the agreement meets these conditions, the Group reflects a right of use and a lease obligation in the financial statements at the date when the lease actually begins.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)

2.5) Summary of Significant Accounting Policies (Cont.)

Lease Transactions (Cont.)

Right-of-use assets,

The right to use asset is first accounted for using the cost method and includes:

- The first measurement amount of the lease obligation to be recorded as a right of use asset,
- All lease incentive discounts related to leasing from the first measurement of the lease obligation recorded as the right of use
- Regarding the lease, all direct costs incurred by the Group, which will be recorded as the right of use and added to the initial measurement amount of the lease obligation and
- Estimated costs to be incurred by the Group in relation to the tenant's removal and transportation of the defined asset that constitutes the subject of the lease contract, the restoration of the area where it is located or the restoration of the defined asset to the condition required by the lease terms and conditions are added to the initial measurement amount.

While applying the cost method, the Group has the right to use:

- Accumulated depreciation and accumulated impairment losses are deducted and
- It measures over the corrected cost according to the reassessment of the lease obligation. The Group applies depreciation provisions in the "TAS 16 Property, Plant and Equipment" standard while depreciating its right of use asset. It applies the "TAS 36 Impairment on Assets" standard to determine whether the right of use asset has been impaired and to recognize any impairment loss.

Lease obligation

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments, if the implicit interest rate in the lease can be easily determined, using this rate; If the implied interest rate cannot be determined easily, the lessee is discounted using the alternative borrowing interest rate.

The lease payments included in the measurement of the lease obligation of the Group and not realized on the date when the lease started consists of:

- The amount obtained by deducting all types of rental incentive receivables from fixed payments,
- Rent payments made by using an index or rate on the date when the first measurement is actually started, depending on an index or rate,
- Penal payments for termination of the lease if the tenant indicates that the tenant will use an option to terminate the lease.

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

- Increases its registered value to reflect the interest on the lease obligation,
- Decreases its registered value to reflect the rent payments made and
- If there is any re-evaluations and reconstructions, it measures the recorded value in order to reflect it. The Company reflects the re-measurement amount of the lease obligation to its financial statements as a correction in the presence of the right to use.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)

2.5) Summary of Significant Accounting Policies (Cont.)

Lease Transactions (Cont.)

Extension and early termination options

The lease obligation is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options in the contracts consist of options that can be applied jointly by the Group and the lessor. However, if these extension and early termination options are at the discretion of the Group according to the contract and the usage of the options is reasonably certain, the rental period is determined by taking this into consideration. If the conditions change significantly, the assessment is reviewed by the Group.

Facilitating applications

Short term lease contracts with a lease period of 12 months or less and contracts for leases that are determined to be of low value by the Group have been evaluated within the scope of the exemption recognized by IFRS 16 Leases, and payments related to these agreements continue to be recognized as expense in the period they occur.

Taxes Calculated over Corporate Earnings

Tax expense or income is the sum of current and deferred taxes calculated in relation to gains or losses arising during the period. In calculating current and deferred taxes, tax rates valid as of the balance sheet date are used in accordance with the tax legislation in force in the country in which the Group operates.

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. The subsidiaries of the Group have deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Deferred tax assets and liability are not recognized in which case arising from initial recognition of goodwill or an asset/liability (except business combinations) which, at the time of the transaction, does not affect either the accounting or the taxable profit.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset from each other. If deferred tax is related to transactions directly associated with equity capital in the same or a different period, it is directly associated with the equity account group.

The Group recognizes deferred tax assets for deductible temporary differences only in the following cases and only if both situations are probable:

- a) Temporary differences will reverse within the foreseeable future; And
- b) There will be sufficient taxable income to use the temporary differences.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Financial assets****Classification and measurement**

The Group accounts for its financial assets in three classes: financial assets recognized at amortized cost, financial assets at fair value reflected in profit or loss, and financial assets at fair value reflected in the other comprehensive income statement. Classification is made based on the business model and expected cash flows determined according to the purposes of utilizing financial assets. Management classifies financial assets on the date they are purchased.

Financial assets recognized at amortized cost

Financial assets where the management has adopted the business model of collecting contractual cash flows and the contractual terms include only principal and interest payments arising from the principal balance on certain dates, have fixed or determinate payments, are not traded in an active market and are not derivative instruments are classified as assets recognized at amortized cost. . If their maturity is less than 12 months from the balance sheet date, they are classified as current assets, and if their maturity is longer than 12 months, they are classified as non-current assets. Assets recognized at amortized cost include "trade receivables" and "cash and cash equivalents" items in the statement of financial position.

Fair value through profit / loss assets

Assets for which management adopts a business model of collecting contractual cash flows and/or selling are classified as assets recognized at fair value. If the management does not intend to dispose of the relevant assets within 12 months from the balance sheet date, the assets in question are classified as non-current assets. For investments in equity-based financial assets, the Group makes a permanent selection during initial recognition as an equity investment with the fair value difference of the investment reflected in other comprehensive income or in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash held in cash, bank deposits and short-term, highly liquid investments that can be easily converted into cash, have an insignificant risk of change in value, and have a maturity of less than three months (Note 53). Turkish Lira deposits are shown at their cost values, and foreign currency deposit accounts are shown at their values converted to Turkish Lira using the foreign exchange buying rate of the Central Bank of the Republic of Turkey on the balance sheet date. Time deposit accounts also include accrued interest as of the balance sheet date. The Group calculates impairment using the expected credit loss model in cases where cash and cash equivalents are not impaired for a specific reason. In the calculation of expected credit loss, the Group's future estimates are taken into account along with past credit loss experiences.

Trade payables

Trade payables refer to payments that must be made for goods and services provided from suppliers in normal activities. Trade payables are initially measured at fair value and subsequently at amortized cost calculated using the effective interest method (Note 7).

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Financial Assets (Cont.)**

Recognition and write off of financial assets

All purchases and sales of financial assets are recorded on the transaction date, that is, the date on which the Group undertakes to buy or sell the asset. These purchases and sales are generally purchases and sales that require the delivery of financial assets within the time period determined by the general practices and regulations in the market.

A financial asset (or part of a financial asset or group of similar financial assets);

- If the period for the right to obtain cash flow from the asset has expired,
- Although the Group has the right to obtain cash flow from the asset, it is obliged to pay it in full without delay within the scope of an agreement that has the obligation to transfer it directly to third parties,
- It is derecognized if the Group has transferred the right to receive cash flows from the financial asset and (a) all risks or rewards associated with the asset have been transferred, or (b) it has transferred all control over the asset, although not all rights or rewards have been transferred.

If the Group transfers the right to receive cash flow from the asset, but does not transfer all risks or benefits or does not transfer control over it, the asset is carried in the financial statements depending on the Group's ongoing relationship with the asset.

Financial liabilities are removed from the records when the debts arising from these liabilities are eliminated, canceled or expired.

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a basis or realize the asset and settle the liability simultaneously.

Foreign Exchange Transactions and Balances

Foreign currency transactions are accounted for at the exchange rate current at the transaction date. Asset and liability accounts recorded in foreign currencies are subject to revaluation based on the exchange rates at the end of the period. Exchange differences arising from revaluation are shown under financial income and expenses in the income statement.

The exchange rates valid at the balance sheet date are as follows;

	30.06.2025	31.12.2024
USD/ TRY	39,7424	35,2233
EUR / TRY	46,5526	36,7429
GBP / TRY	54,5078	44,2458

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Related Party**

A related party is a person or entity that is related to the entity that prepares its financial statements (the 'reporting entity') (Note 6).

A person or a close member of that person's family is considered to be related to the reporting entity if any of the following conditions apply:

If that person:

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

An entity is considered related to a reporting entity if any of the following conditions are present:

- a) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- c) Both entities are joint ventures of the same third party.
- d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- e) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- f) The entity is controlled or jointly controlled by a person identified in (a).
- g) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- h) A related party transaction is the transfer of resources, services or obligations between related parties, regardless of whether there is a fee or not.

Employee Benefits**Severance indemnity**

The Group is obliged to pay a certain amount of severance pay to employees who leave their jobs due to retirement or whose employment is terminated for reasons other than resignation or misconduct, in accordance with the labor law in Turkey, provided that they have served for at least one year.

The Group has calculated the severance pay provision included in the financial statements using the "Projection Method", taking into account its past experience regarding employees' completion of service periods and entitlement to severance pay. The provision has been discounted using the government bond yield rate as of the balance sheet date. All actuarial gains and losses have been recognized in the consolidated other comprehensive income statement.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)**2.5) Summary of Significant Accounting Policies (Cont.)****Events occurring after the balance sheet date**

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date (events requiring adjustment) are reflected in the accompanying financial statements. Events that do not require correction are explained in footnotes if they are of particular importance.

