

YÜKSELEN ÇELİK A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2025
AND
INTERIM AUDIT REPORT

**YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE PERIOD
BETWEEN 01 JANUARY – 30 JUNE 2025
LIMITED AUDITOR'S REPORT**

**Yükselen Çelik A.Ş. and Its Subsidiaries
To the General Assembly**

Introduction

We have conducted a limited audit of the consolidated statement of financial position of Yükselen Çelik A.Ş. (the "Company") as of June 30, 2025, and the condensed consolidated statement of profit or loss and consolidated other comprehensive income for the six-month accounting period ended on the same date, the consolidated statement of changes in equity and the consolidated statement of cash flows and other explanatory notes ("interim financial information"). Company management, It is responsible for the preparation and fair presentation of such interim summary financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" ("IAS 34") published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to draw a conclusion with respect to such interim summary financial information based on the limited audit we conducted.

Scope of Limited Control

Our limited audit was conducted in accordance with the "Review of Interim Financial Information Performed by the Independent Auditor of the Entity. (ISRE) 2410 ". The limited audit of interim financial information consists of questioning the relevant people, particularly those responsible for financial and accounting matters, and the implementation of analytical procedures and other limited audit procedures. Scope of limited supervision of interim financial information; It is significantly narrow compared to the scope of the independent audit, which is conducted in accordance with the Independent Auditing Standards and whose purpose is to provide an opinion on the financial statements. As a result, the limited audit of interim financial information does not provide assurance that the audit firm will be aware of all the material issues that can be identified in an independent audit. For this reason, we do not provide an independent audit opinion.

Conclusion

On the basis of our limited audit, we have not noticed anything that would lead us to believe that the accompanying interim consolidated financial information does not provide fair presentation of the financial position of Yükselen Çelik A.Ş. (the Company) as of June 30, 2025 and its financial performance and cash flows for the six-month period ended on the same date, in all material respects, in accordance with IAS 34.

The auditor responsible for conducting and concluding this limited independent audit is Özkan Cengiz.

İstanbul, 15 August, 2025

HSY Danışmanlık ve Baę. Den. A.Ş.
Member, Crowe Global

Özkan Cengiz
Partner, CPA

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YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**REVIEWED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

		Current Period 01.01.2025 30.06.2025 TRY	Prior Period 01.01.2024 31.12.2024 TRY
	Note		
ASSETS		1.639.043.830	1.794.773.516
Current Assets		1.124.667.457	1.379.847.989
Cash and Cash Equivalents	53	52.522.509	13.528.268
Financial Investments	8	25.547.383	21.218.626
Trade Receivables	7	297.279.882	531.307.994
- Trade Receivables from Unrelated Parties	7	297.279.882	531.307.994
Other Receivables	9,6	12.850.003	13.924.812
- Other Receivables from Related Parties	6	2.884.913	4.618.470
- Other Receivables from Unrelated Parties	9	9.965.090	9.306.342
Inventories	10	691.243.911	772.570.069
Prepaid Expenses	12	32.137.937	14.116.704
- Prepaid Expenses from Unrelated Parties	12	32.137.937	14.116.704
Current Tax Assets	40	644.205	1.638.752
Other Current Assets	29	12.441.627	11.542.764
Subtotal		1.124.667.457	1.379.847.989
Total Current Assets		1.124.667.457	1.379.847.989
Fixed Assets		514.376.373	414.925.527
Investments in Associates, Joint Ventures, and Affiliates	4	1.605.953	1.619.355
Property, Plant, and Equipment	14	382.865.010	362.704.256
Right-of-Use Assets	20	59.565.366	49.366.219
Intangible Assets	17	1.178.690	1.235.697
- Other Intangible Assets	17	1.178.690	1.235.697
Prepaid Expenses	12	--	--
- Prepaid Expenses to Unrelated Parties	12	--	--
Deferred Tax Assets	40	69.161.354	--
Total Fixed Assets		514.376.373	414.925.527
TOTAL ASSETS		1.639.043.830	1.794.773.516

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

		Current Period 01.01.2025 30.06.2025 TRY	Prior Period 01.01.2024 31.12.2024 TRY
	Note		
SOURCES		1.639.043.830	1.794.773.516
Short-Term Liabilities		1.066.798.275	1.060.212.788
Short-Term Borrowings	47	228.288.937	161.254.779
- Short-Term Borrowings from Unrelated Parties	47	228.288.937	161.254.779
Current Portion of Long-Term Borrowings	47	228.299.251	539.052.480
- Short-Term Portions of Long-Term Borrowings from Unrelated Parties	47	228.299.251	539.052.480
Obligations Arising from Leasing Transactions	20	10.748.366	5.186.775
- Obligations Arising from Leasing Transactions with Related Parties	6	6.829.691	--
- Obligations Arising from Leasing Transactions with Unrelated Parties	20	3.918.675	5.186.775
Trade Payables	7	200.274.129	344.218.177
- Trade Payables to Unrelated Parties	7	200.274.129	344.218.177
Liabilities Related to Employee Benefits	27	6.704.596	3.121.033
Other Liabilities	9	372.404.278	1.546.476
- Other Liabilities to Related Parties	6	370.112.898	--
- Other Liabilities to Unrelated Parties	9	2.291.380	1.546.476
Deferred Income	12	18.456.783	5.026.876
- Deferred Income from Non-Related Parties	12	18.456.783	5.026.876
Short-Term Provisions	25	1.621.935	806.192
- Short-Term Provisions Related to Employee Benefits	25	1.621.935	806.192
Other Short-Term Liabilities	29	--	--
Subtotal		1.066.798.275	1.060.212.788
Total Current Liabilities		1.066.798.275	1.060.212.788
Long-Term Liabilities		33.390.082	79.072.846
Long-Term Borrowings	47	9.600.539	67.694.946
- Long-Term Borrowings from Unrelated Parties	47	9.600.539	67.694.946
Obligations Arising from Leasing Transactions	20	18.655.449	6.732.058
- Obligations Arising from Leasing Transactions with Related Parties	6	8.474.384	--
- Obligations Arising from Leasing Transactions with Unrelated Parties	20	10.181.065	6.732.058
Long-Term Provisions	25	5.134.094	1.103.061
- Long-Term Provisions Related to Employee Benefits	25	5.134.094	1.103.061
Deferred Tax Liability		--	3.542.781
Total Long-Term Liabilities		33.390.082	79.072.846
EQUITY		538.855.473	655.487.882
Equity Attributable to the Parent Company		538.855.473	655.487.882
Paid-in Capital	30	250.000.000	250.000.000
Capital Adjustment Differences	30	881.324.716	881.324.716
Accumulated Other Comprehensive Income	30	772.536	(330.656)
- Accumulated Other Comprehensive Income (Expenses) Not Reclassified to Profit or Loss	30	(636.728)	(742.896)
- Revaluation and Measurement Gains (Losses)	30	(636.728)	(742.896)
- Defined Benefit Plan Reassessment Gains (Losses)	30	(636.728)	(742.896)
- Accumulated Other Comprehensive Income (Expenses) to be Reclassified to Profit or Loss	30	1.409.264	412.239
- Foreign Currency Translation Differences	30	1.409.264	412.239
Restricted Reserves Set Aside from Profit	30	53.171.398	53.171.398
Profits/Losses from Prior Years	30	(553.186.875)	(125.798.535)
Net Profit/Loss for the Period		(93.226.302)	(402.879.040)
Total Equity		538.855.473	655.487.882
TOTAL RESOURCES		1.639.043.830	1.794.773.516

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

REVIEWED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT AS OF JANUARY 1 – JUNE 30, 2025

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

	Note	Current Period 1.01.2025 30.06.2025 TRY	Previous Period 1.01.2024 30.06.2024 TRY	Previous Period 1.04.2025 30.06.2025 TRY	Previous Period 1.04.2024 30.06.2024 TRY
Revenue	31	480.381.072	998.052.977	200.606.127	443.527.598
Cost of Sales (-)	31	(392.627.906)	(993.335.965)	31.625.968	(369.742.770)
GROSS PROFIT (LOSS) FROM COMMERCIAL ACTIVITIES		87.753.166	4.717.012	232.232.095	73.784.828
GROSS PROFIT (LOSS)		87.753.166	4.717.012	232.232.095	73.784.828
General Administrative Expenses (-)	28,33	(58.592.211)	(61.339.096)	(30.930.920)	(30.186.433)
Marketing Expenses (-)	28,33	(54.114.325)	(66.869.736)	(23.670.461)	(32.625.660)
Other Income from Core Activities	34	56.376.263	66.353.191	17.892.043	25.212.178
Other Expenses from Main Activities (-)	34	(83.382.050)	(52.307.789)	(12.145.450)	(19.260.160)
CORE OPERATING PROFIT (LOSS)		(51.959.157)	(109.446.417)	183.377.307	16.924.753
Income from Investment Activities	35	6.605.302	21.445.723	4.449.228	9.998.287
Expenses from Investment Activities	35	--	(182.656)	--	(14.472)
Write-off of Impairment Gains (Losses) and Impairment Losses Determined Pursuant to IFRS 9	35	(346.304)	707.257	(946.964)	707.257
Other Income (Expenses) from Subsidiaries, Jointly Controlled Entities and Subsidiaries	35	--	220.410	--	220.410
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		(45.700.159)	(87.255.684)	186.879.571	27.836.235
Financial Revenues	37	8.878.329	38.983.241	5.262.287	25.034.469
Financial Expenses (-)	37	(131.300.023)	(252.378.377)	(75.857.100)	(182.193.521)
Net Monetary Position Gains (Losses)	45	2.697.719	87.893.697	40.672.470	17.167.571
PROFIT (LOSS) BEFORE TAX OF CONTINUED OPERATIONS		(165.424.134)	(212.757.122)	156.957.228	(112.155.246)
Continued Operations Tax (Expense) Income		72.197.832	(6.082.752)	(47.682.784)	(16.190.422)
-Period Tax (Expense) Income	40	--	--	--	3.071.905
-Deferred Tax (Expense) Income	40	72.197.832	(6.082.752)	(47.682.784)	(19.262.327)
CONTINUED OPERATIONS PROFIT (LOSS) FOR THE PERIOD		(93.226.302)	(218.839.874)	109.274.444	(128.345.668)
PROFIT (LOSS) FOR THE PERIOD		(93.226.302)	(218.839.874)	109.274.444	(128.345.668)
Distribution of Profit (Loss) for the Period		(93.226.302)	(218.839.874)	109.274.444	(128.345.668)
-Parent Shareholding		(93.226.302)	(218.839.874)	109.274.443	(128.345.671)
Earnings (Loss) Per Share	41	(0,37)	(1,75)	0,44	(1,03)
-Earnings (Loss) Per Ordinary Share from Continued Activities	41	(0,37)	(1,75)	0,44	(1,03)
Earnings (Loss) Per Diluted Share	41	(0,37)	(1,75)	0,44	(1,03)
-Earnings (loss) per diluted share from sustained activities	41	(0,37)	(1,75)	0,44	(1,03)
PROFIT (LOSS) FOR THE PERIOD		(93.226.302)	(218.839.874)	109.274.444	(128.345.668)
OTHER COMPREHENSIVE REVENUES	38	(319.809)	(396.802)	(245.921)	100.669
They Will Not Be Reclassified in Profit or Loss, Pre-Tax	38	--	--	--	--
They Will Be Reclassified as Profit or Loss, Pre-Tax	38	(319.809)	(396.802)	(245.921)	100.669
Foreign Currency Conversion Differences Regarding the Conversion of Businesses Abroad	38	(319.809)	(396.802)	(245.921)	100.669
-Gains (Losses) from Foreign Currency Conversion Differences Related to the Conversion of Enterprises Abroad	38	(319.809)	(396.802)	(245.921)	100.669
Total Other Comprehensive Income, Pre-Tax		(319.809)	(396.802)	(245.921)	100.669
OTHER COMPREHENSIVE REVENUES		(319.809)	(396.802)	(245.921)	100.669
TOTAL COMPREHENSIVE INCOME (EXPENSE)		(93.546.111)	(219.236.676)	109.028.523	(128.244.999)
Distribution of Total Comprehensive Income					
-Non-Controlling Shares		--	--	--	--
-Parent Shareholding		(93.546.111)	(219.236.676)	109.028.523	(128.244.999)

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
REVIEWED EQUITY CHANGE TABLE FOR THE PERIOD OF JANUARY 01 – JUNE 30, 2025

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

	Note	Paid-in Capital	Capital Adjustment Differences	Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified in Profit or Loss	Other Accumulated Comprehensive Income or Expenses to be Reclassified in Profit or Loss						
				Revaluation and Measurement Gains/Losses	Revaluation and Measurement Gains/Losses	Accumulated Profits					
						Defined Benefit Plans Remeasurement Gains/Losses	Foreign Currency Conversion Differences	Restricted Reserves Separated from Profit	Past Years Profits/Losses	Net Profit and Loss for the Period	Shareholders' Equity of the Parent Partnership
CURRENT PERIOD											
Balances as of 01.01.2025 (beginning of period)		250.000.000	881.324.716	(742.896)	412.239	53.171.398	(125.798.535)	(402.879.039)	655.487.882	655.487.882	
Amount After Corrections		250.000.000	881.324.716	(742.896)	412.239	53.171.398	(125.798.535)	(402.879.039)	655.487.882	655.487.882	
Transfers	30			--	--	--	(427.388.340)	402.879.039	(24.509.300)	(24.509.300)	
Total Comprehensive Income (Expenditure)	30	--	--	106.168	997.025	--	--	(93.226.302)	(92.123.109)	(92.123.109)	
Net Profit (Loss) for the Period	30	--	--	--	--	--	--	(93.226.302)	(93.226.302)	(93.226.302)	
Total Other Comprehensive Income	30	--	--	106.168	997.025	--	--	--	1.103.193	1.103.193	
Total Increase (Decrease) in Equity Elements	30	250.000.000	881.324.716	(636.728)	1.409.264	53.171.398	(553.186.875)	(93.226.302)	538.855.473	538.855.473	
Balances as of 30.06.2025.2025 (end of period)		250.000.000	881.324.716	(636.728)	1.409.264	53.171.398	(553.186.875)	(93.226.302)	538.855.473	538.855.473	
PREVIOUS PERIOD											
Balances as of 01.01.2024 (beginning of period)		125.000.000	846.737.682	(663.165)	493.562	53.171.398	318.705.964	(248.544.479)	1.094.900.962	1.094.900.962	
Amount After Corrections		125.000.000	846.737.682	(663.165)	493.562	53.171.398	318.705.964	(248.544.479)	1.094.900.962	1.094.900.962	
Transfers	30	--	550.735.498	--	--	--	(248.544.479)	248.544.479	550.735.498	550.735.498	
Total Comprehensive Income (Expenditure)	30	--	--	(103.301)	(535.876)	--	--	(218.839.874)	(219.479.052)	(219.479.052)	
Net Profit (Loss) for the Period	30	--	--	--	--	--	--	(218.839.874)	(218.839.874)	(218.839.874)	
Total Other Comprehensive Income	30	--	--	(103.301)	(535.876)	--	--	--	(639.177)	(639.177)	
Total Increase (Decrease) in Equity Elements	30	125.000.000	1.397.473.179	(766.466)	(42.314)	53.171.398	70.161.484	(218.839.874)	1.426.157.408	1.426.157.408	
Balances as of 30.06.2024 (end of period)		125.000.000	1.397.473.179	(766.466)	(42.314)	53.171.398	70.161.484	(218.839.874)	1.426.157.408	1.426.157.408	

