

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
AND
ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF
SEPTEMBER 30, 2025
AND
EXPLANATORY NOTES

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

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

	Note	Current Period 30.09.2025 TRY	Prior Period 31.12.2024 TRY
ASSETS		1.517.587.771	1.929.460.174
Current Assets		969.886.572	1.483.397.051
Cash and Cash Equivalents	53	13.009.786	14.543.480
Financial Investments	8	13.099.322	22.810.952
Trade Receivables	7	324.371.918	571.179.376
- Trade Receivables from Non-Related Parties	7	324.371.918	571.179.376
Other Receivables	9, 6	8.496.462	14.969.783
- Other Receivables from Related Parties	6	5.048.737	4.965.057
- Other Receivables from Non-Related Parties	9	3.447.725	10.004.726
Inventories	10	592.327.675	830.546.677
Prepaid Expenses	12	17.870.315	15.176.076
- Prepaid Expenses to Unrelated Parties	12	17.870.315	15.176.076
Current Tax Assets	40	711.094	1.761.730
Other Current Assets	29	--	12.408.977
Subtotal		969.886.572	1.483.397.051
Total Current Assets		969.886.572	1.483.397.051
Fixed Assets		547.701.199	446.063.123
Investments in Affiliates, Joint Ventures, and Associated Companies	4	1.727.475	1.740.877
Tangible Fixed Assets	14	403.650.761	389.922.968
Intangible Assets	20	57.238.211	53.070.849
Intangible Fixed Assets	17	1.248.416	1.328.429
-Other Intangible Fixed Assets	17	1.248.416	1.328.429
Deferred Tax Asset	40	83.836.336	--
Total Non-Current Assets		547.701.199	446.063.123
TOTAL ASSETS		1.517.587.771	1.929.460.174

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

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

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

	Note	Current Period 30.09.2025 TRY	Prior Period 31.12.2024 TRY
SOURCES		1.517.587.771	1.929.460.174
Short-Term Liabilities		943.683.474	1.139.775.206
Short-Term Borrowings	47	88.591.110	173.355.954
- Short-Term Borrowings from Unrelated Parties	47	88.591.110	173.355.954
Short-Term Portion of Long-Term Borrowings	47	360.366.143	579.505.037
- Short-Term Portions of Long-Term Borrowings from Unrelated Parties	47	360.366.143	579.505.037
Obligations Arising from Leasing Transactions	20	10.751.715	5.576.010
- Liabilities Arising from Lease Transactions with Related Parties	6	6.831.819	--
- Liabilities arising from non-related party lease transactions	20	3.919.896	5.576.010
Trade Payables	7	91.393.162	370.049.624
- Trade Payables to Non-Related Parties	7	91.393.162	370.049.624
Liabilities Under Employee Benefits	27	6.751.688	3.355.248
Other Liabilities	9	373.549.660	1.662.529
- Other Liabilities to Related Parties	6	370.382.728	--
- Other Liabilities to Non-Related Parties	9	3.166.932	1.662.529
Deferred Revenues	12	11.066.263	5.404.112
- Deferred Revenues from Non-Related Parties	12	11.066.263	5.404.112
Short-Term Liabilities	25	1.213.733	866.692
- Short-Term Provisions Related to Employee Benefits	25	1.213.733	866.692
Subtotal		943.683.474	1.139.775.206
Total Short-Term Liabilities		943.683.474	1.139.775.206
Long-Term Liabilities		27.839.006	85.006.773
Long-Term Borrowings	47	5.982.529	72.775.033
- Long-Term Borrowings from Unrelated Parties	47	5.982.529	72.775.033
Obligations Arising from Leasing Transactions	20	16.851.421	7.237.257
- Liabilities Arising from Lease Transactions with Related Parties	6	7.195.444	--
- Liabilities arising from non-related party lease transactions	20	9.655.977	7.237.257
Long-Term Provisions	25	5.005.056	1.185.839
- Long-Term Provisions Related to Employee Benefits	25	5.005.056	1.185.839
Deferred Tax Liability		--	3.808.644
Total Long-Term Liabilities		27.839.006	85.006.773
EQUITY		546.065.291	704.678.195
Equity Attributable to the Parent Company		546.065.291	704.678.195
Paid-in Capital	30	250.000.000	250.000.000
Capital Adjustment Differences	30	966.223.641	966.223.641
Accumulated Other Comprehensive Income	30	738.158	(355.470)
- Accumulated Other Comprehensive Income (Expenses) Not Reclassified to Profit or Loss	30	(636.728)	(798.645)
- Revaluation and Measurement Gains (Losses)	30	(636.728)	(798.645)
- Defined Benefit Plans Remeasurement Gains (Losses)	30	(636.728)	(798.645)
- Accumulated Other Comprehensive Income (Expenses) to be Reclassified to Profit or Loss	30	1.374.886	443.175
- Foreign Currency Translation Differences	30	1.374.886	443.175
Restricted Reserves Allocated from Profit	30	57.161.583	57.161.583
Retained Earnings/Losses from Previous Years	30	(592.860.859)	(140.733.292)
Net Profit/Loss for the Period		(135.197.232)	(427.618.267)
Total Equity		546.065.291	704.678.195
TOTAL EQUITY AND LIABILITIES		1.517.587.771	1.929.460.174

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

	Note	Current Period 01.01.2025 30.09.2025 TRY	Prior Period 01.01.2024 30.09.2024 TRY	Prior Period 01.07.2025 30.09.2025 TRY	Prior Period 01.07.2024 30.09.2024 TRY
Revenue	31	767.964.371	1.517.067.088	251.533.669	444.116.403
Cost of Sales (-)	31	(608.359.803)	(1.358.397.490)	(186.267.599)	(290.517.801)
Gross Profit (Loss) from Commercial Activities		159.604.568	158.669.598	65.266.070	153.598.602
Gross Profit (Loss)		159.604.568	158.669.598	65.266.070	153.598.602
General Administrative Expenses (-)	28, 33	(73.796.283)	(79.564.738)	(10.807.089)	(13.622.522)
Marketing Expenses (-)	28, 33	(74.668.784)	(72.163.438)	(16.493.513)	(275.542)
Other Income from Main Activities	34	45.955.736	72.734.021	(14.651.217)	1.401.433
Other Expenses from Main Activities (-)	34	(76.813.896)	(66.366.205)	12.825.462	(10.133.040)
NET OPERATING INCOME (LOSS)		(19.718.659)	13.309.238	36.139.713	130.968.931
Income from Investment Activities	35	6.693.281	27.468.562	(407.708)	4.413.470
Expenses from Investment Activities	35	(1.705.367)	(202.183)	(1.705.367)	(5.820)
Impairment Gains (Losses) and Reversals of Impairment Losses Determined in Accordance with IFRS 9	35	1.040.937	697.369	1.413.229	173.664
OPERATING PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		(13.689.808)	41.272.986	35.439.867	135.550.245
Financial Income	37	12.759.599	45.440.327	3.215.006	3.531.634
Financial Expenses (-)	37	(166.179.515)	(339.580.703)	(25.026.237)	(68.262.889)
Net Monetary Position Gains (Losses)	45	(54.960.322)	(139.989.724)	(57.860.488)	(234.479.300)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(222.070.046)	(392.857.114)	(44.231.852)	(163.660.310)
Income from Continuing Operations Tax (Expense) Income		86.872.814	(1.183.547)	9.256.981	5.355.678
-Deferred Tax (Expense) Income	40	86.872.814	(1.183.547)	9.256.981	5.355.678
PROFIT (LOSS) FROM CONTINUING OPERATIONS		(135.197.232)	(394.040.661)	(34.974.871)	(158.304.632)
PERIOD PROFIT (LOSS)		(135.197.232)	(394.040.661)	(34.974.871)	(158.304.632)
Distribution of Net Income (Loss)		(135.197.232)	(394.040.661)	(34.974.871)	(158.304.632)
-Parent Company Shares		(135.197.232)	(394.040.661)	(34.974.872)	(158.304.630)
Earnings (Loss) Per Share	41	(0.54)	(1.58)	(0.14)	(0.63)
-Earnings (Loss) Per Common Share from Continuing Operations	41	(0.54)	(1.58)	(0.14)	(0.63)
Diluted Earnings (Loss) Per Share	41	(0.54)	(1.58)	(0.14)	(0.63)
-Diluted Earnings (Loss) Per Share from Continuing Operations	41	(0.54)	(1.58)	(0.14)	(0.63)
PERIOD PROFIT (LOSS)		(135.197.232)	(394.040.661)	(34.974.871)	(158.304.632)
OTHER COMPREHENSIVE INCOME	38	(319.809)	(396.802)	(244.877)	96.537
Items Not Reclassified in Profit or Loss, Pre-Tax	38	--	--	--	--
Items to be Reclassified as Profit or Loss, Pre-Tax	38	(319.809)	(396.802)	(244.877)	96.537
Foreign Currency Exchange Differences Related to the Conversion of Foreign Operations	38	(319.809)	(396.802)	(244.877)	96.537
-Gains (Losses) from Foreign Currency Exchange Differences Related to the Conversion of Foreign Operations	38	(319.809)	(396.802)	(244.877)	96.537
Total Other Comprehensive Income, Before Tax		(319.809)	(396.802)	(244.877)	96.537
OTHER COMPREHENSIVE INCOME		(319.809)	(396.802)	(244.877)	96.537
TOTAL COMPREHENSIVE INCOME (EXPENSE)		(135.517.041)	(394.437.463)	(35.219.748)	(158.208.095)
Distribution of Total Comprehensive Income					
-Non-Controlling Interests		--	--	--	--
-Parent Company Shares		(135.517.041)	(394.437.463)	(35.219.748)	(158.208.095)

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS FROM JANUARY 1 TO SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the TRY as of September 30, 2025, unless otherwise stated.)

				Accumulated Other Comprehensive Income or Expenses Not Reclassified to Profit or Loss						
				Revaluation and Measurement Gains/Losses			Accumulated Profit			
Note	Paid-in Capital	Capital Adjustment Differences	Defined Benefit Plan Remeasurement Gains/Losses	Foreign Currency Translation Differences	Restricted Reserves Set Aside from Profits	Retained Earnings/Losses from Prior Years	Net Period Profit/Loss	Equity Attributable to the Parent Company	Total Equity	
CURRENT PERIOD										
Balances as of 01.01.2025 (beginning of period)	250.000.000	966.223.641	(798.645)	443.175	57.161.583	(140.733.292)	(427.618.267)	704.678.195	704.678.195	
Amount After Adjustments	250.000.000	966.223.641	(798.645)	443.175	57.161.583	(140.733.292)	(427.618.267)	704.678.195	704.678.195	
Transfers	30		--	--	--	(452.127.567)	427.618.267	(24.509.300)	(24.509.300)	
Total Comprehensive Income (Expense)	30	--	--	161.917	931.711	--	(135.197.232)	(134.103.604)	(134.103.604)	
Net Profit (Loss) for the Period	30	--	--	--	--	--	(135.197.232)	(135.197.232)	(135.197.232)	
Total Other Comprehensive Income	30	--	--	161.917	931.711	--	--	1.093.628	1.093.628	
Balances as of 30.09.2025 (end of period)	250.000.000	966.223.641	(636.728)	1.374.886	57.161.583	(592.860.859)	(135.197.232)	546.065.291	546.065.291	
PRIOR PERIOD										
Balances as of 01.01.2024 (beginning of period)	125.000.000	878.043.076	(712.931)	530.602	57.161.581	342.622.878	(267.196.206)	1.135.449.001	1.135.449.001	
Amount After Adjustments	125.000.000	878.043.076	(712.931)	530.602	57.161.581	342.622.878	(267.196.206)	1.135.449.001	1.135.449.001	
Transfers	30	--	88.180.565	--	--	(433.813.721)	267.196.206	(78.436.950)	(78.436.950)	
Total Comprehensive Income (Expense)	30	--	--	(693.958)	(547.885)	--	(394.040.662)	(395.282.505)	(395.282.505)	
Net Profit (Loss) for the Period	30	--	--	--	--	--	(394.040.662)	(394.040.662)	(394.040.662)	
Total Other Comprehensive Income	30	--	--	(693.958)	(547.885)	--	--	(1.241.843)	(1.241.843)	
Capital Increase	30	125.000.000	--	--	--	--	--	125.000.000	125.000.000	
Balances as of 30.09.2024 (end of period)	250.000.000	966.223.641	(1.406.889)	(17.283)	57.161.581	(91.190.843)	(394.040.662)	786.729.546	786.729.546	

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CASH FLOW STATEMENT FOR THE PERIODS FROM JANUARY 1 TO SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