Earning Per Share

Earnings per share stated in the statement of comprehensive income are calculated by dividing the net profit by the weighted average number of shares outstanding during the reporting period.

In Turkey, Groups can increase their capital by distributing "bonus shares" to their existing shareholders from their previous year's earnings. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is determined by taking into account the retrospective effects of the share distributions in question.

Cash flow statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investment and financing activities. Cash flows arising from operating activities represent the cash flows arising from the Group's dried tomato and other food sales activities. Cash flows related to investing activities show the cash flows used and obtained in the Group's investment activities (tangible and intangible investments and financial investments). Cash flows related to financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Liquid assets are cash, demand deposits and other short-term investments with high liquidity that have maturities of 3 months or less from the date of purchase, can be converted into cash immediately and do not carry the risk of significant value change.

2.6) Significant accounting estimates and assumptions

In the preparation of financial statements, the Group management is required to make evaluations, assumptions and estimates that will affect the reported asset and liability amounts, determine the liabilities and commitments that are likely to occur as of the balance sheet date and the income and expense amounts as of the reporting period. Actual results may differ from predictions. Estimates are reviewed regularly, necessary adjustments are made and reflected in the statement of comprehensive income in the period in which they are realized. Significant assumptions made, taking into account the main sources of estimates that exist at the balance sheet date or may occur in the future, which may have a significant impact on the amounts reflected in the financial statements, are as follows:

- Group management made significant assumptions in determining the useful economic lives of tangible fixed assets. The physical and economic usability of the currently used machinery and equipment is constantly reviewed by the Group, and the physical and economic lifespan of the main production lines has been determined as a result of the evaluations made during the privatization process and in the following years, assuming that they do not suffer from excessive wear and tear due to production below normal production capacity. (Note 14)

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (CONT.)

2.6) Significant accounting estimates and assumptions (Cont.)

- The fair value of the Group's investment properties as of the balance sheet date was obtained according to the valuation carried out by a real estate valuation company that is not affiliated with the Group. Various estimates and assumptions are used in fair value calculations in valuation reports prepared in accordance with International Valuation Standards. Future changes in these estimates and assumptions could have a significant impact on the Group's consolidated financial statements. (Note 13)
- Group management made estimates to determine doubtful trade receivables in the commercial and non-commercial receivables portfolio, taking into account past collection data and the current situations of its customers. (Note 7)
- Group severance pay provision is determined by actuarial calculations based on a number of assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long-term, these assumptions involve significant uncertainties. (Note 25)
- Regarding stock impairment, stocks are examined physically and how old they are, their usability is determined in line with the opinions of technical personnel, and provisions are made for items that are estimated to be unusable. In determining the net realizable value of stocks, data regarding list sales prices and average discount rates given during the year are used and estimates are made regarding the sales expenses to be incurred. (Note 10)
- Deferred tax assets are calculated on the condition that it is highly probable to benefit from the tax advantage by obtaining taxable profit in the future. Deferred tax assets are calculated on unused tax credits and other temporary differences if a tax advantage is probable. (Note 40)

NOTE 3 –BUSINESS COMBINATIONS

None. (December 31, 2024: None.)

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED
(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 4 – SHARES IN OTHER BUSINESS

- **Long-Term Financial Investments**

The details of the Group's long-term financial investments are as follows:

		30.06.2025		31.12.2024
	Share ratio	Share amount	Share ratio	Share amount
Badetaş Bandırma Deniz Taş. A.Ş.	47%	78.469.744	47%	78.469.744
Bagasan Bagfaş Ambalaj San. A.Ş.	3%	18.319.756	3%	18.319.756
Bagfaş Servis Pazarlama Ltd. Şti. ⁽¹⁾	--	--	55%	6.671.254
Bagfaş Teknik Müt. Ltd. Şti.	40%	345.756	40%	358.800
Book value		97.135.256		103.819.554
Badetaş Bandırma Deniz Taş. A.Ş.		(77.070.489)		(78.469.744)
Bagasan Bagfaş Ambalaj San. A.Ş.		(18.319.756)		(18.319.756)
Impairment		(95.390.245)		(96.789.500)
Total		1.745.011		7.030.054

1) Bagfas Servis Pazarlama Ltd. Şti. has been included in the scope of consolidation as of January 1, 2025

With the decision of the board of directors dated 8 December 2023, the company has participated as a 100% (one hundred percent) founding and legal owner of the company titled BFertilizer International Trading FZCO, which will be established in the Dubai Silicon Oasis Free Zone for its foreign business development target, Fertilizer, Acid trade and all kinds of import-export transactions. It was decided unanimously.

NOTE 5 – SEGMENT REPORTING

None. (December 31, 2024: None.)

NOTE 6 – RELATED PARTY DISCLOSURES

- **Short-Term Trade Receivables from Related Parties**

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

	30.06.2025	31.12.2024
Bagfaş Teknik Müteahhitlik Ltd. Şti.	432.838	--
Ege Gübre Sanayi A.Ş.	383.890	418.095
Receivables rediscount (-)	--	(21.462)
Total	816.728	396.633

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 6 – RELATED PARTY DISCLOSURES (CONT.)

- **Trade Payables to Related Parties**

The details of the Group's trade payables to related parties are as follows:

	30.06.2025	31.12.2024
Bagfaş Teknik Müteahhitlik Ltd. Şti.	8.052.668	9.856.508
Badetaş Sigorta Aracılık Hizmetleri Ltd. Şti.	2.048.827	433.487
Bagfaş Servis Pazarlama Ltd. Şti.	--	11.741.305
Rediscounted trade payables (-)	(1.226.498)	(687.746)
Total	8.874.997	21.343.554

- **Trade Receivables from Related**

Details of the Group's short-term other receivables from related parties are as follows:

	30.06.2025	31.12.2024
Marmara Gübre San. ve Tic. A.Ş.	13.080.065	--
Total	13.080.065	--

- **Purchases**

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

30.06.2025	Good and service	Total
Bagfaş Teknik Müt. Ltd. Şti.	32.932.375	32.932.375
Badetaş Sigorta Aracılık Hizmetleri Ltd. Şti.	5.452.330	5.452.330
Total	38.384.705	38.384.705
30.06.2024	Good and service	Total
Bagfaş Servis Pazarlama Ltd. Şti.	33.119.762	33.119.762
Bagfaş Teknik Müt. Ltd. Şti.	28.703.986	28.703.986
Badetaş Sigorta Aracılık Hizmetleri Ltd. Şti.	2.264.838	2.264.838
Total	64.088.585	64.088.585

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 6 – RELATED PARTY DISCLOSURES (CONT.)

- Sales**

The details of the Group's sales to related parties are as follows:

30.06.2025	Goods and Services	Total
Bagfaş Teknik Müt. Ltd. Şti.	22.987	22.987
Total	22.987	22.987
30.06.2024	Goods and Services	Total
Bagfaş Servis Pazarlama Ltd. Şti.	20.564	20.564
Bagfaş Teknik Müt. Ltd. Şti.	20.564	20.564
Total	41.128	41.128

- Key Management Compensation and Benefits**

The details of the Company's key management compensation and benefits are as follows:

	30.06.2025	30.06.2024
Fees and other benefits	7.973.361	8.598.430
Total	7.973.361	8.598.430

NOTE 7 –TRADE RECEIVABLES AND PAYABLES

- Short-Term Trade Receivables**

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

	30.06.2025	31.12.2024
Trade receivables	435.867.536	25.300.709
Receivables from related parties (Note 6)	816.728	396.633
Doubtful trade receivables	1.144.651	831.221
Provisions for doubtful trade receivables (-)	(1.144.651)	(831.221)
Receivables rediscount (-)	(2.901)	(1.311)
Total	436.681.363	25.696.031

The maturity of the Group's trade receivables is less than 3 month (31 December 2024: less than 3 month). The guarantee amounts received by the Group from its customers against its trade receivables are included in Note 25.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 7 –TRADE RECEIVABLES AND PAYABLES (CONT.)