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

REVIEWED CASH FLOW STATEMENT FOR THE PERIOD 01 JANUARY – 30 JUNE 2025

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

		Current Period 1.01.2025 30.06.2025 TRY	Previous Period 1.01.2024 30.06.2024 TRY
	Note		
A. CASH FLOWS FROM CORE OPERATIONS		588.680.101	46.662.693
Profit/loss for the period (+/-)		(93.226.302)	(218.839.874)
-Profit (loss) for the period from continued activities	39	(93.226.302)	(218.839.874)
Corrections to period profit/loss reconciliation		43.828.476	58.934.970
Depreciation and amortization expense adjustments	14,17,20	33.710.638	10.376.252
Impairment/impairment cancellation corrections (+/-)	7	24.756.540	--
-Corrections Related to Impairment (Cancellation) of Receivables	7	24.756.540	--
Adjustments to provisions (+/-)	25	3.699.640	742.187
-Corrections Regarding Provisions for Benefits Provided to Employees (Cancellation)	25	3.699.640	742.187
Adjustments to interest income and expenses (+/-)	34,37	137.864.402	23.762.253
-Adjustments to Interest Income	37	(7.949.775)	(30.246.634)
-Adjustments Related to Interest Expenses	37	149.006.357	59.950.126
-Deferred financing expense arising from forward purchases	34	47.635.584	6.089.459
-Unearned financing income from forward sales	34	(50.827.764)	(12.030.698)
Corrections for Unrealized Foreign Currency Conversion Differences	46	714.815	(1.071.753)
Adjustments for fair depreciation/gains (+/-)		--	(11.818)
-Other Adjustments for Fair Depreciation (Gains)		--	(11.818)
Tax (Income) Expense Corrections	40	(150.312.257)	25.431.388
Adjustments to Losses (Gains) Arising from the Disposal of Fixed Assets	14	(6.605.302)	(293.539)
-Adjustments Regarding Losses (Gains) Arising from the Disposal of Tangible Fixed Assets	14	(6.605.302)	(293.539)
Changes in Working Capital		469.497.216	130.788.775
Decrease (Increase) in Financial Investments	8	(1.296.392)	107.893.928
Corrections Related to the Decrease (Increase) in Trade Receivables	7	201.513.522	121.699.851
-Decrease (increase) in trade receivables from related parties	6	--	(12.458.736)
-Decrease (increase) in trade receivables from non-related parties	7	201.513.522	134.158.587
Corrections Related to the Decrease (Increase) in Other Receivables Related to Activities	9	3.064.089	36.279.630
-Decrease (increase) in other receivables from related parties	6	6.352.027	--
-Decrease (increase) in other receivables from non-related parties	9	(3.287.938)	36.279.630
Corrections Related to Decreases (Increases) in Stocks	10	87.119.886	292.406.746
Decrease (Increase) in Prepaid Expenses	12	(23.356.651)	(3.559.175)
Corrections Related to the Increase (Decrease) in Commercial Liabilities	6,7	(114.725.312)	(59.496.971)
-Decrease (increase) in commercial debts from unrelated parties	7	(114.725.312)	(59.496.971)
Increase (Decrease) in Debts within the Scope of Employee Benefits	27	3.137.535	17.326.484
Corrections Regarding the Increase (Decrease) in Other Debts Related to Activities	9	370.636.974	(26.762.767)
-Increase (Decrease) in Other Debts Related to Activities to Related Parties	6	370.112.898	--
-Increase (Decrease) in Other Debts Related to Activities to Non-Related Parties	8	523.896	(26.762.767)
Increase (decrease) in deferred revenues (excluding obligations arising from customer contracts)	12	12.706.068	71.406.872
Adjustments for Other Increase (Decrease) in Working Capital	29	(69.302.323)	(426.405.823)
-Decrease (Increase) in Other Assets Related to Activities	29	(69.302.323)	38.480.815
-Increase (Decrease) in Other Obligations Related to Activities	29	--	(464.886.638)
Net cash flow from operations (+/-)		420.099.390	(29.116.129)
Rent Payments	20	(31.502.025)	--
Tax Refunds (Payments)	40	1.228.742	(1.385.181)
The Effect of Inflation on Business Activities		198.853.994	77.164.003
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		75.099.628	28.984.205
Cash Outflows Caused by Subsidiaries and/or Business Partnerships Share Purchases or Capital Increases	4	(271.500)	--
Cash Inflows Arising from the Sale of Tangible and Intangible Assets	14	50.200.814	907.767
-Cash inflows arising from the sale of tangible fixed assets	14	50.200.814	907.767
Cash Outflows from the Purchase of Tangible and Intangible Assets	14	(85.205.773)	(37.529.418)
-Cash outflows from the purchase of tangible fixed assets	14	(85.140.514)	(37.454.038)
-Cash outflows from the purchase of intangible assets	17	(65.259)	(75.380)
The Impact of Inflation on Investment Activities		110.376.087	65.605.856
C. CASH FLOWS FROM FINANCING ACTIVITIES		(532.995.459)	128.410.805
Cash Inflows from Borrowing	47	167.950.000	203.000.325
-Cash Inflows from Loans	47	167.950.000	203.000.325
Cash Outflows in Debt Payments	47	(637.349.159)	(92.701.927)
-Cash Outflows in Loan Repayments	47	(637.349.159)	(92.701.927)
Cash Outflows on Debt Payments Arising from Lease Agreements	20,47	(5.060.000)	(7.373.657)
Interest Paid	37	(149.006.357)	(59.950.126)
Interest Received	37	7.949.775	30.246.634
The Effect of Inflation on Financing Activities		82.520.282	55.189.556
D. Inflation Effect		(93.723.362)	(384.323.397)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		37.060.909	(180.265.694)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		37.060.909	(180.265.694)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	53	13.528.268	298.813.369
G. The Effect of Inflation on Cash and Cash Equivalents		1.933.332	(59.064.794)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F+G)	53	52.522.509	59.482.881

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 1 – SUBJECT OF ORGANIZATION AND ACTIVITY

General Information

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

The main activity of the company is the production, import, export, domestic purchase and sale of all kinds of carbon, manufacturing, construction, alloy and non-alloyed, tool stainless, qualified and unqualified iron and steel products to be used in all industrial branches, especially in the machinery, automotive, mold, iron and steel, ship, construction and railway industries.

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

Liaison Office 1:

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

Liaison Office 2:

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

Liaison Office 3:

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

As of June 30, 2025 and December 31, 2024, the capital and shareholding structure is as follows:

	June 30, 2025		December 31, 2024	
	Portion Amount	Portion Percentage	Portion Amount	Portion Percentage
Bariş GÖKTÜRK	62.016.900	24,81%	70.316.900	28,13%
Yüksel GÖKTÜRK	57.197.383	22,88%	65.246.476	26,10%
Burak GÖKTÜRK	30.961.267	12,38%	35.211.268	14,08%
Ferhan GÖKTÜRK	1.760.563	0,70%	5.281.690	2,11%
Public Section	98.063.887	39,23%	73.943.666	29,58%
Nominal capital	250.000.000	100%	250.000.000	100%
Capital Inflation Adjustment Difference	881.324.716		881.324.716	
Total Capital	1.131.324.716		1.131.324.716	

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated 26.05.2017 and numbered 22/736. The registered capital ceiling of the company is TRY 2,500,000,000 and this capital is divided into 2,500,000,000 shares, each with a nominal value of TRY 1. The registered capital ceiling permit granted by the Capital Markets Board is valid for 5 years from 2024 to 2028. Even if it has not reached the authorized capital ceiling at the end of 2028, in order for the Board of Directors to decide to increase the capital after 2028; It is obligatory to obtain authorization from the General Assembly for a new period, not exceeding 5 years, by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount. If the said authorization is not obtained, no capital increase can be made with the decision of the Board of Directors. The issued capital of the company is TRY 250,000,000 and the said issued capital has been fully paid free of collusion. This capital is divided into 250,000,000 shares, each with a nominal value of 1 TRY. This capital was divided into 96,830,984 group (A) registered shares with a nominal value of 1 TRY each for 96,830,984 TRY and 153,169,016 (B) group bearer shares with a nominal value of 1 TRY each for 153,169,016 TRY and distributed to the shareholders in proportion to their shares.

NOTE 1 – SUBJECT OF ORGANIZATION AND ACTIVITY (Continued)

The company's capital is divided into 250,000,000 shares of TRY 1.00 each, with a total value of TRY 250,000,000.00. 96,830,984 of these shares are registered and 153,169,016 are bearer.

1) As of 31.12.2024, 200,000 shares, representing 0.08%, belong to Barış Göktürk, and 450,906 shares, representing 0.18%, belong to Yüksel Göktürk.

The paid-in capital amount of 125,000,000 TRY, which will remain within the Registered Capital Ceiling of 600,000,000 TRY of the company; The procedures for increasing the previous years' profits to 250,000,000 TRY by making a 100% increase to cover 125,000,000 TRY have been completed, and the new capital and the relevant amendment article of our articles of association have been registered by the Istanbul Trade Registry Office on 02.08.2024.

NOTE 2 – PRINCIPLES FOR THE PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basic Principles of Presentation

- **Applicable financial reporting standards**

The Company and its subsidiaries residing in Turkey maintain and prepare their statutory books and statutory financial statements in accordance with the accounting principles set forth in the Turkish Commercial Code ("TCC") and tax legislation. Subsidiaries operating in foreign countries prepare their accounting records and legal financial statements in the currencies of the countries in which they operate and in accordance with the legislation of those countries.

The attached financial statements have been prepared in accordance with the provisions of the Capital Markets Board's ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Market" ("Communiqué") No. 14.1 of Series II, published in the Official Gazette dated September 13, 2013 and numbered 28676 and are published in accordance with Article 5 of the Communiqué. Pursuant to the article, the Turkish Accounting Standards ("IAS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") and their annexes and interpretations are taken as basis.

In addition, the financial statements and footnotes were submitted in accordance with the formats announced by the POA in the announcement dated October 04, 2022.

- **Applied consolidation principles**

The attached Financial Statements are presented as consolidated for the periods 30.06.2025 and 31.12.2024 and the Company's financial statements are presented in consolidated form as of 31.12.2023, including the Company's Subsidiary in the United States, Rising Steel Incorporated.

- **Comparative information and correction of financial statements dated in the previous period**

In order to enable the determination of financial position and performance trends, the Company's financial statements are prepared in comparison with the previous period. When the representation or classification of financial statement items changes, the financial statements of the previous period are reclassified accordingly to ensure comparability. Accounting estimates are made on the basis of reliable information and reasonable estimation methods. However, the forecasts are revised as a result of a change in the conditions under which the forecast is made, new information is obtained, or additional developments occur. The effect of the change in the accounting forecast is reflected in the financial statements in the current period in which the change is made, if it relates to only one period, and in future periods, both in the period in which the change is made and in future periods, prospectively, to be taken into account in determining the profit or loss for the period. The nature and amount of a change in the accounting forecast that has an impact on the operating result of the current period or is expected to have an impact on subsequent periods is disclosed in the financial statement footnotes, except in cases where it is not possible to estimate the effect for future periods.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

In order to enable the determination of financial position and performance trends, the Company's financial statements are prepared in comparison with the previous period.

In order to provide comparative information, the Company has reclassified "Personnel Advances" from "Other Current Assets" in the previous period and shown them in "Prepaid Expenses". "Impairment losses expected pursuant to IFRS 9", which were shown in "Other Expenses from Core Operations" in the previous period, were reclassified and shown under "Expenses from Investment Activities".

- **Assumption of continuity of the business**

The financial statements show that the Company will benefit from its assets in the next year and in the natural course of its activities.

and has been prepared on the basis of the continuity of the enterprise under the assumption that it will fulfill its obligations.

- **Functional and reporting currency**

Each item in the Company's financial statements is accounted for in the currency applicable to the underlying economic environment in which the Company operates ("functional currency"). The financial statements are presented using TRY, the Company's functional and reporting currency.

- **Correction of financial statements during periods of high inflation**

Pursuant to the CMB's decision dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will implement inflation accounting by applying the provisions of IAS 29, starting from their annual financial reports for the accounting periods ended as of 31 December 2023.

Accordingly, while preparing the financial statements dated June 30, 2025 and December 31, 2024, inflation adjustment was made in accordance with IAS 29.

The financial statements and the corresponding figures for the previous periods have been revised to accommodate changes in the overall purchasing power of the functional currency, and as a result, the financial statements and the corresponding figures for the previous periods have been expressed in terms of the unit of measurement applicable at the end of the reporting period in accordance with IAS 29 Financial Reporting in High Inflation Economies standard.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.1) Basic Principles Regarding Presentation (Continued)****Correction of financial statements during periods of high inflation (Continued)**

IAS 29 applies to the financial statements of any entity whose functional currency is the currency of a high-inflation economy, including financial statements. In the event of high inflation in an economy, IAS 29 requires that the financial statements of an entity whose current currency is the currency of a high-inflation economy be expressed in terms of the unit of measurement valid as of the end of the reporting period.

The table below shows the inflation rates for the relevant years, calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TUIK):

History	Index	Correction coefficient
30.06.2025	3132,17	1,000
31.12.2024	2.684,55	1,16674

The outline of IAS 29 indexation procedures is as follows:

- As for the balance sheet date, all items other than those indicated by current purchasing power are indexed using the relevant price index coefficients. Amounts from previous years are indexed in the same way.
- Monetary assets and liabilities are not subject to indexation because they are expressed in terms of purchasing power current on the balance sheet date. Monetary items are items to be received or paid for in cash and cash.
- Fixed assets, subsidiaries and similar assets are indexed at their purchase values, not exceeding their market value. Depreciation is similarly adjusted. The amounts included in the equity have been adjusted again as a result of the application of the general price indices in the periods when these amounts joined the company or were formed within the company.
- All items in the income statement, except those for which non-monetary items in the balance sheet have an effect on the income statement, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The gain or loss as a result of general inflation on the net monetary position is the difference of adjustments 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 profit.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

- **Correction of financial statements during periods of high inflation (Continued)**

The impact of the implementation of the IAS 29 Inflation Accounting standard is summarized below:

Rearrangement of the Financial Statement

Among the amounts included in the statement of financial position, those that are not expressed in the unit of measurement valid at the end of the reporting period are rearranged. Accordingly, monetary items are not reissued because they are expressed in the current currency at the end of the reporting period. Non-monetary items are required to be reissued, unless they are shown at their current amount at the end of the reporting period.