		Current Period 1.01.2025 30.09.2025 TRY	Prior Period 1.01.2024 30.09.2024 TRY
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES		715.538.003	1.180.457.422
Net income/loss (+/-)		(135.197.232)	(394.040.662)
-Profit (Loss) from Continuing Operations	39	(135.197.232)	(394.040.662)
Adjustments related to the reconciliation of net income/loss for the period		41.171.497	(258.972.473)
Adjustments related to depreciation and amortization expenses	14, 17, 20	54.833.545	15.739.138
Adjustments related to impairment/reversal of impairment (+/-)	7	25.569.315	--
-Adjustments related to impairment (reversal) of receivables	7	25.569.315	--
Adjustments related to provisions (+/-)	25	2.987.342	(7.213.359)
-Adjustments related to provisions for employee benefits (cancellation)	25	2.987.342	(7.213.359)
Adjustments related to interest income and expenses (+/-)	34, 37	150.444.478	(297.627.667)
-Adjustments related to interest income	37	(11.477.199)	(300.159.177)
-Adjustments Related to Interest Expenses	37	163.884.517	11.024.761
-Deferred Financing Expense Arising from Forward Purchases	34	28.983.378	2.527.590
-Unrealized Financing Income from Forward Sales	34	(30.946.218)	(11.020.841)
Adjustments Related to Unrealized Foreign Exchange Translation Differences	46	618.565	1.095.771
Adjustments Related to Tax (Income) Expenses	40	(188.278.995)	31.225.186
Adjustments Related to Losses (Gains) from Disposal of Fixed Assets	14	(5.002.753)	--
-Adjustments Related to Losses (Gains) from the Disposal of Tangible Fixed Assets	14	(5.002.753)	--
Changes in Working Capital		631.752.474	613.439.817
Decrease (Increase) in Financial Investments	8	14.336.321	66.241.187
Adjustments Related to Decrease (Increase) in Trade Receivables	7	272.003.681	353.819.298
-Decrease (Increase) in Trade Receivables from Related Parties	6	--	(13.437.893)
-Decrease (Increase) in Trade Receivables from Non-Related Parties	7	272.003.681	367.257.191
Adjustments Related to Decrease (Increase) in Other Receivables Related to Operations	9	9.507.572	26.982.404
-Decrease (Increase) in Other Receivables from Related Parties	6	4.881.377	--
-Decrease (Increase) in Other Receivables from Non-Related Parties	9	4.626.195	26.982.404
Adjustments Related to Decreases (Increases) in Inventories	10	324.074.576	514.152.796
Decrease (Increase) in Prepaid Expenses	12	(6.970.285)	73.443.541
Adjustments Related to Increase (Decrease) in Trade Payables	6, 7	(295.150.719)	(370.818.031)
-Decrease (Increase) in Trade Payables from Non-Related Parties	7	(295.150.719)	(370.818.031)
Increase (Decrease) in Liabilities Related to Employee Benefits	27	2.716.197	16.183.071
Adjustments Related to Increase (Decrease) in Other Liabilities Related to Operations	9	371.550.070	(33.682.118)
-Increase (Decrease) in Other Liabilities Related to Activities with Related Parties	6	370.382.728	--
-Increase (Decrease) in Other Liabilities Related to Activities with Non-Related Parties	8	1.167.342	(33.682.118)
Increase (Decrease) in Deferred Revenue (Excluding Obligations Arising from Customer Contracts)	12	4.561.076	62.535.600
Adjustments Related to Other Increases (Decreases) in Working Capital	29	(64.876.015)	(95.417.931)
-Decrease (Increase) in Other Assets Related to Operations	29	(64.876.015)	51.115.745
-Increase (Decrease) in Other Liabilities Related to Operations	29	--	(146.533.676)
Net cash flow from operations (+/-)		537.726.739	(39.573.318)
Rent Payments	20	(23.125.331)	--
Tax Refunds (Payments)	40	1.407.809	(1.857.872)
Inflation Effect Related to Business Activities		199.528.786	1.221.888.612
B. CASH FLOWS FROM INVESTING ACTIVITIES		96.010.850	47.629.255
Cash Outflows Arising from the Acquisition of Shares in Affiliates and/or Joint Ventures or Capital Increases	4	(271.500)	--
Cash Inflows from the Sale of Tangible and Intangible Fixed Assets	14	59.029.762	4.403.921
-Cash Inflows from the Sale of Tangible Fixed Assets	14	59.029.762	4.403.921
Cash Outflows from the Purchase of Tangible and Intangible Fixed Assets	14	(98.383.924)	(45.059.379)
-Cash Outflows from the Purchase of Tangible Fixed Assets	14	(98.266.117)	(44.886.063)
-Cash Outflows from the Purchase of Intangible Fixed Assets	17	(117.807)	(173.316)
Inflation Effect Related to Investment Activities		135.636.512	88.284.713
C. CASH FLOWS FROM FINANCING ACTIVITIES		(673.092.604)	(7.840.871)
Cash Inflows from Borrowing	47	8.818.444	356.025.236
-Cash Inflows from Loans	47	8.818.444	356.025.236
Cash Outflows Related to Debt Repayments	47	(604.734.186)	(315.146.810)
-Cash Outflows Related to Loan Repayments	47	(604.734.186)	(315.146.810)
Cash Outflows Related to Debt Payments Arising from Lease Agreements	20, 47	(7.940.000)	(10.916.780)
Interest Paid	37	(163.884.517)	(11.024.761)
Interest Received	37	11.477.199	300.159.177
Inflation Effect Related to Financing Activities		83.170.456	(326.936.933)
D. Inflation Effect		(142.938.488)	(1.453.167.891)
BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		(4.482.239)	(232.922.085)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(4.482.239)	(232.922.085)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(4.482.239)	(232.922.085)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	53	14.543.481	325.770.764
G. Inflation Effect on Cash and Cash Equivalents		2.948.544	(68.030.539)
END-OF-PERIOD CASH AND CASH EQUIVALENTS (A+B+C+D+E+F+G)	53	13.009.786	24.818.140

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

General Information

Yükselen Çelik Anonim Şirketi ("the Company") was established on 20 March 1989 in Istanbul under the title of "Yükselen Çelik Ticaret Limited Şirketi". The name of the Company, on Trade Registry Gazette, No. 8230 dated January 7, 2013, the trade title change has been made and Company has the title of "Yükselen Çelik Anonim Şirketi".

The Company's main area of activities are the manufacture of carbon, manufacturing, structural, alloy and non-alloy, tooling stainless, skilled and unskilled iron and steel products for use in all industries including machinery, automotive, formwork, iron and steel, ship, construction and railway industries and import, export, domestic buying and selling of these products.

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

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

	30.09.2025		31.12.2024	
	Share Amount	Share Percentage	Share Amount	Share Percentage
Barış 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	98.063.887	39,23%	73.943.666	29,58%
Authorized capital	250.000.000	100%	250.000.000	100%
Capital Inflation Adjustment Difference	966.223.641		966.223.641	
Total Capital	1.216.223.641		1.216.223.641	

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has transitioned to the registered capital system with the permission of the Capital Markets Board dated May 26, 2017 and numbered 22/736. The company's registered capital ceiling is TRY 2.500.000.000, divided into 2.500.000.000 shares with a nominal value of TRY 1 each. The registered capital ceiling permit granted by the Capital Markets Board is valid for 5 years between 2024 and 2028. Even if the authorized capital ceiling is not reached by the end of 2028, in order for the Board of Directors to be able to decide on a capital increase after 2028, it is mandatory to obtain authorization from the General Assembly for a new period not exceeding five years by obtaining permission from the Capital Markets Board for the prior authorized ceiling or a new ceiling amount. If such authorization is not obtained, the Board of Directors cannot increase the capital. The company's issued capital is TRY 250.000.000, and this issued capital has been fully paid up without any collusion. This capital is divided into 250.000.000 shares, each with a nominal value of TRY 1. Of this capital, 96.830.984 TRY is divided into 96.830.984 (A) group registered shares, each with a nominal value of 1 TRY, and 153.169.016 TRY is divided into 153.169.016 (B) group bearer shares, each with a nominal value of 1 TRY, and distributed to the shareholders in proportion to their shares.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (Continued)

The company's capital is divided into 250.000.000 shares with a par value of 1,00 TRY each, for a total value of 250.000.000.00 TRY. Of these shares, 96.830.984 are registered and 153.169.016 are bearer shares.

1) As of December 31, 2024, 200.000 shares representing 0,08% of the publicly traded portion belong to Barış Göktürk, and 450.906 shares representing 0,1% belong to Yüksel Göktürk.

The paid-in capital amount of 125.000.000 TRY, which will remain within the Company's Registered Capital Ceiling of 600.000.000 TRY; The procedures for increasing the paid-in capital from 125.000.000 TRY to 250.000.000 TRY, with a 100% increase to be covered by Retained Earnings from Previous Years, have been completed, and the new capital and the relevant amendment to our articles of association were registered by the Istanbul Trade Registry Directorate on August 2, 2024.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1) Basis of Presentation

- **Applied financial reporting standards**

The Company and its subsidiaries based in Turkey maintain their legal books and prepare their 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 statutory 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 of Financial Reporting in the Capital Markets" (Series II, No. 14.1), published in the Official Gazette dated September 13, 2013, and numbered 28676 (the "Regulation") published in the Official Gazette dated September 13, 2013 and numbered 28676, and are based on the Turkish Accounting Standards ("TAS") and related supplements and interpretations issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") pursuant to Article 5 of the Regulation.

Furthermore, the financial statements and notes have been presented in accordance with the formats announced by POA in its announcement dated October 4, 2022.

- **Consolidation Basis**

The accompanying Financial Statements are presented on a consolidated basis for the periods September 30, 2025 and December 31, 2024 and as of December 31, 2023, the financial statements of the Company are presented on a consolidated basis by including Rising Steel Incorporated, the Company's Subsidiary in the United States of America.

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

The financial statements of the Company are prepared comparatively with the previous period to enable the determination of the financial situation and performance trends. When the presentation or classification of financial statement items changes, prior period financial statements are reclassified accordingly to ensure comparability. Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are reviewed because of changes in the conditions in which the forecast is made, the acquisition of new information or the emergence of additional developments. The impact of the change in accounting estimates is reflected in the financial statements in the current period of the change, in the period of the change, in the period of the change, in the period of the change

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Comparative Information and Adjustment Financial Statements of Prior Period (Continued)

the change, in the period of the change, and in the future, in the future and in the period of the change, to be taken into consideration in determining the profit or loss of the period. The quality and amount of a change in the accounting estimate, which has an impact on the current period activity outcome or is expected to have an impact on the subsequent periods, are explained in financial statements footnotes, except when there is no prediction of the impact on future periods. The financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends.

- **Going concern assumption**

The financial statements are prepared on the basis of the continuity of the business under the assumption that the Company will benefit from its assets and fulfill its obligations in the next year and within the natural flow of its activities.

- **Functional and reporting currency**

Each item in the Company's financial statements has been accounted for using the currency that is the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented using the Company's functional and reporting currency, the Turkish lira (TRY).

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

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

In this context, inflation adjustments have been made in accordance with TAS 29 when preparing the financial statements dated September 30, 2025, and December 31, 2024.

The financial statements and related figures for prior periods have been restated for changes in the general purchasing power of the functional currency and, as a result, the financial statements and related figures for prior periods are presented in the measurement unit prevailing at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)**2.1) Basis of Presentation (Continued)****Adjusting consolidated financial statements during periods of high inflation (Continued)**

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

The table below shows the inflation rates for the relevant years, calculated based on the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment factor
30.09.2025	3.367,22	1,000
31.12.2024	2.684,55	1,2542
30.09.2024	2.526,16	1,3329

The main features of TAS 29 indexation procedures are as follows:

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

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

- **Adjustment of financial statements in periods of high inflation (Continued)**

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

Reorganization of the Financial Position Statement

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

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

Reorganization of the Profit or Loss Statement

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

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

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

Reorganization of the Cash Flow Statement

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

Consolidated Financial Statements

The financial statements of an associate, whose functional currency is the currency of a high-inflation economy, are restated by applying the general price index before being included in the consolidated financial statements prepared by the parent entity. If such an associate is a foreign entity, the restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary or non-monetary items are restated based on the measurement unit currency applicable at the date of the consolidated financial statements.

Comparative figures

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

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Changes in Turkish Financial Reporting Standards (Continued)

- **Changes in Accounting Policies**

In the event of changes and errors in accounting policies and accounting estimates, significant changes made and significant accounting errors identified are applied retrospectively, and the financial statements of prior periods are restated. If changes in accounting policies affect prior periods, the policy is applied retrospectively in the financial statements as if it had always been in use. There have been no changes in the Group's accounting policies.