- **Short-Term Trade Receivables**

The movements of the provision for doubtful receivables are as follows:

	30.06.2025	31.12.2024
Opening balance	(831.221)	(1.198.958)
The provision in the current period	(432.220)	(796)
Inflation effect	118.790	368.533
Ending balance	(1.144.651)	(831.221)

- **Short-Term Trade Payables**

The details of the Company's trade payables are as follows:

	30.06.2025	31.12.2024
Trade payables	291.889.936	148.907.122
Payables to related parties (Note 6)	8.874.997	21.343.554
Notes payable	303.387	353.972
Rediscounted trade payables (-)	(7.999.041)	(2.192.761)
Total	293.069.279	168.411.888

The maturity of the Group's commercial payables is less than 3 months. (December 31, 2023: It is less than 3 months.)

NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

None. (December 31, 2024: None).

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

- **Other Short-Term Receivables**

The details of the Company's short-term other receivables are as follows:

	30.06.2025	31.12.2024
Receivables from Tax Authority ⁽¹⁾	70.540.460	79.832.551
Other Receivables from Related Parties (Note 6)	13.080.065	--
Receivables from Employees	3.945.750	1.019.787
Deposits and Guarantees Given	340.972	397.825
Other Miscellaneous Receivables	845.632	1.288.032
Total	88.752.879	82.538.196

1) An amount of TRY 67,570,998 relates to the refund of additional tax previously paid, which is currently subject to an ongoing lawsuit. The case has not yet been concluded. (December 31, 2024: The related amount was TRY 78.837.739.)

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED
(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES (CONT.)

- **Other Long-Term Receivables**

The details of the Company's long-term other receivables are as follows:

	30.06.2025	31.12.2024
Deposits and guarantees given	60.897	71.051
Total	60.897	71.051

- **Short-Term Other Payables**

The details of the Company's other short-term payables are as follows:

	30.06.2025	31.12.2024
Deposits and guarantees received	15.614.071	13.190.116
Taxes and funds payable	4.408.890	3.981.134
Other Debts ⁽¹⁾	10.594.873	16.923.745
Total	30.617.834	34.094.995

1) The related amount consists of cash guarantees received against liabilities.

- **Long-Term Other Payables**

The details of other long-term payables are as follows:

	30.06.2025	31.12.2024
Deposits and guarantees received	243.096	283.630
Total	243.096	283.630

NOTE 10 – INVENTORIES

The details of inventories are as follows:

	30.06.2025	31.12.2024
Semi-finished products	510.614.686	351.391.409
Finished goods	15.997.087	164.833.801
Raw materials and supplies	25.475.636	492.672.181
Other inventories	145.257.805	107.292.092
Allowance for Inventory Value Decline (-) ⁽¹⁾	(16.485.000)	(19.233.697)
Toplam	680.860.214	1.096.955.786

1) The related amount consists of the impairment of Can Gübre stocks designated for scrap.

There is an insurance coverage of USD 15.000.000 on the stocks. (December 31, 2024: There is an insurance coverage of USD 17.701.090 on the stocks.)

NOTE 11 – BIOLOGICAL ASSETS

None. (December 31, 2024: None).

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 12 – PREPAID EXPENSES AND DEFERRED INCOME

- **Short-Term Prepaid Expenses**

The details of the Company's short-term prepaid expenses are as follows:

	30.06.2025	31.12.2024
Advances given ⁽¹⁾	300.722.342	260.272.640
Expences related to following months ⁽²⁾	71.203.028	52.242.012
Business advances given	16.297.661	18.212.530
Employee Advances	632.179	--
Total	388.855.210	330.727.182

1) The advances given consist of domestic order advances, which are given for stock purchases.

2) The related amount consists of easement rights, insurance expenses, and other miscellaneous expenses.

- **Long- Term Prepaid Expenses**

The details of the Group's long-term prepaid expenses are as follows:

	30.06.2025	31.12.2024
Prepaid expenses for future years ⁽¹⁾	28.281.898	--
Total	28.281.898	--

1) The related amount consists of loan commission expenses.

- **Short-Term Deferred Income**

The details of the Company's short-term deferred income are as follows:

	30.06.2025	31.12.2024
Advances received ⁽¹⁾	469.378.777	312.348.696
Total	469.378.777	312.348.696

1) The related amount consists of the prepayments made by the Company as advance payments prior to delivery.

NOTE 13 – INVESTMENT PROPERTIES

None. (December 31, 2024: None).

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 14 – TANGIBLE ASSETS

The tangible assets movements of the company are as follows:

	1.01.2024	Addition	Outputs	31.12.2024	Addition	Outputs	Consolidation Effect	30.06.2025
Lands	207.852.362	--	--	207.852.362	--	--	--	207.852.362
Buildings	1.862.715.265	--	--	1.862.715.265	2.925.955	--	--	1.865.641.220
Machinery, plant and equipment	16.817.291.216	452.545.700	--	17.269.836.916	23.861.034	--	--	17.293.697.950
Vehicles	248.576.193	4.724.750	--	253.300.943	2.727.448	--	18.801.538	274.829.929
Furniture and fixture	197.079.495	1.353.647	--	198.433.141	2.938.953	(10.096)	117.882	201.451.201
Land improvements	566.769.943	--	--	566.769.942	--	--	--	566.769.942
Construction-in-Progress	916.696.284	93.008.666	--	1.009.704.950	48.461.020	--	--	1.058.165.970
Other tangible assets	54.800.571	--	--	54.800.571	--	--	--	54.800.571
	20.871.781.330	551.632.763	--	21.423.414.090	80.914.410	(10.096)	18.919.420	21.523.209.145
Buildings	(1.019.709.499)	(39.470.717)	--	(1.059.180.216)	(18.036.257)	--	--	(1.077.216.473)
Machinery, plant and equipment	(10.240.511.295)	(751.623.186)	--	(10.992.134.481)	(379.601.826)	--	--	(11.371.736.307)
Vehicles	(208.922.328)	(13.774.411)	--	(222.696.739)	(6.898.383)	--	(18.801.538)	(248.396.660)
Furniture and fixture	(170.117.562)	(6.785.432)	--	(176.902.994)	(3.096.917)	10.096	(117.882)	(180.079.021)
Land improvements	(445.811.516)	(9.204.410)	--	(455.015.926)	(4.373.977)	--	--	(459.389.903)
Other tangible assets	(52.830.124)	(329.814)	--	(53.159.938)	(110.899)	--	--	(53.270.837)
Accumulated Depreciation (-)	(12.137.902.324)	(821.187.969)	--	(12.959.090.293)	(412.118.259)	10.096	(18.919.420)	(13.390.089.201)
Net book value	8.733.879.007			8.464.323.797				8.133.119.944

As of June 30, 2025, the total insurance coverage amount of property, plant and equipment is USD 268,537,000 and TRY 130.499.438. (December 31, 2024: USD 313.312.673 and TRY 7.783.282.)

The distribution of the Group's depreciation expenses is stated in Note 29.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED

(Amounts are presented in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise stated.)

NOTE 15 – DECOMMISSIONING OF SERVICE, RIGHTS ON FUNDS FROM RESTORATION AND ENVIRONMENT REHABILITATION

None. (December 31, 2024: None).

NOTE 16 – SHARES OF MEMBERS in COOPERATIVE BUSINESS AND RELATED FINANCIAL INSTRUMENTS

None. (December 31, 2024: None).

NOTE 17 – INTANGIBLE ASSETS

Movements in the Group's intangible assets and accumulated amortization are as follows:

	1.01.2024	Addition	Outputs	31.12.2024	Addition	Outputs	30.06.2025
Cost							
Rights	14.876.797	--	--	14.876.797	--	--	14.876.797
Total	14.876.797	--	--	14.876.797	--	--	14.876.797
Accumulated Depreciation (-)							
Rights	(11.786.448)	(474.085)	--	(12.260.533)	(224.107)	--	(12.484.640)
Total	(11.786.448)	(474.085)	--	(12.260.533)	(224.107)	--	(12.484.640)
Net book value	3.090.348			2.616.264			2.392.156

NOTE 18 – GOODWILL

None. (December 31, 2024: None).

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EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED
(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 19 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES

None. (December 31, 2024: None).

NOTE 20 – RENT OPERATIONS

- **Right of Use Assets**

Movements of right-of-use assets over the periods are as follows;

	1.01.2024	Addition	Outputs	31.12.2024	Addition	Outputs	30.06.2025
Lands	480.060.756	--	--	480.060.756	--	--	480.060.756
Total	480.060.756	--	--	480.060.756	--	--	480.060.756
Lands	(59.548.111)	(13.853.067)	--	(73.401.178)	(6.926.533)	--	(80.327.711)
Accumulated Depreciation (-)	(59.548.111)	(13.853.067)	--	(73.401.178)	(6.926.533)	--	(80.327.711)
Net book value	420.512.645			406.659.578			399.733.045

NOTE 21 – PRIVILEGE SERVICE ARRANGEMENTS

None. (December 31, 2024: None).