Gain or loss in net monetary position resulting from the realignment of non-monetary items is included in the profit or loss and is presented separately in the comprehensive income statement.

Reorganization of the Profit or Loss Statement

All items in the profit or loss statement are expressed in terms of the unit of measurement applicable at the end of the reporting period. Therefore, all amounts have been readjusted by applying changes in the overall monthly price index.

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

Depreciation and amortization expenses were adjusted using the revised balances of tangible assets, 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 terms of the unit of measurement valid at the end of the reporting period.

Consolidated financial statements.

The financial statements of a subsidiary, whose current currency is the currency of a high-inflation economy, are rearranged by applying the general price index before being included in the consolidated financial statements prepared by the parent. In the event that such a subsidiary is a foreign subsidiary, its revised financial statements will be converted at the closing rate.

In the event that financial statements with different reporting period endings are consolidated, all monetary or non-monetary items are rearranged according to the unit of measurement valid on the date of the consolidated financial statements.

Comparative figures

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

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

Amendments to Turkish Financial Reporting Standards (Continued)

- **Changes in Accounting Policies**

In case of changes and errors in accounting policies and accounting estimates, significant changes made, and significant accounting errors detected are applied retrospectively and the financial statements of the previous period are reissued. In the event that changes in accounting policies affect previous periods, the policy in question is also applied retrospectively in the financial statements as if it had always been in use. There has been no change in the Group's accounting policies.

The accounting policies used in the preparation of the condensed consolidated financial statements for the fiscal year ended June 30, 2025 have been applied in a manner consistent with those used in the previous year, except for the new and amended Turkish Accounting Standards ("IAS")/IFRS and IAS/IFRS interpretations effective as of January 01, 2025, which are summarized below. The impact of these standards and interpretations on the Group's financial condition and performance is described in the relevant paragraphs.

Changes and comments effective from 2025:

- **IAS 21 (Amendments) Absence of Whorability**

These changes include guidance for determining when a currency is fungible and how to determine the exchange rate when it is not. The changes are effective from the annual reporting periods beginning on or after January 1, 2025.

The change did not have a material impact on the Group's financial position or performance.

Standards and changes published as of June 30, 2025 but not yet in effect:

- **IFRS 10 and IAS 28 (Amendments) Asset Sales or Contributions of the Investor Entity to the Subsidiary or Joint Venture**

The POA has indefinitely postponed the effective date of the amendments made to IFRS 10 and IAS 28 in December 2017 to be amended depending on the ongoing research project outputs related to the Equity method. However, it still allows early implementation.

The Group will assess the impact of these changes once the standards have been finalized.

- **IFRS 17 Insurance Contracts**

In February 2019, the POA published IFRS 17, a new comprehensive accounting standard covering accounting and measurement, presentation and disclosure for insurance contracts. IFRS 17 introduces a model that enables both the measurement of liabilities arising from insurance contracts with current balance sheet values and the recognition of profit during the period in which services are provided. Some changes in future cash flow forecasts and risk adjustment are also accounted for during the period in which the services are provided. Businesses may choose to recognize the effects of changes in discount rates in profit or loss or other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation characteristics.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

Amendments to Turkish Financial Reporting Standards (Continued)

In addition, according to the amendments published by the POA in December 2021, when IFRS 17 was first implemented, businesses have the option to transition to overlap the classification in order to eliminate possible accounting mismatches between financial assets and insurance contract obligations included in the comparative information presented.

With the announcement made by the POA, the mandatory effective date of the Standard for the following business has been postponed to accounting periods starting on or after January 1, 2026.

- IFRS 17 (Amendments) Insurance Contracts and the First Application of IFRS 17 and IFRS 9 Comparative Information

Amendments have been made to IFRS 17 to reduce implementation costs, to facilitate the disclosure of results and the transition.

In addition, with the amendment on comparative information, companies that first implemented IFRS 7 and IFRS 9 at the same time are allowed to provide comparative information on their financial assets as if the classification and measurement requirements of IFRS 9 had previously been applied to that financial asset.

The changes will be implemented when IFRS 17 is first implemented.

- IFRS 18 New Standard for Disclosure in Financial Statements

In May 2025, the POA published the IFRS 18 Standard, which replaces IAS 1. IFRS 18 introduces new provisions regarding the presentation of the profit or loss statement, including the distribution of certain totals and subtotals. IFRS 18 requires businesses to submit all income and expenses included in the profit or loss statement in one of the main activities, investment activities, financing activities, income tax category. The standard also requires disclosure of performance measures established by management, as well as introduces new provisions for aggregating or disaggregating financial information in accordance with the functions defined for the principal financial statements and footnotes. With the publication of IFRS 18, certain changes have occurred in other financial reporting standards such as IAS 7, IAS 8 and IAS 34. IFRS 18 and related amendments will enter into force for reporting periods commencing on or after 1 January 2027. However, early application is allowed. IFRS 18 will be applied retroactively.

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

Changes published by the International Accounting Standards Board (IASB) but not published by the POA.

The IFRS 19 Standard with the two amendments to IFRS 9 and IFRS 7 and the Annual Improvements to IFRS Accounting Standards as mentioned below have been published by IASB but have not yet been adapted/published by the POA to IFRS. For this reason, it does not form part of IFRS. The Company will make the necessary changes to its financial statements and footnotes after this Standard and the amendments come into force in IFRS.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

Amendments to Turkish Financial Reporting Standards (Continued)

- IFRS 9 and IFRS 7 (Amendments)

Classification and Measurement of Financial Instruments

IFRS Annual Improvements IFRS 9 and IFRS 7 (Amendments) IFRS 19

Contracts Involving Electricity Generated from Natural Resources New Subsidiaries Without Accountability to the Public

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

In May 2024, the IASB published amendments to the classification and measurement of financial instruments (regarding IFRS 9 and IFRS 7). The amendment clarifies that financial liabilities will be excluded from the financial statement on the "delivery date". In addition, the amendment introduces an accounting policy preference for excluding financial obligations fulfilled through the electronic payment system from the financial statement before the delivery date, if certain conditions are met. In addition, the amendment provides explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets that contain Environmental, Social Governance (ESG) related or other contingently similar characteristics, and applications for non-recallable assets and contractual interconnected financial instruments. In addition, with this amendment, additional disclosures have been added to IFRS 7 for financial assets and liabilities that contain contractual clauses referencing a contingent event (including those linked to ESG) and equity-backed financial instruments measured by reflecting the fair value difference to other comprehensive income.

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

- Annual Improvements to IFRS Accounting Standards - 11. Change

In July 2024, the IASB issued the "Annual Improvements to IFRS Accounting Standards / 11. Change" has been published with the following changes.

Hedging accounting performed by a business that first implements IFRS 1 First Application of International Financial Reporting Standards: The amendment is intended to eliminate potential confusion caused by inconsistency between the statements in IFRS 1 and the provisions on hedging accounting in IFRS 9.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basic Principles Regarding Presentation (Continued)

Amendments to Turkish Financial Reporting Standards (Continued)

Annual Improvements to IFRS Accounting Standards - 11. Change (Continued)

IFRS 7 Financial Instruments: Disclosures Gains or losses related to exclusion from financial statements: IFRS 7 has changed the expression of non-observable inputs, and a reference has been added to IFRS 13.

IFRS 9 Financial Instruments - Transaction price when the lease obligation is excluded from the financial statement by the lessee: IFRS 9 has been amended to clarify that when the lease obligation is eliminated for the lessee, the gain or loss arising from the lessee must apply the financial statement exclusion provisions in IFRS 9 will be recognized in profit or loss. In addition, IFRS 9 has been amended to remove the reference to the "transaction price".

IFRS 10 Consolidated Financial Statements - Determination of "actual agent": The Standard has been amended to address inconsistencies in paragraphs 10 of IFRS.

IAS 7 Cash Flow Statement - Cost method: After the expression "cost method" was removed with the previous amendments, the expression in question in the Standard was deleted.

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

IFRS 9 and IFRS 7 (Amendments) - Conventions on Electricity Generated by Natural Sources

In December 2024, the IASB published the "Amendment to the Contracts on Electricity Generated from Natural Sources (regarding IFRS 9 and IFRS 7). The amendment clarifies the application of the provisions for the "self-use" exception and allows for protection accounting if such contracts are used as a means of protection. The amendment also introduces new disclosure provisions to ensure that investors understand the impact of these contracts on the financial performance and cash flow of the entity.

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

- IFRS 19. New Subsidiaries Without Accountability to the Public: The Standard for Disclosures

In May 2024, the IASB published IFRS 19, which provides for certain entities to provide reduced disclosures when applying the inclusion, measurement and presentation provisions to the financial statements in IFRSs. Unless otherwise stated, covered entities that elect to implement IFRS 19 will not be required to apply the disclosure provisions in other IFRSs. An entity with a parent (interim or final) that is a subsidiary, does not have public accountability, and prepares consolidated financial statements in compliance with IFRS in a manner open to the public may choose to apply IFRS 19.

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

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of key accounting policies

Cash and cash equivalents.

Cash and cash equivalents include cash in the enterprise, demand deposits held in financial institutions, investments with high short-term high liquidity and a negligible risk of change in value, and current accounts with banks whose original maturities are three months or less than three months can be easily converted into specific cash (Note 53).

Financial assets

Classification

The Company recognizes its financial assets in three classes: "recognized at amortized cost price", "fair value difference reflected in other comprehensive income statement" and "financial assets with fair value difference reflected in profit or loss". The classification is based on the business model used by the enterprise for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The company classifies its financial assets at the time of acquisition.

Financial assets are not reclassified after their initial recognition, except in cases where the business model used by the Company to manage financial assets changes; In the event of a change in the business model, financial assets are reclassified on the first day of the reporting period following the change.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets that are held under a business model intended to collect contractual cash flows and in which the terms of the contract contain cash flows that include only interest payments arising from the principal and principal balance on certain dates. The Company's financial assets, which are accounted for at amortized costs, include "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". The relevant assets are measured at their fair value in their first recording in the financial statements and at their discounted value in subsequent recognitions using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets, which are measured at their amortized cost, are recognized in the profit or loss statement.

"Financial assets whose fair value difference is reflected in other comprehensive income" are non-derivative financial assets that are held under a business model that aims to collect contractual cash flows and sell the financial asset and in which there are cash flows that include only interest payments arising from the principal and principal balance on certain dates under the terms of the contract. Gains or losses arising from related financial assets, excluding impairment gains or losses and foreign exchange income or expenses, are reflected in other comprehensive income.

For investments in equity-backed financial assets, the Company may irrevocably choose the method of reflecting subsequent changes in its fair value to other comprehensive income at the time of inclusion in the financial statements for the first time. In the event that such a preference is made, the dividends from the relevant investments are recognized in the profit or loss statement. "Financial assets for which fair value difference is reflected in profit or loss" consists of financial assets other than financial assets that are measured at their amortized cost and whose fair value difference is reflected in other comprehensive income. Gains and losses resulting from the valuation of these assets are recognized in the income statement.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Summary of important accounting policies (Continued)

Exclusion from financial statements

The Company shall remove such financial asset from its records when its rights in respect of cash flows arising pursuant to the contract with respect to financial assets expire or when it transfers its rights and ownership of all risks and returns related to such financial asset through a transaction of purchase and sale. Any rights created or held by financial assets transferred by the Company are recognized as a separate asset or liability.

Impairment

Impairment of financial assets and contract assets is calculated using the "Expected Credit Loss" (BKZ) model. The impairment model is applied to amortized cost financial assets and contract assets.

Loss provisions were measured on the following basis: The lifetime view metric is applied if the credit risk associated with a financial asset at the reporting date has increased significantly since the initial recognition moment. In all other cases where there was no relevant increase, the 12-month SEE calculation was applied. The Company may establish that the credit risk of the financial asset has not increased significantly if the credit risk of the financial asset had a low credit risk at the time of reporting. However, the lifetime view measurement (simplified approach) always applies to trade receivables and contract assets without a significant element of financing.

Trade receivables

Trade receivables arising as a result of the provision of products or services to the buyer are recognized from the amortized value of the amounts to be obtained in the following periods from the original invoice value, with the effective interest method. Short-term receivables without a set interest rate are shown from the invoice amount, unless the effect of the original effective interest rate is very large. The "simplified approach" is applied within the scope of impairment calculations of trade receivables that are accounted for at amortized cost in the financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not depreciated for certain reasons (except for realized impairment losses), loss provisions for trade receivables are measured from an amount equal to "lifetime expected credit losses".

In the event that all or part of the amount of the depreciated receivable is collected following the allocation of the impairment provision, the collected amount is deducted from the reserved impairment provision and recorded in other income from the main activities. Interest in incomes/expenses and exchange rate difference profits/losses related to commercial transactions are recognized in the "Other Income/Expenses from Core Operations" account in the profit or loss statement.

Commercial debts

Commercial debts refer to the mandatory payments to be made for the goods and services provided by the suppliers for the ordinary activities of the Company. If the expected period for payment of commercial debts is 1 year or less (or longer, but within the normal operating cycle of the enterprise), these debts are classified as short-term debts. Otherwise, they are classified as long-term liabilities.

Commercial liabilities are recorded at fair value and recognized in subsequent periods by deducting the discounted value from the impairment provision using the effective interest rate method.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.3) Summary of important accounting policies (Continued)****Stocks**

Inventories are valued at the lower of the net realizable value or cost value. The cost determination method is the weighted average of the receipts for all stocks, and semi-finished products and finished products take a share of the production costs. Net realizable value is the estimated selling price minus the expenses incurred to make inventories available for sale, as well as marketing and sales expenses. Impairment provision is recorded for inventories that are unusable or unsellable.

Tangible fixed assets

Tangible fixed assets are accounted for by deducting the accumulated depreciation and the accumulated impairment, if any, over their cost values. When tangible fixed assets are sold, the income or expense, profit or loss statement incurred after deducting the cost and accumulated depreciation and impairment provisions, if any, of this asset are deducted from the relevant accounts.

The cost value of the tangible asset; The purchase price consists of import duties and non-refundable taxes and expenses incurred to make the tangible asset available for use. Costs such as repair and maintenance incurred after the use of tangible fixed assets are recorded as expenses in the period in which they occur. If the expenditures made provide an economic increase in value to the relevant tangible asset in its future use, these expenditures are added to the cost of the asset.

Depreciable assets are depreciated according to the linear depreciation method, with rates based on their estimated economic life. The economic life and depreciation method is regularly reviewed, and accordingly, it is checked whether the method and the depreciation period are in line with the economic benefits to be obtained from the relevant asset.