The accounting policies used in preparing the summary consolidated financial statements for the period ended September 30, 2025, are consistent with those used in the prior year, except for the new and amended Turkish Accounting Standards ("TAS")/IFRS and TAS/IFRS interpretations effective as of January 1, 2025, summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

Changes and interpretations effective from 2025:

- **TAS 21 (Amendments) Lack of Exchangeability**

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

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

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

- **IFRS 10 and TAS 28 (Amendments) Asset Sales or Contributions by an Investor Entity to an Associate or Joint Venture**

The POA has indefinitely postponed the effective date of the amendments to IFRS 10 and TAS 28 made in December 2017, pending the outcome of an ongoing research project on the equity method. However, early adoption is still permitted.

The Group will assess the effects of these amendments once the aforementioned standards have been finalized.

- **IFRS 17 Insurance Contracts**

In February 2019, the POA published IFRS 17, a comprehensive new accounting standard covering the recognition, measurement, presentation, and disclosure of insurance contracts. IFRS 17 introduces a model that provides for the measurement of liabilities arising from insurance contracts at their current balance sheet value and the recognition of profit over the period in which the services are provided. Certain changes in future cash flow projections and risk adjustments are also recognized over the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or in other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Changes to Turkish Financial Reporting Standards (Continued)

Furthermore, according to the amendments published by the POA in December 2021, when IFRS 17 is applied for the first time, entities have the option to transition to align the classification in order to eliminate potential accounting mismatches between financial assets and insurance contract liabilities included in the comparative information presented.

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

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

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

In addition, the amendment regarding comparative information allows companies applying IFRS 7 and IFRS 9 for the first time simultaneously to present comparative information on their financial assets as if the classification and measurement requirements of IFRS 9 had been applied to those financial assets prior.

The amendments will be effective when IFRS 17 is first applied.

- IFRS 18 Disclosure Standard for New Financial Statements

In May 2025, the POA published the IFRS 18 Standard, which replaces TAS 1. IFRS 18 introduces new provisions regarding the presentation of the income statement, including the recognition of certain totals and subtotals. IFRS 18 requires entities to present all income and expenses recognized in the income statement within one of the following categories: operating activities, investing activities, financing activities, or income taxes. The standard also requires the disclosure of performance measures determined by management and introduces new provisions for the consolidation or separation of financial information in accordance with the functions defined for the main financial statements and notes. With the issuance of IFRS 18, certain changes have also been made to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. IFRS 18 and related amendments will be effective for reporting periods beginning on or after January 1, 2027. However, early application is permitted. IFRS 18 will be applied retrospectively.

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

Amendments published by the International Accounting Standards Board (IASB) but not yet published by POA

The two amendments to IFRS 9 and IFRS 7 listed below, along with the Annual Improvements to IFRS Accounting Standards and IFRS 19 Standard, have been issued by the IASB but have not yet been adopted/issued by the POA for IFRS. Therefore, they do not form part of IFRS. The company will make the necessary changes in its financial statements and notes after these Standards and amendments come into effect in IFRS.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Changes 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 for the Supply of Electricity from Natural Resources New Associates Without Public Accountability

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 (relating to IFRS 9 and IFRS 7). The amendment clarifies that financial liabilities will be derecognized at the "delivery date." However, the amendment introduces an accounting policy option to derecognize financial liabilities settled through electronic payment systems before the delivery date, provided certain conditions are met. Furthermore, the amendment provides explanatory provisions on how to assess the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG) linkages or other similar contingent features, as well as on the treatment of non-callable assets and contractual financial instruments. Furthermore, with this amendment, additional disclosures have been added to IFRS 7 for financial assets and liabilities containing contractual provisions that refer to a contingent event (including ESG-related ones) and for equity-linked financial instruments measured at fair value with the difference recognized in other comprehensive income.

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

- Annual Improvements to IFRS Accounting Standards - 11th Amendment

The IASB published "Annual Improvements to IFRS Accounting Standards / 11th Amendment" in July 2024, which includes the following amendments.

Hedge accounting by an entity applying IFRS for the first time using IFRS 1 First-time Adoption of International Financial Reporting Standards: The amendment was made to eliminate potential confusion arising from inconsistencies between the wording in IFRS 1 and the provisions on hedge accounting in IFRS 9.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

Changes to Turkish Financial Reporting Standards (Continued)

Annual Improvements to IFRS Accounting Standards - 11th Amendment (Continued)

IFRS 7 Financial Instruments: Disclosures Gains or losses on derecognition: In IFRS 7, the presentation of unobservable inputs has been changed and a reference to IFRS 13 has been added.

IFRS 9 Financial Instruments - Transaction price when the lessee derecognizes the lease liability: Amendments have been made to IFRS 9 to clarify that when the lease liability ceases to exist for the lessee, any resulting gain or loss must be recognized in profit or loss, in line with the lessee's requirement to apply the derecognition provisions in IFRS 9. Additionally, IFRS 9 has been amended to remove the reference to the "transaction price."

IFRS 10 Consolidated Financial Statements - Determination of the "actual agent": Amendments have been made to the Standard to resolve inconsistencies in the paragraphs of IFRS 10.

IAS 7 Statement of Cash Flows - Cost method: Following prior amendments, the term "cost method" has been removed from the Standard.

The Group does not expect any significant impact on its financial statements.

IFRS 9 and IFRS 7 (Amendments) - Contracts for the Supply of Electricity from Natural Resources

The IASB published the amendment to Contracts for the Supply of Electricity from Natural Resources (relating to IFRS 9 and IFRS 7) in December 2024. The amendment clarifies the application of provisions relating to the "for own use" exception and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements to ensure that investors understand the impact of these contracts on the entity's financial performance and cash flows.

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

- IFRS 19. New Standard on Disclosures for Non-Publicly Reportable Subsidiaries: Disclosures Standard

In May 2024, the IASB issued IFRS 19, which offers certain entities the option to provide reduced disclosures when applying the recognition, measurement, and presentation requirements in IFRSs. Unless otherwise specified, entities within the scope that choose to apply IFRS 19 will not be required to apply the disclosure requirements in other IFRSs. An entity that is a subsidiary, is not publicly accountable, and has a parent (intermediate or ultimate) that prepares consolidated financial statements in accordance with IFRSs for public use may elect to apply IFRS 19.

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

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash in operation, demand deposits held in financial institutions, other short-term highly liquid investments with original maturities of three months or less that can be easily converted into a certain amount of cash and have an insignificant risk of change in value, and current accounts with banks (Note 53).

Financial assets

Classification

The Company accounts its financial assets in three classes as "financial assets accounted for at amortized cost price", "fair value difference reflected in other comprehensive income statement" and "fair value difference reflected in profit or loss". Classification is based on the business model used by the business for managing financial assets and the characteristics of contractual cash flows of the financial asset. The company classifies its financial assets on the date of purchase.

Financial assets are not reclassified after initial recognition, except in cases where the business model used by the company to manage its 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 held under a business model aimed at collecting contractual cash flows, which include interest payments only from principal and principal balances on certain dates in the terms of the contract. The Company's financial assets, which are accounted for at the amortized cost price, include "cash and cash equivalents", "commercial receivables", "other receivables" and "financial investments". The relevant assets are measured on their fair values in their first record in the financial statements and their discounted fees using the effective interest rate method in subsequent accounting. Gains and losses as a result of the valuation of non-derivative financial assets, measured on the amortized cost, are accounted for in the profit or loss statement.

"Financial assets reflected in other comprehensive income, the difference in actual value is a derivative non-derivative financial assets with cash flows on certain dates, including interest payments due to principal and principal balance, which are obtained under a business model aimed at collecting contractual cash flows and selling financial assets. Gains or losses arising from related financial assets, impairment gains or losses, and those other than currency difference income or expenses are reflected in other comprehensive income.

"Financial assets whose fair value difference is reflected in profit or loss" consists of financial assets other than financial assets measured at amortized cost and whose fair value difference is reflected in other comprehensive income. The gains and losses resulting from the valuation of these assets are accounted for in the income statement.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Write off

The company removes the financial asset from its records when its rights to the cash flows generated under the agreement on financial assets are terminated or when it transfers the ownership of all risks and returns related to this financial asset with a trading transaction. Any rights created or held by financial assets transferred by the company are accounted for as a separate entity or liability.

Impairment

Financial assets and contract assets are measured for impairment using the "Expected Credit Loss" (ECL) model. The impairment model is applied to amortized cost financial assets and contract assets.

Loss allowances are measured on the following basis: The lifetime ECL measurement is applied if, at the reporting date, the credit risk associated with a financial asset increases significantly after initial recognition. In all other cases where the relevant increase was not experienced, the 12-month ECL calculation was applied. The Company may determine that if the financial asset's credit risk has a low credit risk at the reporting date, the financial asset's credit risk has not increased significantly. However, lifetime ECL measurement (simplified approach) always applies to trade receivables and contract assets without a significant financing element.

Trade receivables

Commercial receivables resulting from the provision of products or services to the buyer are accounted for from the amortized value of the amounts to be obtained in the following periods from the original invoice value. Short-term receivables without a set interest rate are shown from the invoice amount if the effect of the original effective interest rate is not too great. In the financial statements, the "simplified approach" is applied within the scope of devaluation calculations of commercial receivables that are accounted for at the amortized cost price and do not contain a significant financing component (less than 1 year term). With this approach, in cases where commercial receivables are not depreciated for certain reasons (except for realized impairment losses), the provisions of losses related to commercial receivables are measured at an amount equal to "lifetime expected credit losses".

If all or part of the depreciated credit amount is collected after the devaluation provision is allocated, the amount collected is deducted from the allocated impairment and recorded in other income from the principal activities. Interest income/expenses related to trade transactions and currency difference profits/losses are accounted for in the "Other Income/Expenses from Core Activities" account in the profit or loss table.

Trade payables

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

Commercial debts are recorded with their true values and are accounted for in subsequent periods by alteration of the value from the discredited value using the effective rate method.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at less than the net net realizable value or cost value. The cost determination method is the monthly weighted average for all stocks, and semi-finished products and products take a share of production costs. The net feasible value is the value after deducting marketing and sales expenses, with expenses made to get stocks ready for sale at the estimated sales price. For stocks that are unavailable or unsold, the value is recorded for impairment.

Tangible fixed assets

Tangible assets are accounted for by deducting the accumulated depreciation and, if any, accumulated impairment on cost values. When tangible assets are sold, the cost and accumulated depreciations and provisions for impairment, if any, are included in the income or expense, profit or loss statement after deducting them from the relevant accounts.

The cost value of the tangible asset consists of the purchase price, import taxes and non-refundable taxes and the costs to make the tangible asset ready for use. Costs such as repair and maintenance after the use of tangible assets are recorded at the time of their occurrence. If the expenditure provides an economic increase in future use of the relevant tangible asset, these expenditures are added to the cost of the asset.

Depreciated assets are subjected to depreciation according to linear depreciation method with rates based on their estimated economic lifespan. The method of economic life and depreciation is regularly reviewed and therefore it is examined whether the method and 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 related asset is re-estimated and the provision for impairment 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 recoverable. The recoverable value is the net sale price or high value of the related asset in use. The net sale price is determined by deducting the costs to be bearable to realize the sale from the reasonable value of the asset. The value in use is determined by adding residual values to the reduced amounts of estimated cash flows to be obtained in the future as of the reporting period by continuing to use the relevant asset. Profits and losses resulting from the sale of tangible assets are included in the income and expenses accounts from investment activities.

Intangible fixed assets

Purchased intangible fixed assets

Purchased intangible fixed assets are stated at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected economic lives. The expected economic life and amortization method are reviewed annually to identify the potential effects of changes in estimates, and changes in estimates are accounted for prospectively. These costs include acquisition costs and are amortized over their economic lives.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Intangible assets (Continued)

Computer software

Purchased computer software is capitalized based on the costs incurred during the purchase and the period until it is ready for use. These costs are amortized over their economic lives (3-15 years).

Costs associated with developing and maintaining computer software are recorded in the comprehensive income statement in the period in which they are incurred. Expenditures that are controllable by the Company, identifiable, directly attributable to unique software products, and expected to provide economic benefits in excess of their cost for more than one year are recognized as intangible assets. Costs include the costs of employees developing the software and a portion of general production expenses. Computer software development costs recognized as intangible assets are amortized over their economic lives.

Impairment of non-financial assets

For all its tangible and intangible assets, the Company evaluates at each report date whether there is any indication of impairment for the asset. If such an indication exists, the carrying value of that asset is compared with the net realizable value, which is the higher of the amounts to be obtained through use or sale. An impairment has occurred if the carrying amount of the asset, or any cash-generating unit to which that asset belongs, is greater than the amount to be recovered through use or sale. In this case, impairment losses are recognized in the profit or loss statement.