NOTE 22 – IMPAIRMENT ON ASSETS

The details of the impairment of doubtful assets are as follows:

	30.06.2025	31.12.2024
Provision for doubtful trade receivables (Note 7)	(1.144.651)	(881.150)
Inventory Impairment (Note 10)	(16.485.000)	(19.233.697)
Total	(17.629.651)	(20.114.848)

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(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 23 – GOVERNMENT INCENTIVES

The company shall provide monthly premium and service documents in accordance with Law No. 5510 within the legal period, due to the fact that SSI does not have any premium, administrative fine, delay penalty and no delayed payment, 5 percent of the employer's share is covered by the Treasury.

Regarding SSK incentives, the minimum wage incentive no. 6661 and the incentive arising from the law no. 7252 (incentive for re-employment of employees on short-time working allowance) are benefited from.

30.06.2025

Nature of the investment	Total Amount	Incentive Certificate Date	Incentive Certificate No
S.Asit-F.Asit Modernizasyonu	115.181.771	08.06.2018	C 137818
DAP/NPK/AS Gübre Modernizasyonu	33.150.958	26.02.2021	520688
Can Yatırım Teşvik	1.717.772.516	31.07.2012	107787
S.Asit-F.Asit Modernizasyonu	56.195.955	13.04.2016	108580

Starting date	End date	Expenditure in the Current Period	Incentives Benefited from	Degree of completion (%)
30.05.2018	31.11.2024	--	%100 Customs Exemption VAT Exemption Interest Support	92,50%
28.01.2021	28.01.2024	--	%100 Customs Exemption VAT Exemption Interest Support	72,00%
07.06.2018	07.06.2021	--	%100 Customs Exemption VAT Exemption Interest Support	86,23%

31.12.2024

Nature of the investment	Total Amount	Incentive Certificate Date	Incentive Certificate No
S.Asit-F.Asit Modernizasyonu	115.181.771	08.06.2018	C 137818
DAP/NPK/AS Gübre Modernizasyonu	33.150.958	26.02.2021	520688
Can Yatırım Teşvik	1.717.772.516	31.07.2012	107787
S.Asit-F.Asit Modernizasyonu	56.195.955	13.04.2016	108580

Starting date	End date	Expenditure in the Current Period	Incentives Benefited from	Degree of completion (%)
30.05.2018	31.11.2024	--	%100 Customs Exemption VAT Exemption Interest Support	92,50%
28.01.2021	28.01.2024	--	%100 Customs Exemption VAT Exemption Interest Support	72,00%
07.06.2018	07.06.2021	--	%100 Customs Exemption VAT Exemption Interest Support	86,23%

The Group has initiated the extension process for expired incentives.

NOTE 24 – BORROWING COSTS

For the period ended at 30 June 2025 there is no borrowing cost added to the cost of assets directly related to the assets.
(December 31, 2024: None.) Borrowing costs are included in the statement of profit or loss.

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

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(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 25 –CONTINGENT ASSETS AND LIABILITIES

- **Short-Term Provision**

The details of the Company's short-term provisions are as follows:

	30.06.2025	31.12.2024
Provision for unused leave	8.740.013	3.790.811
Total short-term provisions for benefits provided to employees	8.740.013	3.790.811
Provision for lawsuit	3.476.088	3.065.129
Total other short-term provisions	3.476.088	3.065.129
Total short-term provisions	12.216.101	6.855.940

The unused leave liability amount is calculated by multiplying the remaining leave days by the daily wage. Current period provision expenses are shown in the financial statements as other expenses from main activities, and provision expenses that are no longer included in the other income from main activities accounts.

There are 41 lawsuits filed against the Group domestically and a provision TRY 3.476.088 of has been allocated for these (31 December 2024: 63 lawsuits, TRY 3.065.129).

- **Long-Term Provisions**

The details of long-term provisions are as follows:

	30.06.2025	31.12.2024
Provision for severance payment	24.704.277	14.015.177
Long-term provisions for total employee benefits	24.704.277	14.015.177
Total long-term provisions	24.704.277	14.015.177

According to the Turkish Labor Law, the company is obliged to pay severance pay to each employee who completes at least one year of service and retires after 25 years of working life (58 for women, 60 for men), whose employment relationship is terminated, who is called up for military service, or who dies. Severance pay to be paid as of 30 June 2025 is subject to a monthly ceiling of TRY 46.655 (31 December 2024: TRY 41.828).

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED
(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 25 –CONTINGENT ASSETS AND LIABILITIES (CONT.)

- **Long-Term Provisions (Cont.)**

Severance pay liability is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 Employee Benefits requires the Company's obligations to be developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

	30.06.2025	31.12.2024
Interest rate	28,84%	28,84%
Inflation rate	25,77%	25,77%
Real discount rates	2,44%	2,44%

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of June 30, 2025, provisions in the attached financial statements are calculated by estimating the present value of the possible future liability arising from the retirement of employees.

The movement in provision for severance payment is as follows:

	30.06.2025	31.12.2024
Opening balance	14.015.177	10.562.600
Service costs	9.893.401	15.544.769
Interest cost	145.402	184.940
Actuarial difference	(2.563.583)	(9.101.024)
In-term payments	--	70.597
Inflation difference	3.213.880	(3.246.705)
Ending balance	24.704.277	14.015.177

NOTE 26 – COMMITMENTS

- **Guarantees and Mortgage Given**

Information on the Company's given collateral position is as follows;

	30.06.2025	31.12.2024
A. Total amount of GMP that Issued on behalf of the legal entity	253.687.745	2.824.736.489
B. Total Amount of GSM given for partnerships which are included in full consolidation	--	--
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade activities	--	--
D. Total Amount of another GSM given	--	--
Total	253.687.745	2.824.736.489
Ratio of other CPMs to the Group's equity	0,00%	0,00%

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

EXPLANATORY NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2025, LIMITED REVIEWED
(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 26 – COMMITMENTS (CONT.)

- Guarantees and Mortgage Given (Cont.)**

The movement in guarantees and mortgage given is as follows:

	30.06.2025			31.12.2024		
	Amount	Exchange Rate	TRY Equivalent	Amount	Exchange Rate	TRY Equivalent
Bank letters of guarantee in TRY	67.477.345	1,0000	67.477.345	762.824.154	1,0000	762.824.154
Guarantees Given USD	--	--	--	53.670.008	35,2233	1.890.434.793
Guarantees Given EUR	4.000.000	46,5526	186.210.400	4.666.957	36,7429	171.477.542
Total			253.687.745			2.824.736.489

- Guarantees and Mortgage Received**

Information on the Company's given guarantees and mortgage received is as follows:

	30.06.2025			31.12.2024		
	Amount	Exchange Rate	TRY Equivalent	Amount	Exchange Rate	TRY Equivalent
Bank letters of guarantee TRY	46.655.328	1,0000	46.655.328	42.225.594	1,0000	42.225.594
Bank letters of guarantee EURO	183.623	46,5526	8.548.105	12.542.804	36,7429	460.858.978
Bank letters of guarantee USD	234.498	39,7424	9.319.522	394.697	35,2233	13.902.522
Checks and notes received TRY	--	--	--	1.794.965	1,0000	1.794.965
Checks and notes received EURO	--	--	--	36.461	36,7429	1.339.668
Total			64.522.954			520.121.727

NOTE 27 – PAYABLES AND PROVISIONS FOR EMPLOYEE BENEFITS

Payables for employee benefits of company are as follows:

	30.06.2025	31.12.2024
Taxes, duties and other deductions payable	12.168.726	8.410.466
Payables to personnel	10.619.233	4.979.696
Total	22.787.959	13.390.162

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(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

NOTE 28 – CLASSIFIED EXPENSES BY FUNCTION

- Depreciation and Amortization Expenses

The classification of depreciation expenses of company are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Cost of sales (-)	(334.085.748)	(406.994.590)	(167.667.625)	(204.179.731)
General and administrative expenses (-)	(84.959.048)	(3.588.142)	(42.528.598)	(1.787.661)
Marketing expenses (-)	(224.103)	(246.281)	(112.051)	(123.140)
Total	(419.268.900)	(410.829.012)	(210.308.273)	(206.090.532)

NOTE 29 – OTHER ASSETS AND LIABILITIES

- Other Current Assets

The details of the Company's other current assets are as follows:

	30.06.2025	31.12.2024
Deferred VAT	159.073.176	160.742.248
Other VAT	20.172.192	25.506.058
Other	2.060	95.319
Total	179.247.428	186.343.625

NOTE 30 – CAPITAL, RESERVES, AND OTHER EQUITY ITEMS

- Paid-in Capital

As of 30 June 2025, the paid-in capital amount is TRY 135.000.000 (31 December 2024: TRY 135.000.000) and there are 600 units of Group A (31 December 2024: 600 units) TRY 0.01 of each and 13.499.999.400 units (31 December 2024: 13 499.999.400 units) consists of Group B shares. Group A shares are privileged in terms of participation in voting; Holders of Group A shares have an additional 10 voting rights for each Group A share at General Assembly meetings. Thus, each privileged Group A share has 11 votes.