If there is an indication that the value of the asset has decreased, the net realizable value of the relevant asset is re-estimated, and the impairment provision is reflected in the financial statements.

If the registered value of an asset is higher than the recoverable value of the asset, the registered value is immediately reduced to its recoverable value. The recoverable value is the higher of the net selling price or the value in use of the relevant asset. The net selling price is determined by deducting the reasonable value of the asset from the costs to be incurred to carry out the sale. The value in use is determined by adding the residual values of the estimated cash flows to be obtained in the future by continuing to use the relevant asset to the discounted amounts as of the reporting period date. Profits and losses arising from the sale of tangible fixed assets are included in the accounts of income and expenses from investment activities.

Intangible assets**Purchased intangible assets**

Purchased intangible assets are indicated by their cost value minus the accumulated amortization and accumulated impairments. These assets are amortized using the linear redemption method according to their expected economic life. The expected economic life and amortization method are reviewed annually to determine the possible effects of changes in the forecasts, and changes in the forecasts are accounted for prospectively. These costs cover the costs of acquisition and are subject to amortization according to their economic life.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of important accounting policies (Continued)

Intangible assets (Continued)

Computer software

Purchased computer software is capitalized on the costs incurred during the purchase and from purchase to ready use. These costs are amortized according to their economic life (3-15 years).

The costs associated with developing and maintaining computer software are recorded in the comprehensive income statement for the period in which they are incurred. Expenditures that are controlled by the Company, that can be identified and directly associated with unique software products, and that will provide economic benefits above their cost for more than one year are considered as intangible assets. Costs also include the costs of the employees who develop the software and a portion of the overall production expenses. Computer software development costs, which are considered as intangible assets, are amortized over their economic life.

Impairment of non-financial assets

For all tangible and intangible assets, the Company evaluates whether there is any indication of impairment in respect of that asset on each reporting date. If such an indicator exists, the value of that asset being carried is compared to the net realizable value, which is the higher of the amounts that will be obtained through use or sale. If the registered value of the asset in question, or any cash-generating unit to which that asset belongs, is greater than the amount to be recovered through use or sale, impairment has occurred. In this case, the impairment losses incurred are recognized in the profit or loss statement.

The increase in the registered value of the asset (or cash-generating unit) due to the cancellation of the impairment must not exceed the carrying value (the net amount remaining after depreciation) that would have occurred if the impairment had not been included in the financial statements in previous years. The cancellation of the impairment is recognized in the profit or loss statement.

Financial Leases

Operating lease (as a tenant)

A leasing transaction in which a significant part of the risks and returns of ownership belongs to the lessor is classified as an operating lease. Payments made as operating rents (after deducting the incentives received from the lessor) are recorded as expenses in the profit or loss statement by the linear method throughout the lease period.

Operating lease (as a lessor)

In the operating lease, the leased assets, excluding real estate, land and real estate held for investment purposes, are classified under tangible fixed assets in the statement of financial position and the rental income obtained is reflected in the profit or loss statement in equal amounts during the lease period. Rental income is reflected in the profit or loss statement by linear method throughout the lease period.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of important accounting policies (Continued)

Recording of revenue

The company's suppliers are skilled steel rolling mills and forging factories that produce from liquid steel or ingot. The company purchases rolled or forged round steel, flat and square steels from its suppliers on the basis of its own specifications, which it has developed in accordance with its own customer portfolio. These steels are sold domestically after sizing, surface treatment and other mechanical processes are completed in the company's own facilities.

In line with the IFRS 15 "Revenue from Customer Contracts Standard", which entered into force on January 1, 2018, the Company has started to use the following five-tier model in revenue recognition.

- Definition of contracts with customers
- Definition of performance obligations in contracts
- Determination of the transaction price in contracts
- Distribution of the transaction price to performance obligations
- Revenue recognition

According to this model, first of all, the goods or services promised in each contract made with the customers are evaluated and each commitment made to transfer the goods or services in question is determined as a separate performance obligation. Afterwards, it is determined whether the performance obligations will be fulfilled over time or at a certain time. If the Company transfers control of a good or service over time and therefore fulfills its performance obligations regarding the relevant sales over time, it measures the progress towards the full fulfillment of such performance obligations and includes the revenue in the financial statements over time.

Revenue related to performance obligations, which are commitments for the transfer of goods or services, are recognized when the control of the goods or services is in the hands of the customers.

When the company evaluates the transfer of control of the goods or services sold to the customer,

- The Company's right to collect goods or services,
- Customer's legal ownership of the goods or services,
- Transfer of possession of goods or services,
- The customer's ownership of significant risks and returns arising from owning the ownership of the goods or services,
- It takes into account the conditions under which the customer accepts the goods or services.

If the Company foresees at the beginning of the contract that the period between the date of transfer of the goods or services promised to the customer and the date on which the customer pays for such goods or services will be one year or less, the Company does not make adjustments to the promised price for the effect of a significant financing component. On the other hand, if there is a significant financing element in the revenue, the revenue value is determined by reducing the collections that will occur in the future with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on an accrual basis

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of important accounting policies (Continued)

Revenue recording (Continued)

Interest income

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

Interest income and exchange rate difference income related to commercial transactions are recognized as other income from core activities.

Dividend income

Dividend income from stock investments is reflected in the financial statements when shareholders are entitled to receive dividends. Dividend liabilities are reflected in the financial statements as an obligation after the approval of the general assembly as an element of profit distribution.

Borrowings

Borrowings are accounted for by deducting the transaction costs incurred from the fair value at the time of initial recognition. Borrowings are measured from their amortized costs after initial recognition. The difference between the amount collected (less transaction costs) and the amount recovered is recognized in profit or dice during the period using the effective interest method. Fees paid in the provision of credit facilities are recognized as the transaction cost of the loan if part or all of the credit facility is likely to be used. In this case, these fees are deferred until the loan is used. In the absence of evidence that some or all of the credit facility is likely to be used, these fees are capitalized as an advance payment of the liquidity service and amortized for the period to which the credit facility relates.

Borrowing costs

The costs of general and special purpose loans that are directly attributable to the acquisition, construction, or production of a featured asset are capitalized as part of the cost of the relevant asset for the period of time necessary to make those assets available for intended use or sale. Such costs are included in the cost of the asset if they can be reliably measured and the business is likely to benefit from the economic benefits in the future. The investment income earned by temporarily reaping the special purpose debts that are expected to be spent on the specific assets is deducted from the borrowing costs that meet the capitalization conditions. Borrowing costs that are not covered by this scope are expense on the date they occur.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of important accounting policies (Continued)

Period tax expense and deferred tax

Period tax expense includes current period tax expense and deferred tax expense. Period tax and deferred tax are recorded as income or expense on the profit or loss statement, provided that the tax is not directly related to a transaction recognized under equity or other comprehensive income. In this case, the tax is recognized on other comprehensive income or equity, respectively.

The tax expense for the current period is calculated by taking into account the tax laws in force or close to entering into force in the countries where the Company and its subsidiaries operate. If the tax law in force is open to interpretation, the Company periodically evaluates the tax declaration and provisions are allocated for the debts to be paid to the tax authorities when deemed necessary.

Deferred tax is calculated using the obligation method on the basis of the temporary differences between the values of assets and liabilities in the financial statements and their tax values. Deferred tax assets and liabilities are calculated at the tax rates expected to be applied in the period in which the tax asset will be realized or the obligation will be performed, taking into account the tax rates and tax legislation in force or in force as of the balance sheet date. Deferred tax assets are calculated on the condition that it is highly likely to benefit from temporary differences by making taxable profits in the future.

The Company calculates deferred tax liability for all taxable transient differences related to its subsidiaries, except in the event that the Company can control the time of settlement of taxable temporary differences and the provisional difference is unlikely to be closed within a foreseeable time.

The Company shall deduct its deferred tax asset and deferred tax liability only if it is legally entitled to offset the period tax assets against the period tax liabilities and if the deferred tax asset and deferred tax liability of the same taxpayer or different taxpayers with the intention of clearly demonstrating the deferred tax asset or liability are the same as the tax administration that made the above-mentioned legal arrangement.

Provision for severance pay

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to the personnel who have left the job due to retirement or who have been dismissed for reasons other than resignation and bad behavior and who have served for at least one year.

In the accompanying financial statements, the Company calculated the severance pay provision using the "Projection Method" and based on the Company's experience gained in previous years in completing the personnel service period and entitlement to severance pay, and discounted it with the government bonds earnings rate on the balance sheet date.

The current cost of services for defined benefit plans, which are reflected in the income statement as employee expenses, refers to the increase in the defined benefit liability, benefit change reductions, and payments arising from employee services in the current year, excluding those added to the cost of an asset. Historical service costs are recorded in the income statement for the period in which they occur.

Net interest expense is calculated by applying the discount rate to the net value of the defined benefit obligation and the fair value of the planned asset. This cost is recognized under employee expenses on the profit or loss statement.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4) Summary of important accounting policies (Continued)

Provision for severance pay (Continued)

Adjusted for the difference between actuarial assumption and actualized and defined benefit plan remeasurement gains and losses resulting from actuarial assumption changes are reflected in equity as other comprehensive income during the period in which they occur.

Provision for unused leave

Unused leave entitlements accrued in the financial statements refer to the estimated total equivalent of possible future liabilities related to the unused earned leave days of employees as of the balance sheet date.

Earnings per share

Earnings per share stated in the profit or loss statement are calculated by dividing net profit by the weighted average number of stocks on the market during the reporting period.

In Turkey, companies can increase their capital to their existing shareholders through "bonus shares" that they distribute from their previous year's earnings and inflation adjustment differences. 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 calculated by taking into account the historical effects of these stock distributions.

Provisions, Contingent Assets and Liabilities

Provisions are set aside in the financial statements if there is an existing obligation arising from past events, if the obligation is likely to be fulfilled and if the amount of the obligation in question is reliably predictable.

The amount set aside as a provision is calculated by estimating the expenditure to be incurred for the fulfillment of the obligation as of the reporting date, taking into account the risks and uncertainties related to the liability.

Where the time value effect of money is significant, the reserve amount is determined as the present value of the expenses that are expected to be necessary for the fulfillment of the obligation. In determining the discount rate to be used in reducing the provisions to their present value, the interest rate in the relevant markets and the risk related to the obligation in question are taken into account. This discount rate is determined on a pre-tax basis and does not include the risk associated with the forecast of future cash flows.

Where some or all of the economic benefit required for the payment of the provision is expected to be met by third parties, the amount to be collected is recognized as an asset if the relevant amount is almost certain to be collected and is reliably measured.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Summary of important accounting policies (Continued)

Transactions in foreign currencies

The financial statements of each entity of the Company are presented in the currency applicable to the underlying economic environment in which they operate (functional currency). The financial condition and operating results of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company and the presentation currency for the financial statements. During the preparation of the financial statements of each entity, transactions in foreign currencies (currencies other than TRY or currencies other than the functional currency of the relevant entity) are recorded on the basis of the exchange rates on the transaction date. Foreign currency-indexed monetary assets and liabilities in the statement of financial position are converted into TRY using the exchange rates valid on the date of the report.

Among the non-monetary items that are monitored with their fair value, those recorded in foreign currency are converted into TRY based on the exchange rates on the date the fair value is determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to reconversion.

The assets and liabilities of the Company's foreign activities are expressed in TRY using the exchange rates valid on the date of the report in the financial statements. Income and expense items are converted using the average exchange rates during the period, unless there is a significant fluctuation in the exchange rates during the period in which the exchange rates on the date of transactions should be used (in case of significant fluctuations, the exchange rates on the date of the transaction are used). The resulting exchange rate difference is classified as equity and transferred to the Company's foreign currency conversion difference fund. These conversion differences are recorded in the profit or loss statement in the period in which the foreign activity is disposed of.

Goodwill and fair value adjustments resulting from the purchase of operations abroad are treated as assets and liabilities of the activity abroad and are converted using the period-end exchange rate.

Clarification

Showing the net amount on the balance sheet by offsetting a financial asset and a liability, but the business; It may be possible if it has a legal right to net the amounts recognized and intends to make payments on a net basis or to simultaneously acquire the asset and pay the debt. The statutory right must not be dependent on a future event, but must be exercised in the normal course of operations and even in the event of default, insolvency or bankruptcy of the company or the counterparty.

Government Incentives and Aids

Government donations are recorded at their fair value when there is a reasonable assurance that the donations will be received and that they meet the requirements to which the Company is obligated to comply.

Events after the balance sheet date

Events after the balance sheet date; It covers all events between the date of the balance sheet and the date of authorization for publication of the balance sheet, even if they arise after any announcement of profit for the period or other selected financial information has been made public. In the event that events requiring adjustment occur after the balance sheet date, the Company shall adjust the amounts included in the financial statements accordingly.

Matters that do not require adjustment arising from the date of the balance sheet are disclosed in the footnotes to the financial statements if they are matters that affect the economic decisions of the users of the financial statements.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of important accounting policies (Continued)

Related parties

In the presence of one of the following criteria, the party is deemed to be associated with the Company:

- (a) That party, directly or indirectly, through one or more intermediaries:
 - (i) controls, is controlled by, or is under common control with the business (including parents, subsidiaries and subsidiaries in the same line of business);
 - (ii) has a share that would enable him to have a significant influence on the Company; or (iii) have common control over the Company;
- (b) the Party is a subsidiary of the Company;
- € The party is a joint venture in which the Company is a joint venturer;
- (d) the Party is a member of the key management personnel of the Company or its parent;
- € The party is a close family member of any of the individuals referred to in (a) or (d);
- (f) The Party; is a business that is controlled, jointly controlled or under significant influence, or (d) in which any individual referred to in the € or € has significant voting rights, directly or indirectly; or
- (g) The party must have benefit plans provided to employees of the business or an entity associated with the business after termination of employment.

Cash Flow Statement

The Company maintains a cash flow statement as an integral part of other financial statements to inform users of financial statements about changes in its net assets, its financial structure and its ability to direct the amount and timing of cash flows according to changing conditions. Cash flows for the period are classified as operating, investment and financing activities.

Cash flows from operating activities indicate cash flows from the Company's operations. The Company has chosen to present its cash inflows and outflows from operating activities in the financial statements with a net (indirect) method.

Cash flows related to investment activities indicate the cash flows that the Company uses and obtains in its investment activities (fixed investments and financial investments).

Cash flows related to financing activities show the resources used by the Company in financing activities and the repayments of these resources.

2.4) Changes and Errors in Accounting Estimates

Changes to accounting estimates are applied prospectively in the current period in which the change is made, if for a period only, and in future periods, both in the period in which the change is made and in future periods. The material estimates used in the preparation of the consolidated financial statements for the period ended June 30, 2025 are consistent with the estimates used in the preparation of the consolidated financial statements for the period ended December 31, 2024. Significant accounting errors detected are applied retrospectively and the financial statements of the previous period are reissued.