The increase in the carrying value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the carrying amount (net amount after depreciation) that would have occurred had the impairment been recognized in previous years. The reversal of the impairment is recognized in the profit or loss statement.

Financial Leases

Operating lease (as lessee)

Leases in which a significant portion of the risks and rewards of ownership belong to the lessor are classified as operating leases. Payments made as operating leases (less incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the lease term.

Operating lease (as lessor)

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

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Recognition of Revenue

The Company's suppliers are high-quality steel rolling mills and forging factories that produce from liquid steel or ingots. The Company purchases rolled or forged round steel, flat steel, and square steel from its suppliers based on its own specifications, developed to suit its customer portfolio. These steels are sized, surface treated, and undergo other mechanical processes at the Company's own facilities in Turkey before being sold.

As of January 1, 2018, the Company has started to use the following five-stage model for accounting for revenue in accordance with TFRS 15 "Revenue Standard from Customer Contracts"

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

According to this model, the goods or services committed in each contract with the customers are evaluated and each commitment to transfer such goods or services is determined as a separate operating obligation. Then it is determined whether the step obligations will be fulfilled as a time spread or at a certain time. If the Company transfers control of a goods or services over time and therefore fulfills its operations obligations for related sales in a timely way, it measures the progress towards the full fulfillment of such action obligations and puts the proceeds in the financial statements as a time spread.

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

While the company evaluates the transfer of the control of the sold goods or services to the customer;

- Ownership of the Company's right to collect goods or services,
- The customer's legal ownership of the goods or services,
- Transfer of possession of goods or services,
- The customer's ownership of the significant risks and rewards of owning the goods or services,
- It considers the conditions of the customer's acceptance of the goods or services.

The Company does not make corrections to the impact of a significant financing component on the promised price if it anticipates that at the beginning of the contract, the period between the transfer date of the goods or services committed to the customer and the date on which the customer pays for this goods or services will be one year or less. On the other hand, if there is an important financing element in the proceeds, the value of the proceeds is determined by reducing the future collections 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 the basis of accrual.

NOTE 2 - BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Recognition of Revenue (Continued)

Interest income

Interest income is accrued in the relevant period on the basis of the effective interest method that brings the estimated cash inflows from the remaining principal balance and the corresponding financial asset to the net book value of that asset.

Interest income and exchange income related to trade transactions are accounted for as other income from the main activities.

Dividend income

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

Borrowings

Borrowings are accounted for at fair value less transaction costs incurred during initial recognition. Borrowings are measured at amortized cost after initial recognition. The difference between the amount collected (deducted transaction costs) and the amount recovered is recognized in profit or loss for the period using the effective interest method. Fees paid to obtain the loan facility are recognized as the transaction cost of the loan if it is probable that some or all the loan facility will be used. In this case, these fees are deferred until the loan is used. Where there is no evidence that it is probable that some or all the credit facility will be utilized, these fees are capitalized as a down payment for the liquidity service and amortized over the period for which the credit facility relates.

Borrowing costs

The costs of general and special purpose borrowings that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset over the period necessary to get those assets ready for their intended use or sale. Such costs are included in the cost of the asset if they can be measured in a reliable way and it is likely that the enterprise will benefit from economic benefits in the future. Investment income earned by the temporary management of special purpose liabilities that are expected to be spent on featured assets is deducted from borrowing costs that meet the conditions of capitalization. Borrowing costs that are not covered by this scope are eliminated on the date they occur.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Current tax expense and deferred tax

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

Current tax expense is calculated based on tax laws in the countries in which the Company and its subsidiaries operate, or close to the period of entry into force. The company periodically evaluates the tax returns if the applicable tax law is open to interpretation and, where necessary, a provision is made for the debts to be paid to the tax authorities.

Deferred tax is calculated using the liability method based on the temporary differences between the values of assets and liabilities in the financial statements and the tax values. Deferred tax assets and liabilities are calculated at the tax rates expected to be applied during the period in which the tax asset will occur, or its liability will be executed, taking into account the tax rates and tax legislation that are in force or come into force as of the balance sheet date. Deferred tax assets are calculated provided that it is highly likely to benefit from temporary differences by making taxable profits in the future.

The Company calculates a deferred tax liability for all taxable temporary differences related to its subsidiaries, except that it can control the time when taxable temporary differences are closed and the temporary difference is unlikely to be closed within a predictable period of time.

The company can determine the deferred tax asset and deferred tax liability of the same taxpayer or different taxpayers who intend to net the deferred tax asset or liability if and only if they have the legal right to set off the current tax assets against the current tax liabilities. If it is the same with the tax administration that made the arrangement, it is deducted.

Provision for Employment Termination Benefits

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

In the related financial statements, the Company calculated the severance pay return using the "Projection Method" and based on the Company's past experience in completing its staff service period and qualifying for severance, and discounted government bonds at the earnings ratio on the balance sheet date.

The current service cost for defined benefit plans, reflected in the income statement as employee expenses, refers to benefit change reductions and an increase in payments in defined benefit liability resulting 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 during the period in which they occurred.

Net interest expense is calculated by applying a discount rate to the net value of the defined benefit obligation and the actual value of the planned asset. This cost is accounted for under employee expenses in the profit or loss table.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Provision for Employment Termination Benefits (Continued)

Defined benefit plans re-measurement gains and losses arising from difference corrections and actuarial assumption changes between actuarial assumption and realized are reflected in equity as other comprehensive income during the period in which they occurred.

Provision for unused permission

The unused permission rights accrued in financial statements represent the estimated total return for future potential liabilities related to the days of the well-deserved leave that employees do not use as of the balance sheet date.

Earnings per share

Earnings per share reported in the profit or loss statement is calculated by dividing net profit by the weighted average number of shares outstanding throughout the reporting period.

In Turkey, companies can increase their capital through "bonus shares", which they distribute to their existing shareholders from previous years' earnings and inflation adjustment differences. Such "bonus shares" 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 retrospective effects of the said share distributions.

Provisions, Contingent Assets and Liabilities

A provision is made in the financial statements if there is a present obligation as a result of past events, it is probable that the obligation will be settled and the amount of the obligation can be estimated reliably.

The amount recognized as a provision is calculated by estimating the expense to settle the obligation as of the report date, taking into account the risks and uncertainties associated with the obligation.

Where the effect of the time value of money is material, the amount of the provision is determined as the present value of the expenses expected to be necessary to settle the obligation. In determining the discount rate to be used in reducing the provisions to their present values, the interest rate in the relevant markets and the risk related to the said liability are taken into account. This discount rate is determined pre-tax and does not include the risk associated with estimating future cash flows.

Where some or all of the economic benefit required to pay the recompense is expected to be covered by third parties, the amount to be collected is accounted for as an asset if the collection of the relevant amount is almost certain and measured reliably.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Transactions in Foreign Currency

The financial statements of each business of the Company are presented in the currency (functional currency) valid in the main economic environment in which they operate. The financial position and operating results of each business 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 enterprise, transactions in foreign currency (currencies other than TRY or currencies other than the functional currency of the relevant enterprise) are recorded based on the exchange rates on the date of the transaction. Monetary assets and liabilities indexed to foreign currency in the statement of financial position are translated into TRY using the exchange rates prevailing on the report date.

Those recorded in foreign currency from non-monetary items that are monitored with fair value are converted to TRY based on the exchange rates at the time the fair value is determined. Non-monetary items in foreign currency measured in historical costs are not subject to translation.

The assets and liabilities of the company's foreign activities are expressed in TRY using the rates valid at the date of the report in financial statements. Income and expense items are translated using average rates during the period unless there is significant fluctuation in exchange rates during the period at which the rates were to be used (in case of significant fluctuations, rates at the date of the transaction are used). The exchange difference is classified as equity and transferred to the Company's foreign currency translation differences fund. These differences are recorded in the profit or loss table during the period of the disposal of foreign activity.

Goodwill and fair value corrections arising from the purchase of activities abroad are treated as assets and burdens of activity abroad and translated using the end-of-term rate.

Net Off

The fact that a financial asset and debt are offset together, and the net amount is shown on the balance sheet, but the it may be possible if it has a legal right to clarify the amounts accounted for and intends to make payments on a net basis or to obtain the asset and to pay the debt simultaneously. The legal right should not be linked to a future event and should be available in normal operational flow and even in the event of default, incapacitated or bankruptcy of the company or the other party.

Government Grants

Government donations are recorded on their fair value when there is a reasonable assurance that donations will be received and that the Company meets the conditions it is obliged to comply with.

Events after the balance sheet date

Events after the balance sheet date; covers all events between the balance sheet date and the date of authorization for the publication of the balance sheet, even if they occurred after any announcement of the profits of the period or other selected financial information was made public. The Company adjusts the amounts received in the financial statements in accordance with this new situation in the event of incidents that require correction after the balance sheet date. Non-correction issues arising from the date of balance sheet are explained in the financial statement footnotes if they are issues that affect the economic decisions of the financial statement users.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of Significant Accounting Policies (Continued)

Related Parties

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

- (a) The said party, directly or indirectly, through one or more of its intermediaries:
 - (i) Controls, is controlled by, or is under joint control with the entity (including parents, subsidiaries, and subsidiaries in the same line of business);
 - (ii) Having a share that will enable it to have significant influence on the company; or
 - (iii) Has joint control over the Company.
- (b) The party is an affiliate of the Company;
- (c) The entity is a partnership with which the Company is a joint entrepreneur;
- (d) The entity is a member of the Key Executive Staff of the Company or its parent partnership;
- (e) The entity is a close family member of any individual mentioned in (a) or (d);
- (f) The entity is a business where any individual, controlled, co-controlled or under significant influence, or referred to in (d) or (e), has the right to a significant vote directly or indirectly; or,
- (g). The entity must be a benefit plan provided to employees of a business or business that is associated with the business, after leaving work.

Cash Flow Statement

The Company prepares a cash flow statement as an integral part of other financial statements to inform financial statement users about the 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, investing, and financing activities.

Cash flows from operating activities indicate cash flows from Company activities. The company chose to present its cash in and out of operating activities in financial statements in a clear (indirect) way.

Cash flows related to investment activities show the cash flows that the Company uses and achieves in investment activities (fixed investments and financial investments).

Cash flows related to financing activities indicate the resources used by the Company in its financing activities and the reimbursements of these resources.

2.4) Changes in Accounting Estimates and Errors

Changes in accounting estimates are applied prospectively to the current period if they relate to a single period, and to both the period in which the change is made and future periods if they relate to future periods. Important estimates used in preparing the consolidated financial statements for the period ended September 30, 2025 are consistent with those used in preparing the consolidated financial statements for the period ended December 31, 2024. Significant accounting errors identified are applied retrospectively and prior period financial statements are reorganized.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Significant accounting judgments, estimates, and assumptions**

The preparation of financial statements requires the Company management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

- The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long- term nature of these plans, such estimates are subject to significant uncertainty.
- The possibility of loss of lawsuits and any liability arising in the event of loss are assessed by the Company's management by taking the advice of the Company's Legal Counsel and the expert. Company management determines the amount of provision for the case based on best estimates.
- Company management has made assumptions based on the experience of the technical staff in determining the useful life of tangible and intangible assets.
- Deferred tax assets and liabilities are recorded using tax rates that are widely used for temporary differences between the notebook values and matrahs of assets and liabilities. Based on the evidence available, it has been considered possible that all or part of the deferred tax assets may not be converted or converted into cash. Key factors considered include potential for future income, losses accumulated from previous years, tax planning strategies that will be implemented if necessary, and the nature of revenue that can be used to convert the deferred tax asset into cash.

NOTE 3 – BUSINESS COMBINATIONS

None. (December 31, 2024 – None.)

NOTE 4 – SHARES IN OTHER COMPANIES

The details of investments in subsidiaries, joint ventures, and associated companies are as follows:

	30.09.2025	31.12.2024
Rising Stahl GmbH	1.727.475	1.740.877
Total	1.727.475	1.740.877

*Rising Steel GmbH was established and commenced operations on September 7, 2023, in Düsseldorf, Germany.

NOTE 5 – SEGMENT REPORTING

The methods which are used in the company's field of activity, quality of service, characteristics of economic, the classification of customers in accordance with risk, and the distribution of services are similar. In addition, the company's organizational structure, all different activities of the company are managed and considered as part of a single activity instead of including different activities. The company's operating results, the identification of resources to be allocated to these activities and review of the performance of these activities are considered in this context.

NOTE 6 – RELATED PARTY DISCLOSURES

Details of transactions between the Company and other related parties are disclosed below.