The details of the company's capital structure are as follows;

	30.06.2025		31.12.2024	
Shareholders	Share Ratio (%)	Total	Share Ratio (%)	Total
Recep Gençer	38,22%	51.592.338	38,22%	51.592.338
Gençer Holding A.Ş.	5,67%	7.655.453	5,67%	7.655.453
Other real and legal persons	56,11%	75.752.209	56,11%	75.752.209
Paid capital	100%	135.000.000	100%	135.000.000

BAGFAŞ BANDIRMA GÜBRE FABRİKALARI ANONİM ŞİRKETİ

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(Amounts are stated in Turkish Lira ("TRY") based on purchasing power as of June 30, 2025, unless otherwise indicated.)

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

- Additional Information Regarding Capital Reserves, and Other Equity Items**

The comparison of the relevant equity items, which are presented on an inflation-adjusted basis in the Company's financial statements as of June 30, 2025, with the inflation-adjusted amounts in the financial statements prepared in accordance with the Turkish Commercial Code (Law No. 6762) and other applicable legislation is as follows:

30.06.2025	Inflation-adjusted amounts presented in the financial statements prepared in accordance with Law No. 6762 and other regulations	Inflation-adjusted amounts presented in the financial statements prepared in accordance with TAS/IFRS	Difference in retained earnings of previous years
Capital	3.246.042.342	2.546.733.713	699.308.629
Retained Earnings	434.986.127	354.807.109	80.179.018

- Capital Adjustment Differences**

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

	30.06.2025	31.12.2024
Capital Adjustment Differences	2.546.733.713	2.546.733.713
Total	2.546.733.713	2.546.733.713

- Premiums/(Discounts) Related to Shares**

The details of the company's premium/(discounts) account for shares are as follows:

	30.06.2025	31.12.2024
Type B share issue premiums	39.465.697	39.632.019
Total	39.465.697	39.632.019

- Accumulated Other Comprehensive Income/(Expenses) That Will Not Be Reclassified in Profit or Loss Statement**

The details of the company's accumulated other comprehensive income/(expense) that will not be reclassified to profit or loss are as follows:

	30.06.2025	31.12.2024
Defined Benefit Plans Re-Measurement Gains (Losses)	(10.444.808)	(10.444.808)
Total	(10.444.808)	(10.444.808)

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

- **Accumulated Other Comprehensive Income/(Expenses) That Will Be Reclassified In Profit Or Loss Statement**

The details of the company's accumulated other comprehensive income/(expense) to be reclassified to profit or loss are as follows:

	30.06.2025	31.12.2024
Gains/losses on financial assets at fair value through other comprehensive income	6.940.102	9.799.279
Total	6.940.102	9.799.279

- **Reserves on Retained Earnings**

The details of the Group's reserves on retained earnings are as follows:

	30.06.2025	31.12.2024
Retained Earnings	354.807.109	354.175.895
Total	354.807.109	354.175.895

According to the Turkish Commercial Code, legal reserves are divided into two: first and second legal reserves. According to the Turkish Commercial Code, the first legal reserves are allocated as 5% of the legal net profit until 20% of the company's paid capital is reached. The second set of legal reserves is 10% of the distributed profit exceeding 5% of the paid capital. According to the Turkish Commercial Code, as long as legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset losses and cannot be used in any other way.

- **Accumulated Profit/ (Losses)**

The details of the Company's previous year's profit/loss account are as follows:

	30.06.2025	31.12.2024
Accumulated Profit/ (Losses)	3.326.790.505	4.849.717.823
Total	3.326.790.505	4.849.717.823

Public companies make dividend distributions in accordance with CMB's Dividend Communiqué No. II-19.1, which came into force as of February 1, 2015. Partnerships distribute their profits by the decision of the general assembly, within the framework of the profit distribution policies to be determined by the general assembly and in accordance with the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or profit distribution policies. In addition, dividends can be paid in installments of equal or different amounts and advance dividends can be distributed in cash based on the profit included in the interim financial statements.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside; It cannot be decided to allocate other reserve funds, to transfer profits to the following year, or to distribute shares of profit to holders of dividend shares, members of the board of directors, partnership employees and persons other than shareholders. Unless the dividend determined for shareholders is paid in cash, no share of profit can be distributed to these people.

Losses of previous years of partnerships; The portion exceeding the sum of the amounts resulting from the adjustment of previous years' profits, general legal reserves including share premiums, and equity items excluding capital according to inflation accounting, is taken into account as a deduction item in the calculation of the net distributable profit for the period.

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NOTE 31 – REVENUE AND COST OF SALES

The details of the Company's revenue and cost of sales are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Domestic sales	1.068.624.212	683.804.055	376.223.111	74.132.248
Export sales	1.859.035.099	510.985.122	1.125.619.430	153.914.206
Gross Sales	2.927.659.311	1.194.789.177	1.501.842.542	228.046.455
Cost of goods sold (-)	(2.456.103.077)	(1.025.752.111)	(1.258.701.669)	(196.355.741)
Cost of merchandise sold (-)	(1.991.211)	--	(1.991.211)	--
Cost of services sold (-)	(39.498.061)	--	(39.498.061)	--
Cost of sales (-)	(2.497.592.349)	(1.025.752.111)	(1.300.190.941)	(196.355.741)
Gross Profit/Loss	430.066.962	169.037.066	201.651.600	31.690.714

NOTE 32 – CONSTRUCTION CONTRACTS

None. (December 31, 2024: None).

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

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

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
General and administrative expenses (-)	(153.955.297)	(73.410.292)	(74.690.954)	(39.741.317)
Marketing expenses (-)	(11.455.318)	(12.409.139)	(6.433.485)	(3.708.313)
Total	(165.410.615)	(85.819.431)	(81.124.439)	(43.449.630)

NOTE 34 – OTHER INCOME / (EXPENSES) FROM OPERATING

- **Other Income from Operations**

Other income from the main activities of the Group is as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Foreign exchange gains	70.145.604	135.011.875	38.746.414	68.853.399
Provision no longer required	--	19.497.547	--	4.228.121
Rediscount income	9.245.058	4.787.602	4.650.407	1.112.633
Tax, duty, fee, and incentive revenues	6.784.576	2.284.009	4.539.228	1.139.678
Scrap sales, damage compensation and insurance revenues	5.253.495	--	408.367	--
Price difference and service revenues	--	6.228.863	--	5.240.799
Other	2.337.262	7.250.246	502.559	6.323.002
Total	93.765.996	175.060.143	48.846.975	86.897.632

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NOTE 34 – OTHER INCOME / (EXPENSES) FROM OPERATING (CONT.)

- **Other Expenses from Operations**

Other expenses from main operations of the company are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Currency difference expenses (-)	(71.027.388)	(13.465.475)	(48.412.723)	(6.159.919)
Idle capacity expenses losses (-)	(69.798.843)	(588.752.624)	(49.444.632)	(415.437.366)
Rediscount interest expenses (-)	(2.471.753)	(6.887.745)	189.080	982.024
Provision expenses (-)	(2.104.104)	(342.430.191)	(1.888.420)	24.566.729
Other (-) ⁽¹⁾	(13.366.422)	(38.173.557)	(6.840.886)	(26.890.624)
Toplam	(158.768.510)	(989.709.591)	(106.397.580)	(422.939.157)

1) The related amount consists of tax late payment penalties, waste expenses, and non-deductible expenses.