NOTE 2 – PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Key accounting assessments, forecasts and assumptions**

In the preparation of the financial statements, the Company's management is required to make assumptions and forecasts that will affect the reported assets and liabilities, determining the liabilities and commitments that are likely to occur as of the reporting period date and the income and expense amounts as of the reporting period. Actual results may differ from estimates. Forecasts are regularly reviewed, necessary corrections are made, and they are reflected in the profit or loss statement in the period in which they are realized.

Assumptions made by taking into account the interpretations that may have a material impact on the amounts reflected in the financial statements and the actual sources of the estimates that existed on the balance sheet date or may be realized in the future are as follows:

- Severance pay is determined using actuarial assumptions such as discount rates, future salary increases, and staff turnover. The forecasts include significant uncertainties that arise due to these long-term plans.
- While allocating provisions for the lawsuits, the probability of losing the cases and the liabilities that will arise in case of loss are evaluated by the Company's management by taking the opinions of the Company's Legal Counsel and experts. The company's management determines the amount of litigation provisions based on the best estimates.
- The company's management has made some important assumptions based on the experience of technical personnel in determining the useful life of tangible and intangible assets.
- Deferred tax assets and liabilities are recorded using the tax rates that are largely used for temporary differences between the carrying values and bases of assets and liabilities. Based on the available evidence, it was considered likely that all or part of the deferred tax assets could or could not be converted into cash. The main factors considered include the potential for future revenues, losses accumulated from previous years, tax planning strategies to be put in place if necessary, and the nature of the revenue that can be used to convert the deferred tax asset into cash.

NOTE 3 – BUSINESS MERGERS

None. (December 31, 2024 – None.)

NOTE 4 – SHARES IN OTHER ENTITIES

The details of Investments in Subsidiaries, Business Partnerships and Subsidiaries are as follows;

	30.06.2025	31.12.2024
Rising Stahl Gmbh	1.605.953	1.619.355
Total	1.605.953	1.619.355

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 5 – REPORTING BY DEPARTMENTS

The Company's field of activity, the nature and economic characteristics of the services, the classification of customers according to risks and the methods used in the distribution of services are similar. In addition, the organizational structure of the Company is considered as a part of a single activity instead of being managed in separate departments containing different activities, and the results of the Company's activities, the determination of the resources to be allocated to these activities and the examination of the performance of these activities are evaluated within this framework.

NOTE 6 – RELATED PARTY DISCLOSURES

The details of the transactions between the Company and other related parties are described below.

• Short-Term Trade Receivables

None. (December 31, 2024 – None.)

• Short-Term Commercial Liabilities

None. (December 31, 2024 – None.)

• Other Short-Term Receivables

	30.06.2025	31.12.2024
Rising Stahl Gmbh	2.884.913	4.618.470
Total	2.884.913	4.618.470

• Other Short-Term Debts

	30.06.2025	31.12.2024
Debts to partners ⁽¹⁾	370.112.898	--
Total	370.112.898	--

(1) During the reporting period, the shareholders provided resources to the Company by providing interest-free loans to the Company, of which TRY 153,000,000 was due to the transfer of Group B shares, and 30% of the Relevant Amount was used for working capital purposes and 70% was used for the payment of the Company's bank debts.

• Obligations Arising from Short-Term Leasing Transactions

	30.06.2025	31.12.2024
Right-of-use obligations	6.829.691	--
Total	6.829.691	--

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 6 – RELATED PARTY DISCLOSURES (Continued)**• Obligations Arising from Long-Term Leasing Transactions**

	30.06.2025	31.12.2024
Right-of-use obligations	8.474.384	--
Total	8.474.384	--

• Short-Term Prepaid Expenses

None. (December 31, 2024 – None.)

• Buys

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

	30.06.2025	31.12.2024
SKY Fuarçılık A.Ş. (*)	52.000	508.037
Shareholders (**)	3.050.000	9.380.584
Barış Göktürk Metal Yatırımları A.Ş. (***)	--	464.362
Göktürkler Çelik A.Ş. (****)	--	94.371
Total	3.102.000	10.447.354

(*) SKY Fuarçılık A.Ş. debt relationship with the related party arises from service purchases.

(**) It includes the rental fees paid for the office rented from the shareholders of the company, Barış Göktürk, Ferhan Göktürk and Yüksel Göktürk.

(***) Barış Göktürk Metal Yatırımları A.Ş. debt relationship with the related party arises from the rental expense.

(****) (31.12.2024: Göktürkler Çelik A.Ş. consists of 82.703 TRY of the debt relationship with the related party and the purchase of goods and 11.667 TRY of the rental price.)

• Sales

	30.06.2025	31.12.2024
Göktürkler Çelik A.Ş. (****)	--	2.100.131
Total	--	2.100.131

(*) Göktürkler Çelik A.Ş. receivables relationship with the related party arises from the sale of tangible fixed assets and other assets.

• Remuneration and Similar Benefits Provided to Senior Executives

The details of the remuneration and similar benefits provided to the senior executives of the company are as follows:

	30.06.2025	31.12.2024
Salary and attendance allowance payments	4.909.773	5.907.872
Total	4.909.773	5.907.872

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

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	118.857.036	177.126.217
Bills receivable	223.754.635	393.112.215
Rediscount of receivable bills (-)	(41.219.375)	(34.536.369)
Trade receivables IFRS 9 expected credit loss (-)	(4.112.414)	(4.394.069)
Doubtful trade receivables	27.453.736	3.161.308
Provision for doubtful trade receivables (-)	(27.453.736)	(3.161.308)
Total	297.279.882	531.307.994

The average collection period for trade receivables is 159 days (31.12.2024; 165 days). The company sets aside provision for losses for its trade receivables that have become problematic. Reserve amounts include receivables for which the relevant customers are not considered to be able to repay or the value of the collateral received for such receivables cannot be realized.

The Company has a credit insurance policy with Euler Hermes Sigorta A.Ş. for the insurance of commercial receivables within the borders of Turkey, the details of which are given below.

-The policy is between July 1, 2025 and June 30, 2026 and has been issued for 1 year.

As of June 30, 2025, the Company has an insurance coverage limit of USD 8,513,628 allocated to 513 customers and EUR 936,700 allocated to 38 customers within Euler Hermes Sigorta A.Ş. In addition, the Company has a DBS guaranteed limit of TRY 158,711,612 for 170 customers with 100% bank guarantee, which it has allocated to its customers in 13 banks.

The Provision for Doubtful Trade Receivables Transaction Table is explained below.

	30.06.2025	31.12.2024
Beginning of period	3.161.308	3.459.377
Increase over the period	25.490.540	3.143.034
Provisions that are no longer subject	(734.000)	(2.371.242)
Presentation inf. Differences	(464.112)	(1.069.860)
End of period	27.453.736	3.161.308

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 7- TRADE RECEIVABLES AND PAYABLES (Continued)**• Short-Term Commercial Liabilities**

The details of the company's commercial liabilities is as follows:

	30.06.2025	31.12.2024
Sellers	202.317.041	196.241.151
Debt securities	14.265.246	1.638.137
Other business debts	4.918.847	153.824.931
Debit rediscount (-)	(21.227.005)	(7.486.042)
Total	200.274.129	344.218.177

The average payment term for commercial debts is 162 days (31.12.2024: 82 days).

As of June 30, 2025 and December 31, 2024, the Company has no Long-Term Trade Liabilities.

NOTE 8 – FINANCIAL INVESTMENTS

	30.06.2025	31.12.2024
Private sector bonds and bills	25.547.383	21.218.626
Total	25.547.383	21.218.626

As of June 30, 2025, the Company does not have a restricted bank balance. (Company's December 31, 2024).

NOTE 9 – OTHER RECEIVABLES AND PAYABLES**• Other Short-Term Receivables**

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

	30.06.2025	31.12.2024
Deposits and guarantees given	97.699	102.890
They will receive from the staff	867.900	954.276
Other receivables from related parties (Note:6)	2.884.913	4.618.470
Other miscellaneous receivables*	8.999.491	8.249.176
Total	12.850.003	13.924.812

*6,938,300 TRY of other miscellaneous receivables consist of receivables from the tax office.

• Other Long-Term Receivables and Other Liabilities

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES**• Other Short-Term Debts**

	30.06.2025	31.12.2024
Taxes and Funds Payable	2.291.380	1.546.476
Other Debts from Related Parties (Note:6)	370.112.898	--
Total	372.404.278	1.546.476

NOTE 10 – STOCKS

The detail of the company's stocks is as follows:

	30.06.2025	31.12.2024
Merchandise	691.243.911	772.570.069
Total	691.243.911	772.570.069

As of June 30, 2025 and December 31, 2024, the Company has no stock impairment.

NOTE 11 – LIVE ASSETS

None. (December 31, 2024 – None.)

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
Order advances placed	16.397.096	11.567.028
Expenses for the coming months	15.740.841	2.549.677
Total	32.137.937	14.116.704

• Short-Term Deferred Revenues

The detail of the company's short-term deferred revenues is as follows:

	30.06.2025	31.12.2024
Order advances received ⁽¹⁾	18.456.783	5.026.876
Total	18.456.783	5.026.876

(1) It consists of advances received from customers for orders.

NOTE 13 – INVESTMENT PROPERTIES

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025

(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

NOTE 14 – INTANGIBLE ASSETS

The movements realized in the tangible assets and related accumulated depreciation of the company are as follows:

	1.01.2024	Additions	Transfers	Disposals	31.12.2024	Additions	Transfers	Disposals	30.06.2025
Cost									
Land and Plots	84.662.886	--	--	--	84.662.886	--	--	--	84.662.886
Buildings	--	--	143.241.356	--	143.241.356	--	--	(37.978.501)	105.262.855
Machinery, plant and equipment	57.325.809	--	18.583.817	(7.408.154)	68.501.472	954.060	--	(1.476.572)	67.978.960
Vehicles	84.195.243	32.417.756	--	(16.362.932)	100.250.067	12.064.635	--	(9.307.398)	103.007.304
Assets	41.246.799	1.450.980	21.599.646	(260.805)	64.036.621	72.121.819	--	(1.438.343)	134.720.097
Investments in progress	163.087.282	8.813.161	(171.900.443)	--	--	--	--	--	--
	430.518.019	42.681.898	11.524.375	(24.031.891)	460.692.401	85.140.514	--	(50.200.814)	495.632.102
Accumulated depreciation									
Buildings	--	(716.206)	--	--	(716.206)	(1.242.521)	--	379.785	(1.578.942)
Machinery, plant and equipment	(27.730.137)	(5.144.438)	--	4.014.480	(28.860.095)	(2.934.685)	--	182.728	(31.612.052)
Vehicles	(32.051.967)	(17.673.045)	--	13.637.827	(36.087.185)	(9.061.284)	--	5.827.684	(39.320.785)
Assets	(20.093.764)	(5.778.299)	(6.653.922)	201.326	(32.324.659)	(7.938.636)	--	7.983	(40.255.313)
	(79.875.868)	(29.311.988)	(6.653.922)	17.853.633	(97.988.145)	(21.177.127)	--	6.398.180	(112.767.092)
Net Registered Value	350.642.151				362.704.256				382.865.010

As of December 31, 2024, the Company has no pledges or mortgages on Tangible Fixed Assets.

NOTE 15 – RIGHTS ON SHARES ARISING FROM DIVESTMENT, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None. (December 31, 2024 – None.)

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

None. (December 31, 2024 – None.)

NOTE 17 – INTANGIBLE ASSETS

The movements in the company's intangible assets and related redemption shares are as follows:

	1.01.2024	Additions	Disposals	31.12.2024	Additions	Disposals	30.06.2025
Cost							
Rights	3.057.411	161.217	--	3.218.628	65.259	--	3.283.887
Total	3.057.411	161.217	--	3.218.628	65.259	--	3.283.887
Accumulated Amortization							
Rights	(1.744.940)	(237.990)	--	(1.982.931)	(122.266)	--	(2.105.196)
Total	(1.744.940)	(237.990)	--	(1.982.931)	(122.266)	--	(2.105.196)
Net Registered Value	1.312.471			1.235.697			1.178.690

NOTE 18 – GOODWILL

None. (December 31, 2024 – None.)

NOTE 19 – EXPLORATION AND EVALUATION OF MINERAL RESOURCES

None. (December 31, 2024 – None.)

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NOTE 20 – RENTAL PROCEDURES

• Right-of-Use Assets (TFRS-16)

The balances of right-of-use assets as of January 1, 2025, June 30, 2025, and the depreciation and amortization expenses for the relevant period are as follows:

	1.01.2024	Additions	Disposals	Transfers	31.12.2024	Additions	Disposals	30.06.2025
Cost								
Right-of-Use Assets	118.425.496	--	(56.989.252)	--	61.436.243	22.536.189	--	83.972.432
Custom Cost	95.466.660	16.501.820	(20.203.798)	--	91.764.682	74.205	--	91.838.887
Total	213.892.156	16.501.820	(77.193.050)	--	153.200.926	22.610.394	--	175.811.319
Right-of-Use Assets	(30.014.599)	(25.345.370)	24.641.847	--	(30.718.122)	(8.806.340)		(39.524.462)
Custom Cost	(78.027.148)	(12.007.913)	16.918.477	--	(73.116.585)	(3.604.907)		(76.721.491)
Total	(108.041.747)	(37.353.283)	41.560.324	--	(103.834.706)	(12.411.247)	--	(116.245.953)
Net registered value	105.850.409				49.366.219			59.565.366

As of June 30, 2025, the sum of the future minimum lease obligation within the framework of non-cancelable operating leases is as follows;

	31.06.2025	31.12.2024
Debts from leasing transactions (Short-term)	10.748.366	5.186.775
Debts from leasing transactions (Long-term)	18.655.449	6.732.058
Total	29.403.815	11.918.833

The debts from the leasing transactions consist of the borrowing within the scope of the "TFRS-16 Leases" made for the lease of the Ataköy office and the head office building as a right-of-use asset.

NOTE 21 – CONCESSIONAL SERVICE AGREEMENTS

None. (December 31, 2024 – None.)

NOTE 22 – IMPAIRMENT OF ASSETS

	30.06.2025	31.12.2024
Doubtful trade receivables	27.453.736	3.161.308
Total	27.453.736	3.161.308

NOTE 23 – GOVERNMENT INCENTIVES AND AIDS

None. (December 31, 2024 – None.)

NOTE 24 – BORROWING COSTS

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

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The details of the company's provisions are as follows:

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

The details of the company's short-term provisions for employee benefits are as follows:

	30.06.2025	31.12.2024
Obligation for unused leave	1.621.935	806.192
Total	1.621.935	806.192

- **Other Short-Term Provisions**

None. (December 31, 2024 – None.)

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**• Long-Term Provisions for Employee Benefits**

The details of the company's long-term provisions for employee benefits are as follows:

	30.06.2025	31.12.2024
Provision for severance pay	5.134.094	1.103.061
Total	5.134.094	1.103.061

According to the Turkish Labor Law, the company is obliged to pay severance pay to every employee who retires after 25 years of working life by completing at least one year of service (58 years for women and 60 years for men), whose employment relationship is terminated, who is called up for military service or who dies.