- **Short-Term Trade Receivables**

None. (December 31, 2024 – None.)

- **Short-Term Trade Payables**

None. (December 31, 2024 – None.)

- **Short-Term Other Receivables**

	30.09.2025	31.12.2024
Rising Stahl GmbH	5.048.737	4.965.057
Total	5.048.737	4.965.057

- **Short-Term Other Liabilities**

	09/30/2025	12/31/2024
Debts to shareholders ⁽¹⁾	370.382.728	--
Total	370.382.728	--

(1) During the reporting period, the partners provided the Company with a total interest-free loan of TRY 370.382.728, of which TRY 153.000.000 was from the transfer of Group B shares. 30% of this amount was used for working capital purposes and 70% was used to pay the Company's bank loans.

- **Liabilities Arising from Short-Term Leasing Transactions**

	30.09.2025	31.12.2024
Right of use obligations	6.831.819	--
Total	6.831.819	--

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

	30.09.2025	31.12.2024
Right of use obligations	7.195.444	--
Total	7.195.444	--

• Short-Term Prepaid Expenses

None. (December 31, 2024 – None.)

• Purchases

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

	30.09.2025	31.12.2024
SKY Fuarçılık A.Ş. (*)	602.000	546.162
Shareholders (**)	3.050.000	10.084.539
Barış Göktürk Metal Yatırımları A.Ş. (***)	--	499.210
Göktürkler Çelik A.Ş. (****)	--	101.452
Total	3.652.000	11.231.363

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

(**) Includes rent paid for the office leased from company partners Barış Göktürk, Ferhan Göktürk, and Yüksel Göktürk.

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

(****) (31.12.2024: Of the debt relationship with the related party Göktürkler Çelik A.Ş., TRY 88.909 consists of goods purchases and TRY 12.543 consists of rent payments.)

• Sales

	30.09.2025	31.12.2024
Göktürkler Çelik A.Ş. (*)	--	2.257.733
Total	--	2.257.733

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

• Key Management Compensation and Benefits

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

	30.09.2025	31.12.2024
Salary and attendance fee payments	5.664.180	6.351.221
Total	5.664.180	6.351.221

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 7- TRADE RECEIVABLES AND PAYABLES**• Short-Term Trade Receivables**

Details of the company's short-term trade receivables are as follows:

	30.09.2025	31.12.2024
Trade receivables	144.248.159	190.418.445
Receivable notes	205.416.101	422.612.857
Discount on accounts receivable (-)	(22.567.169)	(37.128.110)
Trade receivables IFRS 9 expected credit loss (-)	(2.725.173)	(4.723.816)
Provision for doubtful receivables	27.532.511	3.398.545
Provision for doubtful trade receivables (-)	(27.532.511)	(3.398.545)
Total	324.371.918	571.179.376

The average collection maturity for trade receivables is 55 days (31.12.2024; 165 days). The Company sets aside provisions for bad debts for trade receivables that have become problematic. The provisions cover receivables for which it is believed that the relevant customers will not be able to make repayments or that the collateral taken for the receivables in question cannot be realized.

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

-The policy is valid from July 1, 2025, to June 30, 2026, and is issued for a period of one year.

-As of September 30, 2025, the Company has an insurance coverage limit of USD 8.318.741 allocated for 497 customers and EUR 1.496.700 allocated for 43 customers within Euler Hermes Sigorta A.Ş. In addition, the Company has a DDS guarantee limit of TRY 159.177.864 for 170 customers, which is 100% bank-guaranteed and allocated to its customers at 13 banks.

The movement table for doubtful trade receivables is explained below.

	30.09.2025	31.12.2024
Beginning of the period	(3.398.545)	(3.718.969)
Increase during the period	(25.569.315)	(3.378.887)
Provisions no longer required	--	2.549.180
Presentation inflation difference	1.435.349	1.150.131
End of Period	(27.532.511)	(3.398.545)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**• Short-Term Trade Payables**

Details of the company's trade liabilities are as follows:

	30.09.2025	31.12.2024
Suppliers	75.964.130	210.967.837
Receivable notes	11.151.695	1.761.069
Other trade payables	5.622.796	165.368.541
Rediscount on payables (-)	(1.345.459)	(8.047.823)
Total	91.393.162	370.049.624

The average payment term for trade payables is 27 days (December 31, 2024: 82 days).

The Company has no long-term trade payables as of September 30, 2025, and December 31, 2024.

NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

	30.09.2025	31.12.2024
Private sector bonds and notes	13.099.322	22.810.952
Total	13.099.322	22.810.952

The Company has no restricted bank balances as of September 30, 2025. (December 31, 2024: None).

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

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

	30.09.2025	31.12.2024
Deposits and guarantees given	111.338	110.611
Receivables from personnel	605.900	1.025.889
Other receivables from related parties (Note:6)	5.048.737	4.965.057
Other various receivables*	2.730.487	8.868.226
Total	8.496.462	14.969.783

Other various receivables include 2.726.327 TRY in receivables from the tax office.

• Other Long-Term Receivables and Liabilities

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES (Continued)**• Other Short-Term Liabilities**

	30.09.2025	31.12.2024
Taxes and funds payable	3.166.932	1.662.529
Other liabilities from related parties (Note:6)	370.382.728	--
Total	373.549.660	1.662.529

NOTE 10 – INVENTORIES

Details of the company's inventories are as follows:

	30.09.2025	31.12.2024
Trade goods	592.327.675	830.546.677
Total	592.327.675	830.546.677

The Company has no inventory impairment as of September 30, 2025, and December 31, 2024.

NOTE 11 – BIOLOGICAL 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:

	30.09.2025	31.12.2024
Advances given to orders	8.196.114	12.435.062
Expenses for the following months	9.661.201	2.741.014
Advances given to staff	13.000	--
Total	17.870.315	15.176.076

• Short-Term Deferred Revenues

Details of the company's short-term deferred revenues are as follows:

	30.09.2025	31.12.2024
Received advance payments	11.066.263	5.404.112
Total	11.066.263	5.404.112

(1) Consists of advances received from customers for orders.

NOTE 13 – INVESTMENT PROPERTIES

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 14 – TANGIBLE ASSETS

The movements in the company's tangible assets and related accumulated depreciation are as follows:

	01.01.2024	Additions	Transfers	Disposals	31.12.2024	Additions	Transfers	Disposals	30.09.2025
Cost									
Land and plots	91.016.312	--	--	--	91.016.312	--	--	--	91.016.312
Buildings	--	--	153.990.734	--	153.990.734	--	--	(40.828.552)	113.162.182
Machinery, plant, and equipment	61.627.757	--	19.978.418	(7.964.090)	73.642.084	1.025.657	--	(1.587.380)	73.080.361
Vehicles	90.513.576	34.850.508	--	(17.590.869)	107.773.215	15.530.980	--	(15.067.548)	108.236.647
Fixed Assets	44.342.116	1.559.867	23.220.566	(280.377)	68.842.173	81.709.480	--	(1.546.281)	149.005.371
Ongoing Investments	175.325.975	9.474.534	(184.800.509)	--	--	--	--	--	--
	462.825.735	45.884.910	12.389.209	(25.835.336)	495.264.518	98.266.117	--	(59.029.762)	534.500.874
Accumulated depreciation									
Buildings	--	(769.953)	--	--	(769.953)	(1.901.575)	--	408.286	(2.263.243)
Machinery, plant, and equipment	(29.811.112)	(5.530.496)	--	4.315.742	(31.025.867)	(4.721.945)	--	196.441	(35.551.371)
Vehicles	(34.457.269)	(18.999.298)	--	14.661.262	(38.795.305)	(14.693.701)	--	8.374.052	(45.114.955)
Fixed Assets	(21.601.677)	(6.211.925)	(7.153.258)	216.434	(34.750.425)	(13.178.702)	--	8.582	(47.920.545)
	(85.870.058)	(31.511.672)	(7.153.258)	19.193.438	(105.341.550)	(34.495.924)	--	8.987.360	(130.850.113)
Netbook value	376.955.677				389.922.968				403.650.761

As of September 30, 2025, the Company has no pledges or mortgages on its Tangible Fixed Assets

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

None. (December 31, 2024 – None.)

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

None. (December 31, 2024 – None.)

NOTE 17 – INTANGIBLE ASSETS

The movements in the company's intangible assets and related amortization charges are as follows:

	01.01.2024	Additions	Disposals	31.12.2024	Additions	Disposals	30.09.2025
Cost							
Rights	3.286.851	173.315	--	3.460.166	117.807	--	3.577.973
Total	3.286.851	173.315	--	3.460.166	117.807	--	3.577.973
Accumulated Depreciation							
Rights	(1.875.887)	(255.850)	--	(2.131.737)	(197.820)	--	(2.329.557)
Total	(1.875.887)	(255.850)	--	(2.131.737)	(197.820)	--	(2.329.557)
Net book value	1.410.964			1.328.429			1.248.416

NOTE 18 – GOODWILL

None. (December 31, 2024 – None.)

NOTE 19 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 20 – RENT OPERATIONS**• Right-of-Use Assets (IFRS 16)**

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

	1.01.2024	Additions	Disposals	31.12.2024	Additions	Disposals	30.09.2025
Cost							
Right-of-use assets	127.312.597	--	(61.265.944)	66.046.654	24.227.391	--	90.274.044
Special costs	102.630.843	17.740.180	(21.719.968)	98.651.055	79.773	--	98.730.828
Total	229.943.440	17.740.180	(82.985.912)	164.697.708	24.307.164	--	189.004.872
Right-of-use assets	(32.267.009)	(27.247.383)	26.491.066	(33.023.327)	(14.806.487)		(47.829.814)
Special costs	(83.882.603)	(12.909.033)	18.188.104	(78.603.532)	(5.333.315)		(83.936.847)
Total	(116.149.612)	(40.156.416)	44.679.169	(111.626.859)	(20.139.802)	--	(131.766.661)
Net book value	113.793.828			53.070.849			57.238.211

As of September 30, 2025, the total future minimum lease obligations under non-cancellable operating leases are as follows:

	30.09.2025	31.12.2024
Payables from rental transactions (Short term)	10.751.715	5.576.010
Payables from rental transactions (Long term)	16.851.421	7.237.257
Total	27.603.136	12.813.268

Payables from lease transactions consist of borrowings under "IFRS 16 Leases" for the leasing of the Ataköy office and Central office building as a right-of-use asset.

NOTE 21– PRIVILEGE SERVICE ARRANGEMENTS

None. (December 31, 2024 – None.)

NOTE 22 – IMPAIRMENT OF ASSETS

	30.09.2025	31.12.2024
Doubtful trade receivables	(27.532.511)	(3.398.545)
Total	(27.532.511)	(3.398.545)

NOTE 23 – GOVERNMENT INCENTIVES

None. (December 31, 2024 – None.)

NOTE 24 – BORROWING COSTS

There are no borrowing costs added to the cost of assets directly related to assets in the accounting period ending September 30, 2025. Borrowing costs are included in the income statement. (December 31, 2024 – None)

NOTE 25 – 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:

	30.09.2025	31.12.2024
Unused leave liability	1.213.733	866.692
Total	1.213.733	866.692

- **Other Short-Term Provisions**

None. (December 31, 2024 – None.)

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

Details of the company's long-term provisions related to employee benefits are as follows:

	30.09.2025	31.12.2024
Severance pay liability	5.005.056	1.185.839
Total	5.005.056	1.185.839

Under Turkish Labour Law, Yukselen Çelik is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The liability is not funded as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities: The principal assumption is that the maximum liability for each year of service increases in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. Consequently, as of September 30, 2025, provisions in the accompanying financial statements are calculated by estimating the present value of the probable future liability arising from employee retirement. Provisions at the relevant balance sheet dates are calculated using a real discount rate of approximately 2,44% based on assumptions of 25,77% annual inflation and a 28,84% interest rate (December 31, 2024: real discount rate of 2,44%).

The key estimates used in the calculation of the severance pay liability are the discount rate and the probability of voluntary termination.

	01.01.2025	01.01.2024
	30.09.2025	31.12.2024
Beginning of Period	1.185.839	3.779.683
Service costs	4.987.795	(1.242.005)
Interest cost	17.261	61.559
Severance pay paid	--	(400.398)
Monetary (gain) / loss	945.422	97.953
Presentation inflation difference	(2.131.261)	(2.691.797)
End of Period	5.005.056	1.185.839

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 26 – COMMITMENTS• **Letters of Guarantee Taken**

	30.09.2025	31.12.2024
Letters of guarantee taken	--	2.001.743
Total	--	2.001.743

As of September 30, 2025, and December 31, 2024, there are no mortgages on the Company's assets.