NOTE 35 – INCOME / (EXPENSES) FROM INVESTMENT OPERATIONS

- **Income from Investment Activity**

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

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Profit on sales of tangible and intangible assets	5.430	--	131	--
Total	5.430	--	131	--

- **Shares from Profits (Losses) Investments Revaluated by Equity Method**

The details of the Group's shares of profits/(losses) from investments accounted for using the equity method are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Shares from profits (losses) investments revaluated by Equity Method	1.399.255	(1.981.306)	78.921	(5.414.439)
Total	1.399.255	(1.981.306)	78.921	(5.414.439)

NOTE 36 – FINANCE EXPENSES / INCOME

- **Financial Income**

The financial income of the group is as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Foreign exchange gains from financing activities	30.142.254	48.743.980	11.666.533	8.060.540
Interest income	3.189.565	1.500.871	1.752.589	372.734
Total	33.331.819	50.244.852	13.419.122	8.433.274

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NOTE 36 – FINANCE EXPENSES / INCOME (CONT.)

- **Financial Expenses**

The financial expenses of the Group are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Foreign exchange expenses from financing activities (-)	(734.110.390)	(516.053.105)	(383.201.934)	(99.981.619)
Interest expenses (-)	(76.587.495)	(183.873.075)	(11.289.413)	(117.024.333)
Other ⁽¹⁾	(20.567.742)	(20.211.416)	7.663.787	(8.496.861)
Toplam	(831.265.627)	(720.137.596)	(386.827.560)	(225.502.814)

1) The relevant amount consists of bank and letter of guarantee commission expenses.

NOTE 37 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

The details of the group analysis of other comprehensive income items are as follows:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Other Comprehensive Income (Expense) Related to Financial Assets Measured at Fair Value Through Other Comprehensive Income	(2.859.177)	(894.608)	(1.619.958)	379.524
- Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	(2.859.177)	(894.608)	(1.619.958)	379.524
To Be Reclassified to Profit or Loss	(2.859.177)	(894.608)	(1.619.958)	379.524

NOTE 38 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2024: None).

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NOTE 39 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

- Corporation Tax**

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent Group and its subsidiary to file a tax return. Therefore, provisions for taxes, as reflected in the accompanying 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 back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized. The effective tax rate applied for the accounting period ending 30.06.2025 is 25%. (31.12.2024: 25%).

The Group's Corporate Tax liabilities are as follows:

	30.06.2025		31.12.2024	
Prepaid corporate tax (-)	1.411.080		671.219	
Corporate tax to be paid/refunded	1.411.080		671.219	
	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Deferred tax income/(expense), net	583.199.059	(59.831.923)	(5.035.810)	392.886.571
Total tax revenue / (expense), net	583.199.059	(59.831.923)	(5.035.810)	392.886.571

- Deferred Tax**

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its statutory tax financial statements and its financial statements prepared in accordance with TAS. These differences generally arise from the fact that some income and expense items are included in different periods in the tax-based financial statements and the financial statements prepared in accordance with TAS, and the differences in question are stated below. Within the scope of the "Law on the Law on the Collection Procedure of Public Receivables and Amendments to Certain Laws" numbered 7316, which came into force after being published in the Official Gazette dated April 22, 2021, the corporate tax rate for the years 2024 and 2025 will be applied as 25%, respectively. Within the scope of the said law, deferred tax assets and liabilities in the financial statements dated 30.06.2025 were calculated with a 25% tax rate for the part of the temporary differences that will have a tax effect in 2024 and 2025.

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NOTE 39 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (CONT.)

- **Deferred Tax (Cont.)**

Movement table of the Company's deferred tax assets/(liabilities) is as follows:

	30.06.2025		31.12.2024	
	Total	Deferred tax	Total	Deferred tax
	Temporary differences	asset/ (liability)	Temporary differences	asset/ (liability)
Deferred tax assets:				
Deductible tax losses	3.327.341.578	831.835.395	3.214.561.306	803.640.327
Investment incentive	1.922.301.199	1.922.301.199	1.432.470.347	1.432.470.347
Loan IRR	49.486.779	12.371.695	61.437.284	15.359.321
Inventory adjustments	13.216.979	3.304.245	--	--
Provision for employee termination benefits	24.704.277	6.176.069	14.015.177	3.503.794
Inventory impairment	16.485.000	4.121.250	19.233.697	4.808.424
Provision for unused vacation	8.740.013	2.185.003	3.790.811	947.703
Provision for lawsuits	3.476.088	869.022	3.065.129	766.282
Foreign exchange valuation	958.257	239.564	13.398.354	3.349.588
Provision for doubtful receivables	445.344	111.336	15.312	3.828
Financial investments	368.407	92.102	429.835	107.459
Receivables discount	2.901	725	22.774	5.693
Deferred tax assets	5.367.526.822	2.783.607.605	4.762.440.027	2.264.962.767
Deferred tax liability:				
Tangible and intangible assets	(4.493.071.710)	(1.123.267.928)	(4.070.124.173)	(1.017.531.043)
Right-of-use assets	(338.245.713)	(84.561.428)	(336.167.673)	(84.041.918)
Prepaid expenses	(65.467.229)	(16.366.807)	(8.581.985)	(2.145.496)
Share valuation	(11.099.074)	(2.774.768)	(16.285.640)	(4.071.410)
Payables discount	(9.225.539)	(2.306.385)	(2.880.507)	(720.127)
Lease adjustments	(32.109)	(8.027)	--	--
Inventory adjustments	--	--	(93.620.653)	(23.405.164)
Deferred tax liability	(4.917.141.374)	(1.229.285.344)	(4.527.660.630)	(1.131.915.157)
Deferred tax assets / (liabilities), net		1.554.322.261		1.133.047.610

NOTE 40 – EARNING PER SHARE

The amount of earnings per payment is calculated by dividing the profit for the period into the periodic weighted average number of payments of the Company's shares. The company's earnings per payout programming is as follows.:

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Net Profit/Loss to Shareholders	214.972.370	(1.087.300.346)	(195.398.740)	282.998.428
Net profit/loss attributable to minority interests	--	--	(4.871.472)	--
Net profit for the period attributable to the parent company	214.972.370	(1.087.300.346)	(190.527.268)	282.998.428
Number of shares issued	135.000.000.000	135.000.000.000	135.000.000.000	135.000.000.000
Earnings/(Loss) Per Share (EPS)	0,0016	(0,0081)	(0,0014)	0,0021

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NOTE 41 – SHARE-BASED PAYMENTS

None. (December 31, 2024: None.)

NOTE 42 – INSURANCE CONTRACTS

None. (December 31, 2024: None.)

NOTE 43 – EFFECTS OF EXCHANGE RATE

As of June 30, 2025, the Group's foreign exchange rate risk is presented in the table in Note 48. The foreign exchange gains and losses incurred for the accounting period ended June 30, 2025, are disclosed in the accompanying financial statements under other operating income/expenses and finance income/expenses accounts.

NOTE 44 – HYPERINFLATIONARY ECONOMY REPORTING

According to TAS 29 Financial Reporting Standard in Hyperinflationary Economies, enterprises whose functional currency is the currency of a hyperinflationary economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 identifies features that may indicate an hyperinflationary economy, and it is recommended for businesses to start implementing the Standard at the same time.

The Public Oversight, Accounting, and Auditing Standards Authority announced on November 23, 2023, that entities applying the Turkish Financial Reporting Standards (TFRS) must present their financial statements for annual reporting periods ending on or after December 31, 2024, adjusted for inflation in accordance with the relevant accounting principles set out in 'Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies.' Accordingly, inflation adjustment has been applied to the financial statements as of June 30, 2025, in compliance with TAS 29.

NOTE 45 – DERIVATIVE FINANCIAL INSTRUMENTS

None. (December 31, 2024: None.)

NOTE 46 – FINANCIAL INSTRUMENTS

- **Short-Term Financial Investments**

The details of the Group's short financial investments are as follows:

	30.06.2025	31.12.2024
Shares ⁽¹⁾	11.120.105	16.310.178
Total	11.120.105	16.310.178

1) Group's shares; GUBRF consists of shares (31.12.2024: GUBRF)

The fair value of the group's share investments are valued with the weighted average prices or rates of the last session of the stock exchange on the valuation day. In the valuation of assets traded in markets with a closing session, the prices formed in the closing session are used, and if the price is not formed in the closing session, the weighted average prices of the last session in the stock market are used. The fair value of the shares was measured based on the prices formed at the closing session on 30.06.2025.

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NOTE 46 – FINANCIAL INSTRUMENTS (CONT.)