The severance obligation is not legally subject to any funding. The severance pay provision is calculated by estimating the present value of the Company's likely future liability arising from the retirement of employees. IAS 19 Employee Benefits provides for the development of the company's liabilities using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in calculating total liabilities are as follows:

The main assumption is that the maximum number of obligations for each year of service will increase in line with inflation. Therefore, the applied discount rate refers to the expected real rate after adjusting for future inflation effects. Therefore, as of June 30, 2025, the provisions in the attached financial statements are calculated by estimating the present value of the prospective liability of the employees arising from their retirement. The provisions on the relevant balance sheet dates are calculated using the real discount rate obtained at approximately 2.44% based on the assumptions of 25.77% annual inflation and 28.84% interest rate (December 31, 2024: real discount rate obtained as 2.44%).

Important estimates used in the calculation of severance liability are the discount rate and the probability of voluntary dismissal.

	01.01.2024- 30.06.2025	01.01.2024- 31.12.2024
Beginning of Semester	1.103.061	3.515.841
Service Cost	5.122.650	(1.242.005)
Interest Cost	11.444	61.559
Severance Pay Paid	--	(400.398)
Monetary (gain) / loss	(945.422)	91.115
Presentation inf. Difference	(157.639)	(2.503.895)
Total	5.134.094	1.103.061

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NOTE 26 – COMMITMENTS

• Guarantees Received

	30.06.2025	31.12.2024
Received letters of guarantee	--	1.862.011
Total	--	1.862.011

As of 30.06.2025 and 31.12.2024, there is no mortgage on the asset values of the Company.

• Guarantees Given

	30.06.2025	31.12.2024
Letters of guarantee issued	244.852.805	154.836.251
Pledges issued	--	199.042
Total	244.852.805	155.035.293

The information regarding the Company's collateral position is as follows:

	30.06.2025	31.12.2024
A. Total amount of TRIs issued on behalf of its own legal entity	244.852.80	155.035.29
B. Total amount of TRIs issued in favor of partnerships included in full consolidation	5	3
C. For the purpose of carrying out ordinary business activities, other 3. The total amount of TRIs issued for the purpose of securing the debts of individuals	--	--
D. Total amount of other given TRIs	--	--
i. The total amount of TRIs issued in favor of the main partner	--	--
ii. The total amount of TRIs issued in favor of other group companies that are not covered by articles B and C	--	--
iii. 3, which is not covered by clause C. The total amount of TRIs issued in favor of individuals	--	--
Total	244.852.80	155.035.29
	5	3
Ratio of other TRIs to the Company's equity	0%	0%

NOTE 27 – DEBTS RELATED TO EMPLOYEE BENEFITS

•Debts within the Scope of Employee Benefits

The details of the company's debts within the scope of employee benefits are as follows:

	30.06.2025	31.12.2024
Debts to staff	4.997.903	1.580.703
Social security deductions payable	1.706.693	1.540.330
Total	6.704.596	3.121.033

NOTE 28 – EXPENSES ACCORDING TO THEIR QUALIFICATIONS**•General Administrative Expenses (-)**

The details of the company's general management expenses are as follows:

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Personnel Expenses	(35.836.454)	(16.457.222)	(21.125.028)	(4.986.865)
Depreciation and Depletion Allowances	(7.992.990)	(10.376.252)	(4.492.496)	(5.188.759)
Commission Expenses	(34.806)	(8.937.351)	(34.806)	(8.937.351)
Stationery and Office Supplies Expenses	(212.554)	(213.421)	5.542.038	839.060
Outsourced Benefits and Services	(2.964.390)	(4.261.547)	(2.964.390)	(4.261.547)
Insurance Expenses	(2.218.519)	(3.079.255)	730.661	(1.660.804)
Electricity, Water, Natural Gas Expenses	(599.278)	(557.416)	(294.703)	(242.887)
Communication Expenses	(137.292)	(122.834)	(6.405)	(35.887)
Tax Duty Expenses	(694.780)	(133.982)	(384.645)	237.741
Dues Expenses	(1.818.635)	(789.304)	(1.818.635)	(789.304)
Representation and Entertainment Expenses	(288.793)	(9.778.068)	(288.793)	(9.778.068)
Other Expenses	(5.793.719)	(6.632.443)	(5.793.719)	4.618.239
Total	(58.592.211)	(61.339.096)	(30.930.920)	(30.186.433)

•Marketing, Sales and Distribution Expenses

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

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Personnel Expenses	(31.067.243)	(24.598.694)	(12.392.456)	(11.939.536)
Shipping and Shipping Expenses	(5.053.614)	(5.074.014)	(3.637.445)	(2.291.636)
Depreciation and Depletion Allowances	(11.995.969)	(8.832.647)	(6.105.464)	(6.175.297)
Maintenance and Repair Expense	(275.128)	(87.395)	(143.045)	(18.734)
Vehicle Expenses	(770.258)	(1.881.553)	(352.190)	(1.405.059)
Outsourced Benefits and Services	(599.886)	(295.717)	881.362	6.817.507
Fair & Advertising Expenses & Market Research Expenses	(2.144.852)	(13.169.775)	(2.144.852)	(13.169.775)
Travel Expenses	(1.317.843)	(1.210.010)	(652.255)	(832.662)
Other Expenses	(889.533)	(11.719.929)	875.884	(3.610.470)
Total	(54.114.325)	(66.869.736)	(23.670.461)	(32.625.660)

•Research and Development Expenses (-)

None. (30.06.2024 – None.)

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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
Rollover value-added tax	12.434.022	11.542.764
Other VAT	7.605	-
Total	12.441.627	11.542.764

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

•Paid-in Capital

The shareholding structure of the company is explained below.

	30.06.2025		31.12.2024	
	Portion Amount	Portion Percentage	Portion Amount	Portion Percentage
Bariş GÖKTÜRK	62.016.900	24,81%	70.316.900	28,13%
Yüksel GÖKTÜRK	57.197.383	22,88%	65.246.476	26,10%
Burak GÖKTÜRK	30.961.267	12,38%	35.211.268	14,08%
Ferhan GÖKTÜRK	1.760.563	0,70%	5.281.690	2,11%
Public Section	98.063.887	39,23%	73.943.666	29,58%
Nominal capital	250.000.000	100%	250.000.000	100%
Capital Inflation Adjustment Difference	881.324.716		881.324.716	
Total Capital	1.131.324.716		1.131.324.716	

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated 26.05.2017 and numbered 22/736. The registered capital ceiling of the company is TRY 2,500,000,000 and this capital is divided into 2,500,000,000 shares, each with a nominal value of TRY 1. The registered capital ceiling permit granted by the Capital Markets Board is valid for 5 years from 2024 to 2028. Even if it has not reached the authorized capital ceiling at the end of 2028, in order for the Board of Directors to decide to increase the capital after 2028; It is obligatory to obtain authorization from the General Assembly for a new period, not exceeding 5 years, by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount. If the said authorization is not obtained, no capital increase can be made with the decision of the Board of Directors. The issued capital of the company is TRY 250,000,000 and the said issued capital has been fully paid free of collusion. This capital is divided into 250,000,000 shares, each with a nominal value of 1 TRY. This capital was divided into 96,830,984 group (A) registered shares with a nominal value of 1 TRY each for 96,830,984 TRY and 153,169,016 (B) group bearer shares with a nominal value of 1 TRY each for 153,169,016 TRY and distributed to the shareholders in proportion to their shares.

The company's capital is divided into 250,000,000 shares of TRY 1.00 each, with a total value of TRY 250,000,000.00. 96,830,984 of these shares are registered and 153,169,016 are bearer.

(*) Between 31.12.2024 and 31.03.2025, 450,000 shares (0.36%) are owned by Barış Gökürk, 290,797 shares (0.23%) are owned by Yüksel Gökürk, and 100,068 shares (0.08%) are owned by Ferhan Gökürk.

The paid-in capital amount of 125,000,000 TRY, which will remain within the Registered Capital Ceiling of 600,000,000 TRY of the company; The procedures for increasing the previous years' profits to 250,000,000 TRY by making a 100% increase to cover 125,000,000 TRY have been completed, and the new capital and the relevant amendment article of our articles of association have been registered by the Istanbul Trade Registry Office on 02.08.2024.

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

The Company's statement regarding the equity accounts adjusted pursuant to IAS 29 prepared pursuant to the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

30.06.2025

Equity	PPI Indexed Legal Records	CPI Indexed Legal Records	Differences to Track in Previous Years Profits/Losses
Capital adjustment differences	1.092.768.715	881.324.716	(211.443.999)
Restricted reserves separated from profit	47.438.160	53.171.398	5.733.238

•Premiums for Shares/Discounts)

None. (31.12.2024 – None.)

•Other Accumulated Comprehensive Income or Expenses That Will Not Be Reclassified in Profit or Loss

	30.06.2025	31.12.2024
Defined benefit plans re-measure gains/(losses) (*)	(636.728)	(742.896)
Total	(636.728)	(742.896)

(*) IAS 19 does not allow actuarial loss earnings, which are taken into account in calculating the severance pay, to be recognized in the income statement with the amendment to the "Employee Benefits" standard. Losses and gains resulting from changes in actuarial assumptions are recognized in equity. The actuarial loss/gain fund for severance pay is not reclassified in profit or loss.

•Other Accumulated Comprehensive Income or Expenses to be Reclassified in Profit or Loss

	30.06.2025	31.12.2024
Foreign currency conversion differences	1.409.264	412.239
Total	1.409.264	412.239

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)**•Past Years Profits/(Losses)**

The details of the company's previous year's profits/losses account are as follows:

	30.06.2025	31.12.2024
Past year's profits/(losses)	(555.982.061)	(129.059.789)
Exceptional Backups	2.795.186	3.261.253,37
Total	(553.186.875)	(125.798.535)

Publicly traded companies distribute dividends in accordance with the CMB's Dividend Communiqué No. II-19.1, which entered into force as of February 1, 2015. Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation with the decision of the general assembly. Within the scope of the said communiqué, no minimum distribution rate has been determined. Companies pay dividends as determined in their articles of association or dividend distribution policies. In addition, dividends can be paid in equal or different installments and dividends can be distributed in cash based on the profit in the interim financial statements.

Unless the reserve funds that must be set aside in accordance with the TCC and the dividend determined for the shareholders in the articles of association or profit distribution policy are separated; It cannot be decided to allocate other reserve funds, to transfer profits to the following year and to distribute shares from the profit to beneficial owners, members of the board of directors, employees of the partnership and persons other than shareholders, and no share of the profit can be distributed to these persons unless the dividend determined for the shareholders is paid in cash. The losses of the partnerships in the past years; The portion exceeding the sum of the amounts arising from the adjustment of the previous years' profits, the general statutory reserve, including the premiums for shares, and the equity items excluding capital according to inflation accounting is taken into account as a discount item in the calculation of the net distributable profit for the period.

•Restricted Reserves Separated from Profit

The details of the company's profit-segregated reserves account is as follows.

	30.06.2025	31.12.2024
Legal backups	53.171.398	53.171.398
Total	53.171.398	53.171.398

• Capital Adjustment Differences

	30.06.2025	31.12.2024
Capital adjustment differences	881.324.716	881.324.716
Total	881.324.716	881.324.716

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NOTE 31 – SALES AND COST OF SALES

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

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Domestic Sales	451.233.305	929.783.701	187.928.568	382.207.255
Overseas Sales	37.980.638	74.433.832	20.394.058	63.774.259
Other Sales	1.615.509	3.039.240	939.993	2.236.023
Gross Sales	490.829.452	1.007.256.774	209.262.619	448.217.537
Sales returns (-)	(10.432.161)	(9.170.841)	(8.645.840)	(4.680.854)
Sales discounts (-)	(16.219)	(32.956)	(10.653)	(9.086)
Net Sales	480.381.072	998.052.977	200.606.127	443.527.598
Cost of finished goods sold (-)	(392.627.906)	(990.589.187)	31.625.968	(351.214.352)
Cost of merchandise sold (-)	--	(2.746.777)	--	(18.528.419)
Cost of Sales (-)	(392.627.906)	(993.335.965)	31.625.968	(369.742.770)
GROSS PROFIT/LOSS	87.753.166	4.717.012	232.232.095	73.784.828

NOTE 32 – CONSTRUCTION CONTRACTS

None. (2024: None)

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

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

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
General administrative expenses (-)	(58.592.211)	(61.339.096)	(30.930.920)	(30.186.433)
Marketing expenses (-)	(54.114.325)	(66.869.736)	(23.670.461)	(32.625.660)
Total	(112.706.536)	(128.208.832)	(54.601.381)	(62.812.093)

NOTE 34 – OTHER INCOME AND EXPENDITURE FROM CORE ACTIVITIES

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

•Other Income from Core Activities

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Rediscount income	50.827.764	15.820.080	15.606.213	5.271.611
Currency difference revenues	3.045.528	29.673.661	1.235.088	4.966.134
Previous period income and profits	--	13.943.435	--	13.943.435
Provisions that are no longer subject	746.328	2.744.684	(31.761)	(153.638)
Other income and profits	1.756.643	4.171.330	1.082.503	1.184.636
Total	56.376.263	66.353.191	17.892.043	25.212.178

•Other Expenses from Main Activities (-)

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Currency difference expenses	(7.993.049)	(33.282.578)	(6.992.664)	(2.677.633)
Rediscount interest expense	(47.635.584)	(12.918.382)	(11.872.603)	(11.956.089)
Provision expenses	(25.490.540)	(1.748.305)	3.166.381	(1.748.305)
Other expenses	(2.262.877)	(4.358.524)	3.553.435	(2.878.134)
Total	(83.382.050)	(52.307.789)	(12.145.450)	(19.260.160)

NOTE 35 – INCOME AND EXPENDITURE FROM INVESTMENT ACTIVITIES

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

•Other Income from Investment Activities

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Tangible and intangible assets, sales gains	6.605.302	8.639.215	4.449.228	8.639.215
Shares from the profits (Losses) of investments valued by the equity method	--	11.818	--	11.818
Profits from the sale of securities	--	12.794.689	--	1.347.253
Total	6.605.302	21.445.723	4.449.228	9.998.287

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

- Other Expenses from Investment Activities**

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Loss on the sale of securities (-)	--	(182.656)	--	(14.472)
Total	--	(182.656)	--	(14.472)

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

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
Impairment gains (Losses) determined in accordance with IFRS 9	(346.304)	707.257	(946.964)	707.257
Total	(346.304)	707.257	(946.964)	707.257

- Other Income (Expenses) from Subsidiaries, Jointly Controlled Entities and Subsidiaries**

	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.04.2025- 30.06.2025	01.04.2024- 30.06.2024
From subsidiaries, jointly controlled businesses and subsidiaries	--	220.410	--	220.410
Total	--	220.410	--	220.410

NOTE 36 – EXPENSES CLASSIFIED ON THE BASIS OF VARIETY**Depreciation and Amortization Expenses**

	1.01.2025 30.06.2025	01.01.2024- 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Cost of Products Sold	(13.721.679)	--	(13.005.472)	--
General Administrative Expenses	(7.992.990)	(14.012.989)	1.779.720	(10.289.492)
Marketing, Sales and Distribution Expenses	(11.995.969)	(11.928.371)	(6.105.464)	(9.271.021)
Total	(33.710.638)	(25.941.360)	(17.331.216)	(19.560.513)

NOTE 37 – FINANCING EXPENSES/(INCOME)

- Financing Revenues**

The details of the Group's financing income account are as follows.