• **Letters of Guarantee given**

	30.09.2025	31.12.2024
Letters of guarantee given	261.918.805	166.455.755
Pledges given	--	213.979
Total	261.918.805	166.669.734

Information regarding the Company's collateral position is as follows:

	30.09.2025	31.12.2024
A. Total amount of GSMs that Issued on behalf of the legal entity	261.918.805	166.669.734
B. Total Amount of GSMs given for partnerships which are included in full consolidation	--	--
C. Total Amount of GSMs given for the purpose of guaranteeing third party loans to carry the regular trade activities	--	--
D. Total Amount of another GSMs given	--	--
i. Total amount of GSMs given in favor of the main partner	--	--
ii. Total amount of GSMs given in favor of other group companies not covered by B and C clauses	--	--
iii. Total amount of GSMs given in favor of third parties not covered by Article C	--	--
Total	261.918.805	166.669.734
Ratio of other GSM's to the Company's equity	0%	0%

NOTE 27 – PAYABLES FOR EMPLOYEE BENEFITS• **Payables within the Scope of Employee Benefits**

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

	30.09.2025	31.12.2024
Payables to Personnel	5.123.910	1.699.325
Social Security Deductions Payable	1.627.778	1.655.923
Total	6.751.688	3.355.248

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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NOTE 28 – EXPENSES BY NATURE**•General Administrative Expenses (-)**

Details of the company's general administrative expenses are as follows:

	1.01.2025	1.01.2024	1.07.2025	1.07.2024
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
Depreciation and Amortization	(33.516.324)	(12.230.389)	5.009.434	5.461.845
Personnel expenses	(19.712.478)	(23.745.908)	(11.119.663)	(12.590.983)
Representation and Accomodation Expenses	(5.838.253)	(9.870.292)	(5.800.835)	(262.248)
Taxes and duties expenses	(4.637.381)	(88.522)	(4.408.876)	140.915
Benefits and Services Provided from Outside	(2.190.284)	(5.819.768)	996.565	(1.238.419)
Insurance expenses	(1.783.070)	(3.790.491)	601.935	(480.157)
Commission expenses	(1.519.707)	(13.212.284)	(875.457)	(12.613.037)
Dues fees	(841.797)	(1.319.645)	(694.202)	(1.187.593)
Electricity, water, natural gas expenses	(295.299)	(731.554)	451.620	(587.517)
Stationery and Office Supplies Expenses	(97.332)	(323.110)	1.857.781	525.426
Communication expenses	(79.993)	(177.878)	230.472	10.333.973
Other expenses	(3.284.364)	(8.254.896)	2.944.139	(1.124.728)
Total	(73.796.283)	(79.564.738)	(10.807.089)	(13.622.522)

•Marketing, Sales, and Distribution Expenses

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

	1.01.2025	1.01.2024	1.07.2025	1.07.2024
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
Personnel expenses	(37.531.746)	(28.583.321)	(4.133.099)	(2.138.647)
Depreciation and amortization	(19.415.646)	(3.508.749)	(13.982.790)	1.946.038
Import and export expenses	(4.996.348)	(7.279.935)	7.899.844	2.215.547
Transportation and freight expenses	(3.764.940)	(5.932.537)	(3.469.165)	(5.838.583)
Fair & advertising expenses & market research expenses	(3.676.251)	(19.371.816)	(2.848.190)	(17.349.064)
Travel expenses	(2.132.337)	(1.321.531)	(2.132.337)	(1.321.531)
Vehicle expenses	(1.568.245)	(2.231.442)	(923.341)	(1.913.533)
Benefits and Services Provided from Outside	(278.796)	(351.814)	2.027.014	13.806.272
Maintenance and repair expenses	(149.476)	(313.285)	1.267.263	987.529
Other expenses	(1.154.999)	(3.269.009)	(198.713)	9.330.430
Total	(74.668.784)	(72.163.438)	(16.493.513)	(275.542)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 28 – EXPENSES BY NATURE (Continued)**•Research and Development Expenses (-)**

None. (September 30, 2024 – None.)

NOTE 29 – OTHER ASSETS AND LIABILITIES**•Other Current Assets**

Details of the company's other current assets are as follows:

	30.09.2025	31.12.2024
Value added tax carried forward	--	12.408.977
Total	--	12.408.977

NOTE 30 – CAPITAL, RESERVES, AND OTHER EQUITY ITEMS**•Paid-in Capital**

The company's partnership structure is explained below.

	30.09.2025		31.12.2024	
	Share Amount	Share Percentage	Share Amount	Share 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%
Open to public	98.063.887	39,23%	73.943.666	29,58%
Authorized Capital	250.000.000	100%	250.000.000	100
Capital inflation adjustment difference	966.223.641		966.223.641	
Total Capital	1.216.223.641		1.216.223.641	

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has transitioned to the registered capital system with the permission of the Capital Markets Board dated May 26, 2017 and numbered 22/736. The company's registered capital ceiling is TRY 2.500.000.000, 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 between 2024 and 2028. Even if the authorized capital ceiling is not reached by the end of 2028, in order for the Board of Directors to be able to decide on a capital increase after 2028, it is mandatory 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 prior authorized ceiling or a new ceiling amount. If such authorization is not obtained, the Board of Directors cannot increase the capital. The company's issued capital is TRY 250.000.000, and said issued capital has been fully paid up without any collusion. This capital is divided into 250.000.000 shares, each with a nominal value of TRY 1. Of this capital, 96.830.984 TRY is divided into 96.830.984 (A) group registered shares, each with a nominal value of 1 TRY, and 153.169.016 TRY is divided into 153.169.016 (B) group bearer shares, each with a nominal value of 1 TRY, and distributed to the shareholders in proportion to their shares.

The company's capital is divided into 250.000.000 shares with a par value of 1.00 TRY each, for a total value of 250.000.000.00 TRY. Of these shares, 96.830.984 are registered and 153.169.016 are bearer shares.

(*) 450.000 shares, representing 0,36% of the publicly traded portion as of December 31, 2024, and March 31, 2025, belong to Barış Gökçürk, and 290.797 shares to Yüksel Gökçürk, and 100.068 shares representing 0,08% to Ferhan Gökçürk.

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

The paid-in capital amount of 125.000.000 TRY, which will remain within the Company's Registered Capital Ceiling of 600.000.000 TRY; The procedures for increasing the paid-in capital by 100% to 250.000.000 TRY, to be covered by 125.000.000 TRY from Retained Earnings, have been completed, and the new capital and the relevant amendment to our articles of association were registered by the Istanbul Trade Registry Directorate on August 2, 2024.

The explanation regarding the adjusted equity accounts prepared by the Company in accordance with TAS 29, based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

30.09.2025

Equity	PPI-Indexed Legal Records	CPI-Indexed Legal Records	Differences to be Tracked in Retained Earnings/Losses from Previous Years
Capital Adjustment Differences	1.092.768.715	966.223.641	(126.545.074)
Restricted reserves allocated from profit	47.438.160	57.161.583	9.723.423

- Share Premiums/(Discounts)**

None. (December 31, 2024 – None.)

- Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss**

	30.09.2025	31.12.2024
Defined Benefit Plans Re-Measurement Gains (Losses) (*)	(636.728)	(798.645)
Total	(636.728)	(798.645)

(*) With the change in TAS 19 "Employee Benefits" standard, actuarial loss and gains that are taken into account in the calculation of the severance pay provision are not allowed to be recognized in the income statement. Losses and gains resulting from changes in actuarial assumptions are accounted for under equity. Actuarial severance pay provision actuarial loss/gain fund cannot be reclassified to profit or loss.

- Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss**

	30.09.2025	31.12.2024
Foreign currency exchange differences	1.374.886	443.175
Total	1.374.886	443.175

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)**• Retained Earnings/(Losses) from Previous Years**

The details of the company's prior years' profits/losses account are as follows:

	30.09.2025	31.12.2024
Retained earnings/(losses) from previous years	(595.656.045)	(144.239.282)
Extraordinary reserves	2.795.186	3.505.990
Total	(592.860.859)	(140.733.292)

Public companies distribute dividends in accordance with the CMB's Dividend Distribution Circular No. II-19.1, which came into effect on February 1, 2015. Partnerships distribute their profits by general assembly resolution, within the framework of profit distribution policies determined by their general assemblies and in accordance with the relevant legislation. No minimum distribution ratio has been specified under the regulation. Companies pay dividends as specified in their association articles or dividend distribution policies. Furthermore, dividends may be paid in equal or different installments, and cash dividend advances may be distributed based on the profit shown in the interim financial statements.

Unless the reserves required to be set aside under the Turkish Commercial Code and the dividends determined for shareholders in the articles of association or profit distribution policy are set aside, no decision may be made to allocate other reserves, carry profits forward to the following year, or distribute profits to beneficiaries, board members, company employees, or persons other than shareholders. Furthermore, profits may not be distributed to these persons unless the dividends determined for shareholders are paid in cash. The portion of the partnership's losses from previous years that exceeds the total amount arising from the adjustment of items in equity other than capital, including profits from previous years and premiums related to shares, according to inflation accounting, shall be taken into account as a deduction item in the calculation of the net distributable profit for the period.

• Restricted Reserves

The details of the company's retained earnings account are as follows:

	30.09.2025	31.12.2024
Legal reserves	57.161.583	57.161.583
Total	57.161.583	57.161.583

• Capital Adjustment Differences

	30.09.2025	31.12.2024
Adjustment to Share Capital	966.223.641	966.223.641
Total	966.223.641	966.223.641

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NOTE 31 – SALES AND COST OF SALES

Details of the Group's sales and cost of sales accounts are as follows:

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	07.01.2025 30.09.2025	07.01.2024 30.09.2024
Domestic sales	710.504.043	1.412.212.584	225.408.467	412.654.363
Foreign sales	68.309.070	113.155.170	27.478.220	33.135.539
Other sales	2.295.221	4.046.108	558.479	778.792
Gross sales	781.108.334	1.529.413.861	253.445.166	446.568.693
Sales returns (-)	(13.088.340)	(12.128.283)	(1.873.310)	(2.269.229)
Sales discounts (-)	(55.623)	(218.490)	(38.187)	(183.061)
Net sales	767.964.371	1.517.067.088	251.533.670	444.116.403
Cost of goods sold (-)	(608.359.803)	(1.352.961.704)	(186.267.599)	(288.034.921)
Cost of goods sold (-)	--	(5.435.786)	--	(2.482.880)
Cost of sales (-)	(608.359.803)	(1.358.397.490)	(186.267.599)	(290.517.801)
GROSS PROFIT/LOSS	159.604.568	158.669.598	65.266.070	153.598.602

NOTE 32 – CONSTRUCTION CONTRACTS

None. (31.12.2024: None)

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

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

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
General administrative expenses (-)	(73.796.283)	(79.564.738)	(10.807.089)	(13.622.522)
Marketing expenses (-)	(74.668.784)	(72.163.438)	(16.493.513)	(275.542)
Total	(148.465.067)	(151.728.176)	(27.300.602)	(13.898.064)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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NOTE 34 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Details of the Group's other income and expenses from primary activities are as follows:

•Other Income from Main Operations

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Rediscount income	30.946.218	12.131.785	(23.695.856)	(4.875.494)
Exchange rate differences income	4.091.985	37.179.323	817.909	5.278.837
Prior period income and profits	--	13.805.529	--	(1.184.275)
Provisions that are no longer relevant	748.722	2.709.024	(53.613)	(241.632)
Other Income and Profit	10.168.811	6.908.361	8.280.343	2.423.997
Total	45.955.736	72.734.021	(14.651.217)	1.401.433

•Other Expenses from Main Activities (-)

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Exchange rate difference expense	(15.881.542)	(40.543.833)	(7.288.664)	(4.763.603)
Rediscount Interest Expense	(28.983.378)	(11.896.992)	22.226.962	1.990.835
Provision expenses	(25.569.315)	(2.269.957)	1.834.132	(390.453)
Other expenses	(6.379.661)	(11.655.423)	(3.946.969)	(6.969.820)
Total	(76.813.896)	(66.366.205)	12.825.462	(10.133.040)

NOTE 35 – INCOME / (EXPENSES) FROM INVESTMENT OPERATIONS

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

•Other Income from Investing Activities

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Gains on sales of tangible and intangible assets	6.693.281	12.295.217	(407.708)	3.007.682
Shares in profits (losses) from investments valued using the equity method	--	--	--	(12.705)
Gains on the sale of marketable securities	--	15.173.345	--	1.418.493
Total	6.693.281	27.468.562	(407.708)	4.413.470

NOTE 35 – INCOME / (EXPENSES) FROM INVESTMENT OPERATIONS (Continued)

- Other Expenses from Investment Activities

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Marketable securities sales loss	--	(198.615)	(14.839)	(2.252)
Losses on sales of tangible and intangible assets (-)	(1.705.367)	(3.568)	(1.690.528)	(3.568)
Total	(1.705.367)	(202.183)	(1.705.367)	(5.820)

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

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Impairment gains (losses) determined in accordance with IFRS 9	1.040.937	697.369	1.413.229	173.664
Total	1.040.937	697.369	1.413.229	173.664

- Other Income (Expenses) from Affiliates, Jointly Controlled Entities, and Associated Companies

None. (September 30, 2024 – None).