- **Long-Term Financial Investments**

The details of the Group's long-term financial investments are as follows:

	30.06.2025	31.12.2024
Financial assets available for sale (Note 4)	1.745.011	7.030.054
Total	1.745.011	7.030.054

- **Financial Debts**

The details of the Group's financial borrowings are as follows:

	30.06.2025	31.12.2024
Bank loans	1.584.468.733	1.082.694.899
Credit cards	11.670	81.092
Total short term payables	1.584.480.403	1.082.775.991
Bank loans	1.888.384.610	1.654.218.326
Terms of use - from parties provided (Note 6)	8.211.564	6.359.051
Payables from financial leasing transactions	482.818	1.181.574
Short-term portions of total long-term payables	1.897.078.992	1.661.758.952
Bank loans	1.367.365.075	2.070.505.996
Terms of use - from parties provided (Note 6)	53.275.768	64.132.855
Total Long-Term Payables	1.420.640.843	2.134.638.851
Total financial payables	4.902.200.238	4.879.173.793

The interest rates on the Group's foreign currency-denominated bank borrowings range between 3,02% and 12,30%, while the interest rates on TRY-denominated bank borrowings range between 8,50% and 53,35%.

Principal payment terms of the company's bank loans are as follows:

	30.06.2025	31.12.2024
Payable within a year	3.481.559.395	2.744.534.942
To be paid within 1 - 5 years	1.420.640.843	2.134.638.851
Total	4.902.200.238	4.879.173.793

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NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS

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

- **Capital risk management**

The Company's objectives when managing capital are to maintain the optimal capital structure and ensure the continuity of the Company's activities in order to benefit its partners and reduce the cost of capital.

The company's debt capital ratio, calculated by subtracting cash and cash equivalents and short-term financial investments from financial debts, is calculated by dividing the net debt by the total capital as follows:

	30.06.2025	31.12.2024
Financial debt	4.902.200.238	4.879.173.793
Less: Cash and cash equivalents	(462.898.758)	(70.100.636)
Less: Short- term financial investments	(11.120.105)	(16.310.178)
Net debt	4.428.181.375	4.792.762.979
Total equity	6.614.264.688	6.394.516.925
Debt/Equity Ratio	0,67	0,75

The Group's significant accounting policies regarding financial instruments are explained in Note 2 (Principles of Presentation of Financial Statements).

- **Financial Risk Factors**

The main risks posed by the company's financial instruments are interest risk, liquidity risk, foreign currency risk and credit risk. Company management and the board of directors review and accept the policies regarding the management of the risks listed below. The Company also considers the market value risk of all its financial instruments.

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NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS (CONT.)

- Credit Risk Management**

	Receivables					
	Trade receivables		Other receivables		Banks	Trade receivables
30.06.2025	Related Parties	Other	Related Parties	Related Parties	Related Parties	Other
Maximum net credit risk as of balance sheet date	816.728	435.864.635	13.080.065	75.733.711	462.898.699	988.393.838
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A- Net book value of financial assets that are neither overdue nor impaired	816.728	435.864.635	13.080.065	75.733.711	462.898.699	988.393.838
B- Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	--	--	--	--	--	--
C- Book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D- Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross book value amount)	--	1.144.651	--	--	--	1.144.651
- Impairment (-)	--	(1.144.651)	--	--	--	(1.144.651)
E- Factors Including Off-Balance Sheet Risk	--	--	--	--	--	--

	Receivables					
	Trade receivables		Other receivables		Banks	Trade receivables
31.12.2024	Related Parties	Other	Related Parties	Related Parties	Other	Related Parties
Maximum net credit risk as of balance sheet date	396.633	25.299.398	--	82.609.247	70.100.636	178.405.915
- The part of maximum risk under guarantee with collateral	--	--	--	--	--	--
A- Net book value of financial assets that are neither overdue nor impaired	396.633	25.299.398	--	82.609.247	70.100.636	178.405.915
B- Net book values of financial assets that are renegotiated, if not that will be accepted as overdue or impaired	--	--	--	--	--	--
C- Book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D- Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross book value amount)	--	831.221	--	--	--	831.221
- Impairment (-)	--	(831.221)	--	--	--	(831.221)
E- Factors Including Off-Balance Sheet Risk	--	--	--	--	--	--

The risk that one of the parties to a financial instrument will incur a financial loss to the Company due to its failure to fulfill its contractual obligations is defined as credit risk. The company's financial instruments, which may cause significant credit risk concentration, mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk that the company can be exposed to is the amount reflected in the financial statements. The company has cash and cash equivalents in various financial institutions. The company manages this risk by constantly evaluating the reliability of the financial institutions it has relationships with. The credit risk that may arise from trade receivables is limited due to the high customer volume and the Company management's limitation of the loan amount applied to customers. The doubtful receivables provision for financial assets has been determined based on past non-collection experience. As of the balance sheet date, there are no guarantees received for overdue trade receivables for which provisions have been made.

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NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS (CONT.)

- Liquidity Risk**

Liquidity risk represents the risk that the Company may not be able to meet its funding obligations as they fall due. The table below discloses the maturity analysis of the Company's derivative and non-derivative financial liabilities. Non-derivative financial liabilities are presented on an undiscounted basis and based on the earliest contractual payment dates. Estimated interest payments related to these liabilities are also included in the table.

Derivative financial liabilities are presented based on undiscounted net cash inflows and outflows. Futures contracts are settled on a net basis for gross futures payable amounts and are realized on the basis of undiscounted gross cash inflows and outflows. When receivables or payables are not fixed, the disclosed amounts are determined using the interest rates derived from the yield curves as of the reporting date.

30.06.2025	Book Value	Cash outflow according to agreement	0-1 Year	1-5 Year
Non-Derivative Financial Liabilities:	5.248.918.406	5.248.918.406	(3.828.034.467)	(1.420.883.939)
Financial liabilities	4.902.200.238	4.902.200.238	(3.481.559.395)	(1.420.640.843)
Payables for employee benefits	22.787.959	22.787.959	(22.787.959)	--
Trade and other payables	323.930.209	323.930.209	(323.687.113)	(243.096)
Derivative Financial Liabilities	--	--	--	--
Total	5.248.918.406	5.248.918.406	(3.828.034.467)	(1.420.883.939)

31.12.2024	Book Value	Cash outflow according to agreement	0-1 Year	1-5 Year
Non-Derivative Financial Liabilities:	5.095.354.468	5.095.354.468	(2.960.431.987)	(2.134.922.481)
Financial liabilities	4.879.173.793	4.879.173.793	(2.744.534.942)	(2.134.638.851)
Payables for employee benefits	13.390.162	13.390.162	(13.390.162)	--
Trade and other payables	202.790.513	202.790.513	(202.506.883)	(283.630)
Derivative Financial Liabilities	--	--	--	--
Total	5.095.354.468	5.095.354.468	(2.960.431.987)	(2.134.922.481)

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NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS (CONT.)**Market Risk Management**

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

- **Foreign Currency Risk**

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

	30.06.2025			31.12.2024		
	TRY Equivalent	US Dollar	Avro	TRY Equivalent	US Dollar	Avro
1. Trade Receivables	1.058.620	26.637	--	25.459.326	721.630	--
2a. Monetary Financial Assets (including cash, banks)	461.628.745	11.615.350	147	33.085.333	937.706	76
2b. Non-monetary financial assets	--	--	--	--	--	--
3. Other	247.543.625	274.661	5.083.023	201.109.649	--	5.474.427
4.Current Assets (1+2+3)	710.230.990	11.916.648	5.083.170	259.654.308	1.659.336	5.474.503
5.Trade Receivables	--	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--	--	--
7.Other	--	--	--	--	--	--
8.Non-Current Assets (5+6+7)	--	--	--	--	--	--
9.Total Assets (4+8)	710.230.990	11.916.648	5.083.170	259.654.308	1.659.336	5.474.503
10.Trade Payables	259.902.482	5.533.355	859.107	88.710.029	1.492.511	977.083
11.Financial Liabilities	3.405.184.589	62.975.038	19.384.641	2.556.335.680	56.977.184	14.742.122
12a.Othermonetaryfinancialliabilities	464.202.104	11.635.185	38.492	7.803.853	220.798	--
12b.Other non-monetary financial liabilities	--	--	--	--	--	--
13.Current Liabilities (10+11+12)	4.129.289.174	80.143.578	20.282.240	2.652.849.561	58.690.494	15.719.205
14.Trade Payables	--	--	--	--	--	--
15.Financial Liabilities	1.353.783.119	18.965.022	12.890.099	2.043.711.552	33.848.898	23.024.663
16a.Othermonetaryfinancialliabilities	--	--	--	--	--	--
16b.Other non-monetary financial liabilities	--	--	--	--	--	--
17. Non-Current Liabilities (14+15+16)	1.353.783.119	18.965.022	12.890.099	2.043.711.552	33.848.898	23.024.663
18. Total Liabilities (13+17)	5.483.072.294	99.108.600	33.172.340	4.696.561.113	92.539.392	38.743.868
19. Net asset / liability position of off- balance sheet derivative instruments19a-19b)	--	--	--	--	--	--
19a. Hedged amount of assets	--	--	--	--	--	--
19b. Hedged amount of liabilities position	--	--	--	--	--	--
20. Net foreign currency position asset / liabilities (9-18+19)	(4.772.841.304)	(87.191.952)	(28.089.169)	(4.436.906.805)	(90.880.056)	(33.269.366)
21. Net foreign currency asset/liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(4.772.841.304)	(87.191.952)	(28.089.169)	(4.436.906.805)	(90.880.056)	(33.269.366)
22. Fair value of derivative instruments used in foreign currency hedge	--	--	--	--	--	--

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NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS (CONT.)**Market Risk Management (Cont.)**

The table below shows the Group's sensitivity to a 10% increase or decrease in US Dollar and Euro exchange rates. The 10% rate is the rate used when reporting the exchange rate risk within the Company to senior managers, and the rate in question expresses the possible change that the management expects in foreign exchange rates. Sensitivity analysis only covers open foreign currency denominated monetary items at the end of the year and shows the effects of a 10% exchange rate change on these items at the end of the year. A positive value indicates an increase in profit/loss and other equity items.