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Interest income	7.949.775	32.208.840	4.630.521	18.736.218
Currency difference revenues	928.554	6.774.401	631.766	6.298.251
Total	8.878.329	38.983.241	5.262.287	25.034.469

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

- Financing Expenses**

The details of the Group's financing expense account are as follows:

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Short-term borrowing expenses	(129.081.407)	(212.408.962)	(76.031.008)	(156.871.174)
Long-term borrowing expenses	(2.058.000)	(29.268.214)	123.618	(18.137.912)
Currency difference expenses	(160.616)	(10.701.202)	50.290	(7.184.435)
Total	(131.300.023)	(252.378.377)	(75.857.100)	(182.193.521)

- Net Monetary Position Gains (Losses)**

The Group's net monetary position earnings (losses) are as follows:

	01.01.2025- 30.06.2025
Non-Monetary Items	30.06.2025
Financial Statement Items	
Stocks	41.283.519
Tangible Fixed Assets	39.277.246
Intangible Assets	99.811
Right-of-Use Assets	5.044.924
Paid-in Capital	(161.678.186)
Cardan Restricted Reserves	(7.598.750)
Affiliates	218.021
Past year profits/losses	75.553.579
Profit or Loss Statement Items	
Revenue	(23.281.076)
Cost of Sales	13.905.646
Marketing, sales, and distribution expenses	7.363.184
General Administrative Expenses	4.855.611
Other income/expenses from Core Activities	309.121
Income from Investment Activities	(64.278)
Financial Income/Expenses	7.409.348
Total	2.697.719

NOTE 38 – ANALYSIS OF OTHER COMPREHENSIVE REVENUE ELEMENTS**They Will Be Reclassified in Profit or Loss**

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Gains (losses) from foreign currency conversion differences related to the conversion of enterprises abroad	(319.809)	(396.802)	(245.921)	100.669
Total	(319.809)	(396.802)	(245.921)	100.669

NOTE 39 – FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2024 – None).

NOTE 40 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**•Corporate Income Tax**

The company is subject to the corporate tax applicable in Turkey. Required provisions are set aside in the attached financial statements for the estimated tax liabilities of the Company for the current operating results. Turkish tax legislation does not allow the Company, which is the parent company, to file tax returns on the financial statements of its subsidiaries.

The corporate tax rate to be accrued on taxable corporate income is calculated on the basis of the base remaining after adding the expenses that cannot be deducted from the tax base for which the expense is written in the determination of commercial income and deducting tax-exempt earnings, non-taxable income and other deductions (if any, previous year losses and investment deductions used if preferred). The effective tax rate applied on June 30, 2025, is 25% (December 31, 2024: 25%).

Law No. 7061 on the Amendment of Certain Tax Laws and Certain Other Laws was published in the Official Gazette dated 5 December 2017 and numbered 30261. Article 89 of this Law amends Article 5 of the Corporate Tax Law titled "Exceptions". The first paragraph of the article; With subparagraph (a), the 75% exemption applied to the earnings of institutions arising from the sale of immovable properties in their assets for two full years has been reduced to 50%. This regulation entered into force as of December 5, 2017.

The company's tax income/expense is as follows:

	30.06.2025	31.12.2024
Taxes and funds paid in advance	644.205	1.638.752
Total	644.205	1.638.752

NOTE 40 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**•Corporate Tax (Continued)**

	1.01.2025	1.01.2024	1.04.2025	1.04.2024
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Provision for corporate income tax	--	--	--	3.071.905
Deferred tax income / (expense), net	72.197.832	(6.082.752)	(47.682.784)	(19.262.327)
Total	72.197.832	(6.082.752)	(47.682.784)	(16.190.422)

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

•Deferred Tax

The Company recognizes the deferred tax asset and liability for temporary timing differences arising from differences between its taxable statutory financial statements and its financial statements prepared in accordance with the IAS. These differences are generally due to the fact that some income and expense items are included in the taxable financial statements and the financial statements prepared in accordance with the IAS in different periods, and these differences are stated below. Within the scope of the Law No. 7316 on the Amendment of the Law on the Procedure for the Collection of Public Receivables and Certain Laws, which was published in the Official Gazette dated April 22, 2021, the corporate tax rate for the years 30 June 2025 and 31 December 2024 will be applied as 25% and 25%, respectively. Within the scope of the said law, deferred tax assets and liabilities in the financial statements as of December 31, 2024 are calculated at a tax rate of 25% for the temporary differences for June 30, 2025 and 25% for the part that will have a tax effect for 2024.

	30.06.2025		31.12.2024	
	Sum Temporary differences	Deferred tax Presence/ (liability)	Sum Temporary differences	Deferred tax Presence/ (liability)
Deferred tax assets:				
Doubtful trade receivables	27.450.401	6.862.600	(3.757.535)	939.384
Receivables rediscounts	41.219.375	10.304.844	(34.536.369)	8.634.093
Regulations on rentals	251.811	62.953	(21.821.172)	5.455.293
Expected credit loss (receivables)	4.112.414	1.028.104	(4.394.069)	1.098.518
Exchange rate differences	--	--	(105.187)	26.297
Unused leave provisions	1.621.935	405.484	(806.192)	201.548
Severance provisions	5.134.094	1.283.524	(1.103.061)	275.766
VUK valuation adj building	51.561.037	12.890.259	(60.158.288)	15.039.572
VUK valuation adj other	4.778.974	1.194.744	(5.575.817)	696.977
Bank Loans	30.317.622	7.579.406	(20.046.678)	5.011.669
IFRS Inflation Adjustments	641.978.552	160.494.638	(633.784.649)	158.446.162
Deferred tax assets	808.426.215	202.106.554	(786.089.017)	195.825.279
Deferred tax liability:				
Depreciation Adjustments	(29.493.601)	(7.373.400)	23.581.165	(2.947.646)
Tangible and intangible asset regulations	--	--	3.125.256	(390.657)
VUK Revaluation Funds with Income Written	(5.985.916)	(1.496.479)	6.984.003	(873.000)
Exchange rate differences	--	--	94.778	(23.694)
Debit rediscounts	(21.227.005)	(5.306.751)	7.486.042	(1.871.511)
Regulations on stocks	(362.997.967)	(90.749.492)	499.254.722	(124.813.680)
VUK Inflation Adjustment Cancellations - Plots	(17.246.449)	(2.155.806)	20.122.110	(2.515.264)
VUK Inflation Adjustment Cancellations	(103.453.088)	(25.863.272)	263.730.421	(65.932.609)
Deferred tax liabilities	(540.404.026)	(132.945.200)	824.378.497	(199.368.060)
Deferred tax assets / (liabilities), net		69.161.354		(3.542.781)

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NOTE 41 – EARNINGS PER SHARE

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

The company's earnings per share calculation are as follows.

	1.01.2025 30.06.2025	1.01.2024 30.06.2024	1.04.2025 30.06.2025	1.04.2024 30.06.2024
Net profit for the period falling to the parent shareholding	(93.226.302)	(218.839.874)	109.274.444	(128.345.668)
Weighted average number of ordinary shares issued (1 TRY each)	250.000.000	125.000.000	250.000.000	125.000.000
Earnings per share (TRY)	(0,37)	(1,75)	0,44	(1,03)

NOTE 42 – SHARE-BASED PAYMENTS

None. (December 31, 2024 – None.)

NOTE 43 – INSURANCE CONTRACTS

None. (December 31, 2024 – None.)

NOTE 44 – EFFECTS OF EXCHANGE RATE CHANGES

The Company' s exchange rate risk as of June 30, 2025 is shown in Table 48, Note 48, and the FX income and FX expense incurred as of the accounting period ended June 30, 2025 are shown in the accompanying financial statements in the accounts of other incomes/expenses from core operations and financing incomes/expenses.

NOTE 45 – REPORTING IN A HIGH-INFLATION ECONOMY

According to IAS 29 Financial Reporting Standard in High-Inflation Economies, entities whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of the money at the end of the reporting period. IAS 29 identifies characteristics that may indicate that an economy is a high-inflation economy and recommends that businesses start implementing the Standard at the same time.

In the statement made by the Public Oversight Accounting and Standards Authority (POA) on January 20, 2022, it was stated that enterprises do not need to make any adjustments in their financial statements for 2021 within the scope of IAS 29. However, no explanation has been made regarding whether the financial statements for the financial statements for the accounting period ending June 30, 2025, will be adjusted within the scope of IAS 29. In this context, since there was no consensus on the implementation of inflation accounting throughout the country, no inflation adjustment was made according to IAS 29 while preparing the financial statements dated June 30, 2025, in order to ensure comparability.

NOTE 46 – DERIVATIVE INSTRUMENTS

None. (12/31/2024: None.)

NOTE 47 – FINANCIAL INSTRUMENTS**•Short-Term Borrowings**

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

	30.06.2025	31.12.2024
Bank loans	211.100.050	133.081.216
Other financial debts	17.188.887	28.173.563
Total	228.288.937	161.254.779

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NOTE 47 – FINANCIAL INSTRUMENTS (Continued)

- **Short-Term Parts of Long-Term Borrowings**

	30.06.2025	31.12.2024
Bank loans	228.299.251	539.052.480
Total	228.299.251	539.052.480

- **Long-Term Borrowings**

	30.06.2025	31.12.2024
Bank loans	9.600.539	67.694.946
Total	9.600.539	67.694.946

The maturities of bank loans are presented below.

	30.06.2025	31.12.2024
Payable within 1 year	456.588.188	700.307.259
Payable within 1 - 2 years	9.600.539	56.265.382
Payable within 2 - 3 years	--	11.429.563
Total	466.188.727	768.002.204

- **Obligations Arising from Leasing Transactions**

	30.06.2025	31.12.2024
Obligations arising from leasing transactions (short term)	10.748.366	5.186.775
Obligations arising from leasing transactions (long term)	18.655.449	6.732.058
Total	29.403.815	11.918.833

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

The main financial instruments of the company 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 operating activities.

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NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)**•Capital Risk Management**

While managing the capital, the objectives of the Company are to maintain the most appropriate capital structure and to ensure the continuity of the Company's activities in order to benefit its shareholders and reduce the cost of capital.

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

	30.06.2025	31.12.2024
Total liabilities	1.100.188.357	1.139.285.634
Minus: cash and cash equivalents	(52.522.509)	(13.528.268)
Net debt	1.047.665.848	1.125.757.366
Total equity	538.855.473	655.487.882
Debt-to-Equity Ratio	1,94	1,72
	30.06.2025	31.12.2024
Total financial liabilities	1.100.188.357	1.139.285.634
Minus: cash and cash equivalents	(52.522.509)	(13.528.268)
Net financial debt	1.047.665.848	1.125.757.366
Total equity	538.855.473	655.487.882
Invested capital	250.000.000	250.000.000
Net Financial Debt to Invested Capital Ratio	4,19	4,50

•Financial Risk Factors

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

• Liquidity Risk

Liquidity risk is the risk that a company will not be able to meet its funding needs. The table below shows the maturity distribution of the Company's non-derivative and non-derivative financial obligations. Non-derivative financial obligations are prepared without discounting and on the basis of the earliest dates to be paid. The interest payable on these obligations is included in the table below.

Derivative financial liabilities, on the other hand, are adjusted according to undiscounted net cash inflows and outflows. Futures instruments are paid net for futures payable in gross and are realized on undiscounted, gross cash inflows and outflows. When receivables or payables are not fixed, the disclosed amount is determined using the interest rate derived from the yield curves on the reporting date.

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

•Financial Risk Factors (Continued)

30.06.2025	Book value	Contractual cash outflow	0-1 Year	1-2 years	2-3 years
Non-derivative financial obligations:	1.045.571.730	1.045.571.730	(122.794.815)	9.600.539	--
Financial Liabilities	466.188.727	466.188.727	456.588.188	9.600.539	--
Debts within the Scope of Employee Benefits	6.704.596	6.704.596	(6.704.596)		
Commercial and Other Debts	572.678.407	572.678.407	(572.678.407)		
Derivative financial obligations:					
Total	1.045.571.730	1.045.571.730	-122.794.815	9.600.539	--
31.12.2024	Book value	Contractual cash outflow	0-1 Year	1-2 years	2-3 years
Non-derivative financial obligations:	1.116.887.890	1.116.887.890	351.421.573	56.265.382	11.429.563
Financial Liabilities	768.002.204	768.002.204	700.307.259	56.265.382	11.429.563
Debts within the Scope of Employee Benefits	3.121.033	3.121.033	(3.121.033)	--	--
Commercial and Other Debts	345.764.653	345.764.653	(345.764.653)	--	--
Derivative financial obligations:	--	--	--	--	--
Total	1.116.887.890	1.116.887.890	351.421.573	56.265.382	11.429.563

• Market Risk Management

The Company's activities are primarily exposed to financial risks related to changes in the exchange rate and interest rate, as detailed below. In order to control the risks associated with the exchange rate and interest rate, the Company uses a variety of non-derivative financial instruments. Market risks are also assessed through sentiment analyses.