NOTE 36 – CLASSIFIED EXPENSES BY FUNCTION**Depreciation and Amortization Expenses**

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Cost of goods sold	(1.901.575)	--	12.849.831	--
General administrative expenses	(33.516.324)	(12.230.389)	(24.923.510)	2.834.188
Marketing, sales, and distribution expenses	(19.415.646)	(3.508.749)	(6.519.454)	9.314.773
Total	(54.833.546)	(15.739.138)	(18.593.133)	12.148.960

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NOTE 37 – FINANCING EXPENSES/(INCOME)

• **Financial Incomes**

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

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Interest income	11.477.199	43.248.447	2.930.843	8.622.533
Exchange rate differences income	1.282.400	2.191.880	284.164	(5.090.899)
Total	12.759.599	45.440.327	3.215.006	3.531.634

• **Financial Expenses**

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

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Interest expenses	(163.884.517)	(334.340.914)	(22.903.908)	(74.527.361)
Exchange rate differences income	(2.294.998)	(5.239.789)	(2.122.329)	6.264.472
Total	(166.179.515)	(339.580.703)	(25.026.237)	(68.262.889)

• **Net Monetary Position Gains (Losses)**

The Group's net monetary position gains (losses) are detailed below:

	01.01.2025 30.09.2025
Non-Monetary Items	
Financial position items	
Inventories	(7.185.348)
Tangible fixed assets	64.370.597
Intangible fixed assets	145.361
Right-of-use assets	5.695.096
Paid-in capital	(246.577.113)
Retained earnings	(11.588.935)
Subsidiary company	339.543
Retained earnings/losses from prior years	115.227.563
Income Statement Items	
Revenue	(66.054.306)
Cost of sales	44.570.543
Marketing, sales, and distribution expenses	14.067.099
General administrative expenses	11.461.950
Other income/expenses from main activities	1.413.221
Income from investment activities	(137.417)
Financial income/expenses	19.291.825
Total	(54.960.322)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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NOTE 38 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS**Items to be Reclassified to Profit or Loss**

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Gains (losses) from foreign currency exchange differences related to the conversion of abroad subsidiaries financials	(319.809)	(396.802)	(244.877)	96.537
Total	(319.809)	(396.802)	(244.877)	96.537

NOTE 39 – ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (December 31, 2024 – None).

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

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a tax return.

The corporate tax rate to be accrued on taxable corporate income is calculated on the remaining base after adding expenses that cannot be deducted from the tax base recorded as expenses in determining commercial income and deducting exempt income, non-taxable income, and other deductions (if any, losses from previous years and investment deductions used if preferred). The effective tax rate applicable on September 30, 2025, is 25% (December 31, 2024: 25%).

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated December 5, 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

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

	30.09.2025	31.12.2024
Prepaid taxes and funds	711.094	1.761.730
Total	711.094	1.761.730

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

	01.01.2025 30.09.2025	01.01.2024 30.09.2024	01.07.2025 30.09.2025	01.07.2024 30.09.2024
Deferred tax income / (expense), net	86.872.814	(1.183.547)	9.256.981	5.355.678
Corporate tax payable/refundable	86.872.814	(1.183.547)	9.256.981	5.355.678

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

The Company recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its statutory financial statements and its financial statements prepared in accordance with TAS. These differences generally arise from certain income and expense items being recognized in different periods in the financial statements prepared for tax purposes and those prepared in accordance with TAS, and are described below. Law No. 7316 on Amendments to the Law on Collection Procedures for Public Receivables and Certain Other Laws, published in the Official Gazette dated April 22, 2021, the corporate tax rate will be applied at 25% for the years ending September 30, 2025, and December 31, 2024, respectively, under the scope of Law No. 7316 on the Collection Procedures for Public Receivables and Amendments to Certain Laws, which entered into force upon its publication in the Official Gazette. Under the aforementioned law, deferred tax assets and liabilities in the financial statements dated December 31, 2024, have been calculated at a tax rate of 25% for the portion of temporary differences that will have a tax effect for September 30, 2025, and 25% for 2024.

	30.09.2025		31.12.2024
	Deferred tax asset/ (liability)	Deferred tax asset/ (liability)	
	Total temporary differences	Total temporary differences	
Deferred tax assets:			
Doubtful trade receivables	27.529.176	6.882.294	(4.039.515)
Receivable rediscounts	22.567.169	5.641.792	(37.128.110)
Regulations on leases	726.234	181.559	(23.458.716)
Expected credit losses (receivables)	2.725.173	681.293	(4.723.817)
Exchange rate differences	--	--	(113.081)
Provision for unused vacation	1.213.733	303.433	(866.692)
Provision for employment termination benefits	5.005.056	350.295	(1.185.839)
VUK valuation adjustment building	51.561.037	12.890.259	(64.672.796)
VUK valuation adjustment other	4.778.974	1.194.744	(5.994.248)
Bank loans	--	--	(21.551.057)
IFRS inflation adjustments	733.425.940	183.356.485	(681.346.270)
Deferred tax assets	849.532.492	211.482.153	(845.080.139)
Deferred tax liability:			
Depreciation adjustments	(31.594.875)	(7.898.719)	25.350.786
Adjustments to tangible and intangible assets	--	--	3.359.787
Revaluation reserves recognised as income	(5.985.916)	(1.496.479)	7.508.109
Exchange rate differences	--	--	101.891
Debt rediscounts	(1.345.459)	(336.365)	8.047.823
Inventory adjustments	(359.580.708)	(89.895.177)	536.720.703
VUK inflation adjustment cancellations - land	(17.246.449)	(2.155.806)	21.632.150
VUK inflation adjustment cancellations	(103.453.088)	(25.863.272)	283.521.759
Deferred tax liabilities	(519.206.494)	(127.645.817)	886.243.008
Deferred tax assets / (liabilities), net		83.836.336	(3.808.644)

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NOTE 41 – EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income for the period by the weighted average number of shares outstanding during the period.

The Company's earnings per share calculation is as follows.

	01.01.2025	01.01.2024	01.07.2025	01.07.2024
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
Net Profit for The Period as A Share of The Parent Company	(401.667.907)	(394.040.662)	(301.445.547)	(158.304.630)
Weighted Average Number of Issued Ordinary Shares (1 TRY Each)	250.000.000	250.000.000	250.000.000	250.000.000
Earnings per share (TRY)	(1.61)	(1.58)	(1.21)	(0.63)

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 FLUCTUATIONS

The Company's foreign exchange risk as of September 30, 2025 is shown in the table in Note 48. The exchange rate gain and loss arising for the fiscal year ending September 30, 2025 are presented in the accompanying financial statements under other income/expenses from operating activities and finance income/expenses.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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NOTE 45 – HYPERINFLATIONARY ECONOMY REPORTING

According to TAS 29 Financial Reporting in Hyperinflationary Economies, entities whose functional currency is the currency of a hyperinflationary economy report their financial statements based on the purchasing power of money at the end of the reporting period. TAS 29 defines characteristics that may indicate an economy is hyperinflationary and recommends that entities apply the Standard simultaneously.

In a statement made by the Public Oversight Accounting and Standards Authority (POA) on January 20, 2022, it was stated that businesses did not need to make any adjustments under TAS 29 in their financial statements for 2021. However, no statement was made regarding whether adjustments would be made to financial statements under TAS 29 for the financial statements for the accounting period ending September 30, 2025. In this context, as there is no consensus across the country on the application of inflation accounting, no inflation adjustment has been made in accordance with TAS 29 when preparing the financial statements as of September 30, 2025, in order to ensure comparability.

NOTE 46 – DERIVATIVE INSTRUMENTS

None. (December 31, 2024: None.)

NOTE 47 – FINANCIAL INSTRUMENTS

•Short-Term Borrowings

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

	30.09.2025	31.12.2024
Bank loans	71.375.446	143.068.139
Other financial debts	17.215.664	30.287.815
Total	88.591.110	173.355.954

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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NOTE 47 – FINANCIAL INSTRUMENTS (Continued)

- **Short-Term Portions of Long-Term Borrowings**

	30.09.2025	31.12.2024
Bank loans	360.366.143	579.505.037
Total	360.366.143	579.505.037

- **Long-Term Borrowings**

	30.09.2025	31.12.2024
Bank loans	5.982.529	72.775.033
Total	5.982.529	72.775.033

The maturities of bank loans are presented below.

	30.09.2025	31.12.2024
Payable within 1 year	448.957.253	752.860.991
To be paid within 1-2 years	5.982.529	60.487.751
To be paid within 2-3 years	--	12.287.281
Total	454.939.782	825.636.023

- **Liabilities arising from leasing transactions**

	30.09.2025	31.12.2024
Obligations arising from leasing transactions (short-term)	10.751.715	5.576.010
Liability arising from lease transactions (long-term)	16.851.421	7.237.257
Total	27.603.136	12.813.268

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

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

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

In capital management, the company aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The debt-to-equity ratio, which is calculated by dividing the net debt of the company, which is calculated by deducting the cash and cash equivalents of the company and short-term financial investments from the financial liabilities, by the total capital is as follows:

	30.09.2025	31.12.2024
Total debt	971.522.480	1.224.781.979
Less: Cash and cash equivalents	(13.009.786)	(14.543.480)
Net debt	958.512.694	1.210.238.499
Total equity	546.065.291	704.678.195
Debt/equity ratio	1,76	1,72

	30.09.2025	31.12.2024
Total financial debt	971.522.480	1.224.781.979
Less: Cash and cash equivalents	(13.009.786)	(14.543.480)
Net financial debt	958.512.694	1.210.238.499
Total equity	546.065.291	704.678.195
Paid-in capital	250.000.000	250.000.000
Net financial debt/investment capital ratio	3,83	4,84

•Financial Risk Factors

The main risks brought by the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The company management and the board of directors examine and accept 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 liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest due dates. Interests to be paid on these liabilities are included in the table below.

Derivative financial liabilities are arranged according to undiscounted net cash inflows and outflows. Futures instruments are paid net for futures transactions that have to be paid in gross and are realized over undiscounted, gross cash inflows and outflows. When receivables and payables are not fixed, the amount disclosed is determined using the interest rate derived from the yield curves at the report date.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

30.09.2025	Book value	Cashflow according to the agreement	0-1 Year	1-2 years	2-3 years
Non-derivative financial liabilities:	926.634.292	926.634.292	(22.737.257)	5.982.529	--
Financial liabilities	454.939.782	454.939.782	448.957.253	5.982.529	--
Payables under employee benefits	6.751.688	6.751.688	(6.751.688)	--	--
Trade and other payables	464.942.822	464.942.822	(464.942.822)	--	--
Derivative financial liabilities:					
Total	926.634.292	926.634.292	(22.737.257)	5.982.529	0
31.12.2024	Book value	Cashflow according to the agreement	0-1 Year	1-2 years	2-3 years
Non-derivative financial liabilities:	1.200.703.424	1.200.703.424	377.793.590	60.487.751	12.287.281
Financial liabilities	825.636.024	825.636.024	752.860.991	60.487.751	12.287.281
Payables under employee benefits	3.355.247	3.355.247	(3.355.247)	--	--
Trade and other payables	371.712.153	371.712.153	(371.712.153)	--	--
Derivative financial liabilities:	--	--	--	--	--
Total	1.200.703.424	1.200.703.424	377.793.590	60.487.751	12.287.281