	Profit/(Loss)		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
30.06.2025				
In case of appreciation/depreciation of USD against TRY at 10%				
1- USD net asset/liabilities	(346.521.744)	346.521.744	(346.521.744)	346.521.744
2- Part of hedged (-)	--	--	--	--
3- USD net effect (1+2)	(346.521.744)	346.521.744	(346.521.744)	346.521.744
In case of appreciation/depreciation of EURO against TRY at 10%				
4- EUR net asset/liabilities	(130.762.386)	130.762.386	(130.762.386)	130.762.386
5- Part of hedged (-)	--	--	--	--
6- EUR USD net effect (4+5)	(130.762.386)	130.762.386	(130.762.386)	130.762.386
In case of appreciation/depreciation of other currency against TRY at 10%:				
4- Other currency net asset/liabilities	--	--	--	--
5- Part of hedged (-)	--	--	--	--
6- Other currency net effect (4+5)	--	--	--	--
TOTAL (3+6+9)	(477.284.130)	477.284.130	(477.284.130)	477.284.130

	Profit/(Loss)		Equity	
	The appreciation of foreign currency	The depreciation of foreign currency	The appreciation of foreign currency	The depreciation of foreign currency
31.12.2024				
In case of appreciation/depreciation of USD against TRY at 10%				
1- USD net asset/liabilities	(320.109.547)	320.109.547	(320.109.547)	320.109.547
2- Part of hedged (-)	--	--	--	--
3- USD net effect (1+2)	(320.109.547)	320.109.547	(320.109.547)	320.109.547
In case of appreciation/depreciation of EURO against TRY at 10%				
4- EUR net asset/liabilities	(122.241.298)	122.241.298	(122.241.298)	122.241.298
5- Part of hedged (-)	--	--	--	--
6- EUR USD net effect (4+5)	(122.241.298)	122.241.298	(122.241.298)	122.241.298
In case of appreciation/depreciation of other currency against TRY at 10%:				
4- Other currency net asset/liabilities	--	--	--	--
5- Part of hedged (-)	--	--	--	--
6- Other currency net effect (4+5)	--	--	--	--
TOTAL (3+6+9)	(442.350.845)	442.350.845	(442.350.845)	442.350.845

As of June 30, 2025, based on the foreign currency position in the statement of financial position, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies, with all other variables held constant, the net loss arising from foreign exchange gains/losses on assets and liabilities denominated in foreign currencies for the period then ended would have been higher/lower by TL 346,521,744 for the U.S. Dollar and TL 130,762,386 for the Euro (December 31, 2024: TL 320,109,547 for the U.S. Dollar, TL 122,241,298 for the Euro).

NOTE 47 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENTS (CONT.)

- **Interest Rate Risk Management**

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

		Book Value
	30.06.2025	31.12.2024
Fixed rate instruments		
Financial assets	12.865.116	23.340.231
Financial liabilities	(4.702.571.431)	(4.542.155.812)
Variable rate instruments		
Financial assets	--	--
Financial liabilities	(199.628.807)	(337.017.981)

NOTE 48 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

- **Fair value financial instruments**

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date. Estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are required in the interpretation of market data to determine fair value. Accordingly, the estimates presented here may not show the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair value of financial instruments:

Financial Assets

It is anticipated that the registered values of financial assets, which are shown at cost value including cash and cash equivalents, are equal to their fair values because they are short term.

It is foreseen that the registered values of trade receivables reflect the fair value together with the relevant impairment provisions.

Financial Liabilities

The fair values of short-term bank loans and other monetary instruments are expected to be close to their recorded values due to their short-term nature.

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NOTE 48 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES) (CONT.)

- **Fair value hierarchy table**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The hierarchy table of fair value measurements as of 30 June 2025 is as follows;

	30.06.2025		
Fair Value of Financial Instruments	Level 1	Level 2	Level 3
Financial assets available for sale	11.120.105	--	1.745.011
Total	11.120.105	--	1.745.011

	31.12.2024		
Fair Value of Financial Instruments	Level 1	Level 2	Level 3
Financial assets available for sale	16.310.178	--	7.030.054
Total	16.310.178	--	7.030.054

During the period ending 30 June 2025, the Group did not make any transfers between the second level and the first level and to or from the third level.

NOTE 49 – EVENTS AFTER THE REPORTING PERIOD

None. (December 31, 2024: None.)

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NOTE 50 – EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/ (LOSSES)

NON- MONETARY ITEMS	30.06.2025
A) Statement of Financial Position Items	231.099.673
Inventories ⁽¹⁾	(115.407.829)
Prepaid Expenses (Current) ⁽²⁾	(6.671.904)
Equity Instrument Financial Assets	(5.579.628)
Right-of Use Assets ⁽³⁾	58.115.926
Tangible and Intangible Fixed Assets ⁽³⁾	1.214.320.435
Paid-in Capital	(383.247.922)
Defined Benefit Plan Remeasurement Gains (Losses)	3.228.797
Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	(2.916.885)
Share Premiums/Discounts	(5.497.510)
Restricted Reserves Appropriated from Profit	(525.243.807)
B) Profit or Loss Statement Items	(2.451.072)
Revenue	(124.617.739)
Cost of Sales	86.849.349
Operating Expenses	30.570.976
Finance Income / Expenses	4.746.342
NET MONETARY POSITION GAINS (LOSSES) (A+B)	228.648.601

1) The effect of net monetary position gains/losses related to inventories includes part of the amount related to the cost of sales. Since the amount related to the cost of sales is not separated, it is presented together.

2) The effect of net monetary position gains/losses related to prepaid expenses includes part of the amount related to general administrative expenses. Since the amount related to general administrative expenses is not separated, it is presented together.

3) The effect of net monetary position gains/losses related to property, plant, and equipment includes part of the amount related to general administrative expenses. Since the amount related to general administrative expenses is not separated, it is presented together.

NOTE 51 – OTHER MATTERS THAT MAY HAVE A MATERIAL EFFECT ON, OR PREVENT THE CLEAR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

NOTE 52 – FIRST TIME ADOPTION OF TAS

None. (December 31, 2024: None.)

NOTE 53 – DISCLOSURES OF STATEMENT OF CASH FLOW

The details of the Company's cash and cash equivalents are as follows:

	30.06.2025	31.12.2024
Cash	59	--
Cash Banks	475.978.764	70.100.636
- Demand deposit	224.761.993	61.587.472
- Time deposit	251.216.771	8.513.165
Total	475.978.823	70.100.636

The Group has a blockage of TL 13,080,065 on its bank deposits (December 31, 2024: TL 15,216,675 on bank deposits). Explanations regarding the nature and extent of risks related to cash and cash equivalents are provided in Note 48.

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NOTE 53 – DISCLOSURES OF STATEMENT OF CASH FLOW (CONT.)

The maturity breakdown of cash and cash equivalents is as follows:

	30.06.2025	31.12.2024
1-90 days	251.216.771	8.513.165
Cash and cash equivalents	251.216.771	8.513.165

NOTE 54 – DISCLOSURES OF CHANGES IN EQUITY

The effects of the changes in accounting policies explained in Note 2 and the accumulated other comprehensive income/expenses that will not be reclassified as profit or loss shown in the accumulated profit/loss account and other comprehensive income are shown in the statement of changes in equity.