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

• Currency Risk Management

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

	30.06.2025		
	TRY	US Dollar	Euro
1. Trade Receivables	4.382.666	25.814	72.023
2a. Monetary Financial Assets (including Safe, Bank accounts)	3.383.768	50.670	29.397
2b. Non-Monetary Financial Assets	--	--	--
3. Miscellaneous	5.251.733	55.577	65.291
4. Current Assets (1+2+3)	13.018.167	132.061	166.711
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Miscellaneous	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	13.018.167	132.061	166.711
10. Commercial Liabilities	115.489.009	2.888.045	15.358
11. Financial Obligations	--	--	--
12a. Other Monetary Obligations	9.715.485	214.738	25.352
12b. Other Non-Monetary Charges	--	--	--
13. Short-Term Liabilities (10+11+12)	125.204.495	3.102.784	40.710
14. Commercial Liabilities	--	--	--
15. Financial Obligations	--	--	--
16 a. Other Monetary Obligations	--	--	--
16 b. Other Non-Monetary Burdens	--	--	--
17. Long-Term Liabilities (14+15+16)	--	--	--
18. Total Liabilities (13+17)	125.204.495	3.102.784	40.710
19. Statement of financial position Non-Equity / (Liability) Position of Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Off-Balance Sheet Foreign Currency Derivatives with an Active Character	--	--	--
19b. Amount of Off-Balance Sheet Foreign Currency Derivatives with a Passive Character	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(112.186.327)	(2.970.723)	126.001
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(117.438.060)	(3.026.300)	60.710
22. Total Fair Value of Financial Instruments Used for Currency Hedge	--	--	--
23. Amount of Hedged Portion of Foreign Exchange Assets	--	--	--
24. Amount of the Hedged Part of Foreign Exchange Liabilities	--	--	--

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NOTE 48 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)
• Financial Risk Factors (Continued)

	31.12.2024		
	TRY	US Dollar	Euro
1. Trade Receivables	10.777.872	192.275	108.731
2a. Monetary Financial Assets (including Safe, Bank accounts)	7.023.915	103.940	91.378
2b. Non-Monetary Financial Assets	--	--	--
3. Miscellaneous	7.787.715	70.059	144.707
4. Current Assets (1+2+3)	25.589.503	366.274	344.816
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Miscellaneous	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	25.589.503	366.274	344.816
10. Commercial Liabilities	29.084.101	804.466	17.695
11. Financial Obligations	--	--	--
12a. Other Monetary Obligations	1.879.185	52.335	800
12b. Other Non-Monetary Charges	--	--	--
13. Short-Term Liabilities (10+11+12)	30.963.286	856.801	18.495
14. Commercial Liabilities	--	--	--
15. Financial Obligations	--	--	--
16 a. Other Monetary Obligations	--	--	--
16 b. Other Non-Monetary Burdens	--	--	--
17. Long-Term Liabilities (14+15+16)	--	--	--
18. Total Liabilities (13+17)	30.963.286	856.801	18.495
19. Statement of financial position Non-Equity / (Liability) Position of Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Off-Balance Sheet Foreign Currency Derivatives with an Active Character	--	--	--
19b. Amount of Off-Balance Sheet Foreign Currency Derivatives with a Passive Character	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(5.373.783)	(490.526)	326.321
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(11.280.581)	(480.472)	155.658
22. Total Fair Value of Financial Instruments Used for Currency Hedge	--	--	--
23. Amount of Hedged Portion of Foreign Exchange Assets	--	--	--
24. Amount of the Hedged Part of Foreign Exchange Liabilities	--	--	--

The company is exposed to currency risk, mainly in US Dollars and Euros.

The table below shows the Company's sensitivity to a 20% increase and decrease in the US Dollar and Euro exchange rates. The 20% rate is the rate used during the reporting of exchange rate risk to senior executives within the Company, and the ratio in question represents the possible change in exchange rates expected by the management. The sentimental analysis covers only the open-foreign currency-denominated monetary items at the end of the year and shows the effects of the 20% exchange rate change of these items at the end of the year. Positive value refers to an increase in profit/loss and other equity items.

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

• Financial Risk Factors (Continued)

	Profit/Loss		Equity	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
30.06.2025				
In case of a 20% change in the US dollar exchange rate:				
1- U.S. Dollar net assets/liabilities	23.611.780	(23.611.780)	23.611.780	(23.611.780)
2- U.S. Dollar hedged portion (-)	--	--	--	--
3- US Dollar Net Impact (1+2)	23.611.780	(23.611.780)	23.611.780	(23.611.780)
In the event of a 20% change in the euro rate:				
4- Euro net assets/liabilities	1.174.515	(1.174.515)	(1.174.515)	(1.174.515)
5- Euro risk hedge (-)	--	--	--	--
6- Euro Net Impact (4+5)	1.174.515	(1.174.515)	(1.174.515)	(1.174.515)
If other exchange rates change by an average of 20%:				
7- Other foreign currency net assets/liabilities	--	--	--	--
8- Portion protected from other exchange rate risk (-)	--	--	--	--
9- Other Foreign Exchange Assets Net Impact (7+8)	--	--	--	--
TOTAL (3+6+9)	24.786.295	(24.786.295)	22.437.265	(24.786.295)
31.12.2024				
In case of a 20% change in the US dollar exchange rate:				
1- U.S. Dollar net assets/liabilities	(3.461.184)	3.461.184	(3.461.184)	3.461.184
2- U.S. Dollar hedged portion (-)	--	--	--	--
3- US Dollar Net Impact (1+2)	(3.461.184)	3.461.184	(3.461.184)	3.461.184
In the event of a 20% change in the euro rate:				
4- Euro net assets/liabilities	2.397.556	(2.397.556)	2.397.556	(2.397.556)
5- Euro risk hedge (-)	--	--	--	--
6- Euro Net Impact (4+5)	2.397.556	(2.397.556)	2.397.556	(2.397.556)
If other exchange rates change by an average of 20%:				
7- Other foreign currency net assets/liabilities	--	--	--	--
8- Portion protected from other exchange rate risk (-)	--	--	--	--
9- Other Foreign Exchange Assets Net Impact (7+8)	--	--	--	--
TOTAL (3+6+9)	(1.063.627)	1.063.627	(1.063.627)	1.063.627

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

- **Financial Risk Factors (Continued)**

- **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 the netting of assets and liabilities linked to the interest rate. Interest rates on financial assets and liabilities are indicated in the relevant notes. The breakdown of the company's interest-rate-sensitive financial instruments is as follows:

	Book Value	
	30.06.2025	31.12.2024
Fixed-rate instruments		
Financial obligations	349.881.287	756.083.372
Total	349.881.287	756.083.372
Variable interest rate instruments		
Financial obligations	116.307.440	11.918.832
Total	116.307.440	11.918.832

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(All amounts are shown in TRY on the basis of purchasing power of the Turkish Lira ("TRY") as of June 30, 2025, unless otherwise stated.)

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

• **Financial Risk Factors (Continued)**

• **Credit Risk Management**

30.06.2025	Receivables					
	Trade Receivables		Other Receivables		In banks	
	30.06.2025	Related Parties	The Other Side	Related Parties	The Other Side	Sum
Maximum credit risk exposed as of the reporting date		--	297.279.882	4.618.470	9.306.342	45.031.194 356.235.888
- The part of the maximum risk that is secured by collateral		--	--	--	--	--
A- Net book value of unexpired or undepreciated financial assets		--	297.279.882	4.618.470	9.306.342	45.031.194 356.235.888
B- The carrying value of financial assets whose conditions have been renegotiated, otherwise would be deemed to be overdue or depreciated		--	--	--	--	--
C- Net book value of overdue but not depreciated assets		--	--	--	--	--
D- Net book values of depreciated assets		--	--	--	--	--
-Overdue		--	27.453.736	--	--	27.453.736
- impairment		--	(27.453.736)	--	--	(27.453.736)
E- Elements involving off-balance sheet credit risk		--	,	--	--	--

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

• Financial Risk Factors (Continued)

• Credit Risk Management (Continued)

31.12.2024	Receivables					
	31.12.2024	Related Parties	Trade Receivables The Other Side	Related Parties	Other Receivables The Other Side	In banks Deposit
Maximum credit risk exposed as of the reporting date		--	--	4.618.470	9.306.342	12.770.998
- The part of the maximum risk that is secured by collateral		--	--	--	--	--
A- Net book value of unexpired or undepreciated financial assets		--	531.307.994	4.618.470	9.306.342	12.770.998
B- The carrying value of financial assets whose conditions have been renegotiated, otherwise would be deemed to be overdue or depreciated		--	--	--	--	--
C- Net book value of overdue but not depreciated assets		--	--	--	--	--
D- Net book values of depreciated assets		--	--	--	--	--
-Overdue		--	3.161.308	--	--	--
- impairment		--	(3.161.308)	--	--	--
E- Elements involving off-balance sheet credit risk		--	--	--	--	--

Credit risk is defined as the risk that a financial loss will occur to the Company due to the failure of one of the parties to the financial instrument to fulfill its contractual obligation. The Company's financial instruments, which may cause significant credit risk concentration, consist mainly of cash and cash equivalents and trade receivables. The maximum credit risk that the company may be exposed to is equal to the amounts reflected in the financial statements.

The company has cash and cash equivalents in various financial institutions³. The Company manages this risk by constantly evaluating the reliability of the financial institutions with which it has a relationship.

The credit risk that may arise from trade receivables is limited due to the high volume of customers and the limited amount of loans applied to customers by the Company's management. The provision for bad debts set aside for financial assets has been determined based on past non-collection experience. As of the balance sheet date, there is no collateral received for overdue trade receivables.

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGING ACCOUNTING)

Fair value refers to the price of a financial instrument that is subject to trading between willing parties in a current transaction, except in cases such as forced sale or liquidation. The quoted market price is the value that best reflects the fair value of a financial instrument, if any. The reasonable value of the Company's financial instruments has been estimated to the extent that relevant and reliable information can be obtained from the financial markets in Turkey. The estimates presented here do not necessarily reflect the amounts that the Company may acquire in a market transaction. The following methods and assumptions were used to estimate the fair value of the Company's financial instruments.

The following methods and assumptions are used to estimate the fair market values of financial instruments, whose fair market values are practically possible to estimate:

Financial Assets

Monetary assets whose fair value approaches their book value:

- Foreign currency balances are converted at the end-of-period rate.
- It is assumed that the reasonable values of some financial assets (cash-bank) shown over the cost price in the statement of financial position are approximate to the values of the statement of financial position.
- It is estimated that the reasonable value of trade receivables, after setting aside provisions, is close to the value at which they are carried.

Financial Liabilities

Monetary liabilities whose fair value approaches their book value:

- The fair value of short-term loans and other monetary liabilities is assumed to be approximate to their book value, since they are short-term.
- It is assumed that the reasonable value of long-term debts denominated in foreign currency and converted at period-end rates is equal to their book value.
- It is assumed that the book values carried in the statement of financial position of commercial debts and accrued expenses representing the estimated amounts payable to third parties are approximate to the market values.

Hierarchy table of fair value measurements

The Company classifies the fair value measurements of financial instruments reflected in the financial statements with fair value according to the source of the inputs of each financial instrument class, using a three-level hierarchy, as follows.

First level: Financial assets and liabilities are valued at stock market prices traded on the active market for identical assets and liabilities.

Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability, directly or indirectly, other than the stock market price specified in the first level.

Third level: Financial assets and liabilities are valued from inputs that are not based on observable data in the market, which are used to determine the fair value of the asset or liability.

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

30.06.2025	True to reality Difference in value profit or to a loss Reflected Financial assets	Ready to sell Financial assets	Amortized From the value of Demonstrated financial Financial assets	Amortized From the value of Demonstrated financial Liabilities	Notebook Value	Note
Financial assets						
Cash and cash equivalents	--	--	52.522.509	--	52.522.509	53
Trade receivables	--	--	297.279.882	--	297.279.882	7
Other receivables	--	--	9.965.090	--	9.965.090	9
Receivables from related parties	--	--	2.884.913	--	2.884.913	6
Other financial assets	--	--	25.547.383	--	25.547.383	8
Financial obligations						
Financial debts	--	--	--	495.592.542	495.592.542	47
Commercial debts	--	--	--	200.274.129	200.274.129	7
Other debts	--	--	--	2.291.380	2.291.380	9
Debts from related parties	--	--	--	370.112.898	370.112.898	6
Other financial obligations	--	--	--	--	--	8

31.12.2024	True to reality Difference in value profit or to a loss Reflected Financial assets	Ready to sell Financial assets	Amortized From the value of Demonstrated financial Financial assets	Amortized From the value of Demonstrated financial Liabilities	Notebook Value	Note
Financial assets						
Cash and cash equivalents	--	--	13.528.268	--	13.528.268	53
Trade receivables	--	--	531.307.994	--	531.307.994	7
Other receivables	--	--	9.306.342	--	9.306.342	9
Receivables from related parties	--	--	4.618.470	--	4.618.470	6
Other financial assets	--	--	21.218.626	--	21.218.626	8
Financial obligations						
Financial debts	--	--	--	779.921.038	779.921.038	47
Commercial debts	--	--	--	344.218.177	344.218.177	7
Other debts	--	--	--	1.546.476	1.546.476	9
Debts from related parties	--	--	--	--	--	6
Other financial obligations	--	--	--	--	--	8

The Company's management considers that the registered values of its financial instruments reflect their reasonable value.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

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NOTE 50 – EVENTS AFTER THE REPORTING PERIOD

None. (December 31, 2024- None.)

NOTE 51 – OTHER MATTERS THAT MATERIALLY AFFECT THE FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED IN ORDER TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None. (December 31, 2024- None.)

NOTE 52 – FIRST IMPLEMENTATION OF TURKISH FINANCIAL REPORTING STANDARDS

None. (December 31, 2024 – None.)

NOTE 53 – CLARIFICATIONS ON THE CASH FLOW STATEMENT

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

	30.06.2025	31.12.2024
Cash	34.770	70.491
Banks	45.031.194	12.770.998
-Demand deposits	14.925.247	12.687.183
-Time deposits	30.105.947	83.815
Demand bonds	7.043.800	--
Other literals	412.745	686.779
Total	52.522.509	13.528.268

As for the balance sheet date, the details of the time deposit accounts are as follows.

	30.06.2025	Maturity Start Date	Maturity End Date	Interest Rate	Amount: TRY
Garanti bank TRY deposit account		20.05.2025	01.07.2025	47,00%	30.100.000
Halk bank TRY deposit account		09.05.2024	31.07.2025	5,00%	5.947
Total					30.105.947

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**FOOTNOTES ON REVIEWED FINANCIAL STATEMENTS AS OF JUNE 30, 2025**

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NOTE 53 – EXPLANATIONS ON THE CASH FLOW STATEMENT (Continued)

As for the balance sheet date, the details of the time deposit accounts are as follows;

	31.12.2024	Maturity Start Date	Maturity End Date	Interest Rate	Amount: TRY
Vakıfbank TRY deposit account		31.12.2024	2.01.2025	4,75%	77.020
Halk bank TRY deposit account		30.12.2024	3.02.2025	5,00%	6.795
Total					83.815

NOTE 54 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED IN ORDER TO MAKE THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

- Fees for Services Received from the Independent Auditor/Independent Audit Firm**

The Group's explanation regarding the fees for the services provided by independent audit firms, which were prepared pursuant to the Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the POA letter dated 19 August 2021, is as follows:

	30.06.2025	31.12.2024
Independent audit fee for the reporting period	275.000	408.359
Other assurance services for the reporting period	--	--
Tax consultancy services for the reporting period	--	--
Other non-independent audited services for the reporting period	--	--
Total	275.000	408.359

(*) The independent audit fee is the audit fee for the period 01.01.2025 - 30.06.2025 and is the amount excluding VAT.

(**) The previous period's report fees were indexed with the inflation presentation index.

NOTE 55 – EXPLANATIONS ON THE STATEMENT OF CHANGES IN EQUITY

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

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