• Market Risk Management

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

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

• **Currency Risk Management**

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

	30.09.2025		
	TRY	USD	Euro
	Equivalent		
1. Trade receivables	13.611.764	205.921	103.887
2a. Monetary financial assets (including cash and bank accounts)	4.859.992	49.269	57.742
2b. Non-monetary financial assets	--	--	--
3. Other	11.481.988	150.840	107.097
4. Current assets (1+2+3)	29.953.744	406.030	268.726
5. Trade receivables	--	--	--
6a. Monetary financial assets	--	--	--
6b. Non-monetary financial assets	--	--	--
7. Other	--	--	--
8. Fixed assets (5+6+7)	--	--	--
9. Total assets (4+8)	29.953.744	406.030	268.726
10. Trade payables	55.814.680	1.322.395	19.001
11. Financial liabilities	--	--	--
12a. Other monetary financial liabilities	3.624.570	46.723	34.568
12b. Other non-monetary financial liabilities	--	--	--
13. Short-term liabilities (10+11+12)	59.439.250	1.369.118	53.569
14. Trade payables	--	--	--
15. Financial liabilities	91.385.532	2.201.700	--
16 a. Other monetary financial liabilities	--	--	--
16 b. Other non-monetary financial liabilities	--	--	--
17. Long-term liabilities (14+15+16)	91.385.532	2.201.700	--
18. Total liabilities (13+17)	150.824.782	3.570.818	53.569
19. Off-balance sheet derivative instruments			
Net Asset / (Liability) Position (19a-19b)	--	--	--
19a. Amount of Foreign Currency Derivative Products with Active Characters	--	--	--
19b. Amount of Foreign Currency Derivative Products with Liable Characters	--	--	--
20. Net foreign currency asset / (liability) position (9-18+19)	(120.871.038)	(3.164.788)	215.157
21. Monetary items net foreign currency asset / (liability) position	(132.353.026)	(3.315.628)	108.060
22. Total fair value of financial instruments used for currency hedging	--	--	--
23. Amount of the hedged portion of foreign currency assets	--	--	--
24. Amount of the hedged portion of foreign currency liabilities	--	--	--
25. Exports	63.244.493	267.008	1.190.225
26. Imports	240.279.618	6.186.188	--

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

• **Financial Risk Factors (Continued)**

	31.12.2024		
	TRY Equivalent	USD	Euro
1. Trade receivables	11.575.698	206.704	116.891
2a. Monetary financial assets (including cash and bank accounts)	7.545.305	111.740	98.235
2b. Non-monetary financial assets	--	--	--
3. Other	8.368.855	75.316	155.566
4. Current assets (1+2+3)	27.489.858	393.761	370.692
5. Trade receivables	--	--	--
6a. Monetary financial assets	--	--	--
6b. Non-monetary financial assets	--	--	--
7. Other	--	--	--
8. Fixed assets (5+6+7)	--	--	--
9. Total assets (4+8)	27.489.858	393.761	370.692
10. Trade payables	31.161.341	864.836	19.023
11. Financial liabilities	--	--	--
12a. Other monetary financial liabilities	2.013.348	56.262	860
12b. Other non-monetary financial liabilities	--	--	--
13. Short-term liabilities (10+11+12)	33.174.690	921.099	19.883
14. Trade payables	--	--	--
15. Financial liabilities	--	--	--
16 a. Other monetary financial liabilities	--	--	--
16 b. Other non-monetary financial liabilities	--	--	--
17. Long-term liabilities (14+15+16)	--	--	--
18. Total liabilities (13+17)	33.174.690	921.099	19.883
19. Off-balance sheet derivative instruments	--	--	--
Net Asset / (Liability) Position (19a-19b)	--	--	--
19a. Amount of Foreign Currency Derivative Products with Active Characters	--	--	--
19b. Amount of Foreign Currency Derivative Products with Liable Characters	--	--	--
20. Net foreign currency asset / (liability) position (9-18+19)	(5.684.832)	(527.338)	350.809
21. Monetary items net foreign currency asset / (liability) position	(14.053.686)	(602.655)	195.243
22. Total fair value of financial instruments used for currency hedging	--	--	--
23. Amount of the hedged portion of foreign currency assets	--	--	--
24. Amount of the hedged portion of foreign currency liabilities	--	--	--
25. Exports	123.898.532	1.344.269	2.081.098
26. Imports	599.854.416	17.776.643	635.494

The Company is primarily exposed to currency risk 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 by senior management when reporting currency risk within the Company and represents the management's expectation of a possible change in exchange rates. The sensitivity analysis covers only monetary items denominated in foreign currencies that are open at year-end and shows the effects of a 20% change in exchange rates on those items at year-end. A positive value indicates 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	
	Foreign value of money gain	Foreign value of money losing	Foreign value of money gaining	Foreign value of money loss
30.09.2025				
If the US Dollar exchange rate changes by 20%:				
1- Net US Dollar assets/liabilities	(26.272.046)	26.272.046	(26.272.046)	26.272.046
2- US Dollar portion hedged against risk (-)	-	-	-	-
3- Net impact of US Dollar (1+2)	(26.272.046)	26.272.046	(26.272.046)	26.272.046
If the Euro exchange rate changes by 20%:				
4- Net euro assets/liabilities	2.097.839	(2.097.839)	2.097.839	2.097.839
5- Euro-hedged portion (-)	-	-	-	-
6- Net impact of the euro (4+5)	2.097.839	(2.097.839)	2.097.839	2.097.839
If other exchange rates change by an average of 20%:				
7- Net foreign currency assets/liabilities	-	-	-	-
8- Portion hedged against other foreign exchange rate risk (-)	-	-	-	-
9- Net effect of other foreign currency assets (7+8)	-	-	-	-
TOTAL (3+6+9)	(24.174.208)	24.174.208	(24.174.208)	28.369.885
31.12.2024				
If the US dollar exchange rate changes by 20%:				
1- Net US Dollar assets/liabilities	(3.714.917)	3.714.917	(3.714.917)	3.714.917
2- US Dollar portion hedged against risk (-)	-	-	-	-
3- Net impact of US Dollar (1+2)	(3.714.917)	3.714.917	(3.714.917)	3.714.917
If the Euro exchange rate changes by 20%:				
4- Net euro assets/liabilities	2.577.951	(2.577.951)	2.577.951	2.577.951
5- Euro-hedged portion (-)	-	-	-	-
6- Net impact of the euro (4+5)	2.577.951	(2.577.951)	2.577.951	2.577.951
If other exchange rates change by an average of 20%:				
7- Net foreign currency assets/liabilities	-	-	-	-
8- Portion hedged against other foreign exchange rate risk (-)	-	-	-	-
9- Net effect of other foreign currency assets (7+8)	-	-	-	-
TOTAL (3+6+9)	(1.136.966)	1.136.966	(1.136.966)	6.292.868

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 it to interest rate risk. These risks are managed using natural methods resulting from the netting of interest rate-related assets and liabilities. The interest rates of financial assets and liabilities are specified in the relevant notes. The distribution of the Company's interest rate-sensitive financial instruments is as follows:

	30.09.2025	31.12.2024
Fixed-rate instruments		
Financial liabilities	94.874.980	812.822.756
Total	94.874.980	812.822.756
Floating-rate instruments		
Financial liabilities	360.064.802	12.813.267
Total	360.064.802	12.813.267

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

• **Financial Risk Factors (Continued)**

• **Credit Risk Management**

		Receivables				Total
		Trade Receivables	Other Receivables		In Banks	
30.09.2025	Related Parties	Other Parties	Related Parties	Other Party	Deposits	
Maximum credit risk exposure as of the reporting date	--	324.371.918	5.048.737	3.447.725	8.055.855	340.924.235
- The part of the maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not overdue or impaired	--	324.371.918	5.048.737	3.447.725	8.055.855	340.924.235
B- Book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired	--	--	--	--	--	--
C- Net book value of assets that are past due but have not suffered a decline in value	--	--	--	--	--	--
D- Net book values of impaired assets	--	--	--	--	--	--
- overdue	--	27.532.511	--	--	--	27.532.511
- impairment	--	(27.532.511)	--	--	--	(27.532.511)
E- Factors that include off balance sheet credit risks	--	--	--	--	--	--

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

• Financial Risk Factors (Continued)

• Credit Risk Management (Continued)

		Receivables				
		Trade Receivables	Other Receivables	In Banks		
31.12.2024	Related Parties	Other Parties	Related Parties	Other Party	Deposits	Total
Maximum credit risk exposure as of the reporting date	--	571.179.376	4.965.057	10.004.726	10.945.888	597.095.047
- The part of the maximum risk secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are not overdue or impaired	--	571.179.376	4.965.057	10.004.726	10.945.888	597.095.047
B- Book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired	--	--	--	--	--	--
C- Net book value of assets that are past due but have not suffered a decline in value	--	--	--	--	--	--
D- Net book values of impaired assets	--	--	--	--	--	--
- overdue	--	2.964.996	--	--	--	2.964.996
- impairment	--	(2.964.996)	--	--	--	2.964.996
E- Factors that include off balance sheet credit risks	--	--	--	--	--	--

The risk that a financial instrument may cause a financial loss to the Company due to one of the parties to the contract failing to fulfill its contractual obligations is defined as credit risk. The financial instruments that could cause significant credit risk concentration for the Company mainly consist of cash and cash equivalents and trade receivables. The maximum credit risk to which the Company may be exposed is the amounts reflected in the financial statements.

The Company holds cash and cash equivalents at various financial institutions. The Company manages this risk by continuously assessing the reliability of the financial institutions with which it has relationships.

Credit risk arising from trade receivables is limited due to the high customer volume and the Company management's policy of limiting the amount of credit extended to customers. The allowance for doubtful accounts set aside for financial assets is determined based on past experience of non-collection. As of the balance sheet date, there are no guarantees received for trade receivables past due for which an allowance has been set aside.

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

Fair value refers to the price at which a financial instrument would be bought or sold in an arm's length transaction between willing parties, except in cases of forced sale or liquidation. The quoted market price, if available, is the value that best reflects the fair value of a financial instrument. The fair values of the Company's financial instruments have been estimated to the extent that relevant and reliable information can be obtained from financial markets in Turkey. The estimates presented here may not reflect the amounts the Company could obtain in a market transaction. The methods and assumptions used in estimating the fair values of the Company's financial instruments are described below.

The following methods and assumptions have been used to estimate the fair values of financial instruments whose fair values can be estimated in practice:

Financial Assets

Monetary assets whose fair value approximates their book value:

- Foreign currency balances are translated at the end-of-period exchange rate.
- It is assumed that the fair values of certain financial assets (cash and bank balances) shown at cost in the statement of financial position approximate their statement of financial position values.
- The fair value of trade receivables is estimated to be close to their carrying value after allowances are made.

Financial Liabilities

Monetary liabilities whose fair value approximates their carrying amount:

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

Fair value measurement hierarchy table

The company classifies fair value measurements of financial instruments reflected at fair value in the financial statements using a three-level hierarchy based on the source of inputs for each financial instrument class, as follows.

Level 1: Financial assets and liabilities are measured at quoted market prices in active markets for identical assets and liabilities.

Level 2: Financial assets and liabilities are measured using inputs other than the quoted price of the asset or liability in Level 1 that can be directly or indirectly observed in the market.

Level 3: Financial assets and liabilities are valued using inputs that are not observable market data used to determine the fair value of the asset or liability.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING) (Continued)

30.09.2025	Fair value through profit and loss financial assets	Ready for sale financial assets	Amortized cost shown in the financial financial assets	Amortized its value shown financial liabilities	Book value	Note
Financial assets						
Cash and cash equivalents	--	--	13.009.786	--	13.009.786	53
Trade receivables	--	--	324.371.918	--	324.371.918	7
Other receivables	--	--	8.496.462	--	8.496.462	9
Receivables from related parties	--	--	5.048.737	--	5.048.737	6
Other financial assets	--	--	13.099.322	--	13.099.322	8
Financial liabilities						
Financial liabilities	--	--	--	454.939.782	454.939.782	47
Trade payables	--	--	--	91.393.162	91.393.162	7
Other liabilities	--	--	--	3.166.932	3.166.932	9
Debts from related parties	--	--	--	370.382.728	370.382.728	6
Other financial liabilities	--	--	--	--	--	8

31.12.2024	Fair value through profit and loss financial assets	Ready for sale financial assets	Amortized cost shown in the financial financial assets	Amortized from its value shown financial liabilities	Book value	Note
Financial assets						
Cash and cash equivalents	--	--	14.543.481	--	14.543.481	53
Trade receivables	--	--	571.179.375	--	571.179.375	7
Other receivables	--	--	10.004.725	--	10.004.725	9
Receivables from related parties	--	--	4.965.058	--	4.965.058	6
Other financial assets	--	--	22.810.953	--	22.810.953	8
Financial liabilities						
Financial liabilities	--	--	--	838.449.292	838.449.292	47
Trade payables	--	--	--	370.049.624	370.049.624	7
Other liabilities	--	--	--	1.662.529	1.662.529	9
Debts from related parties	--	--	--	--	--	6
Other financial liabilities	--	--	--	--	--	8

Company management believes that the carrying amounts of its financial instruments reflect their fair values.

NOTE 50 – SUBSEQUENT EVENTS

None. (December 31, 2024 – None.)

NOTE 51 – THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None. (December 31, 2024 - None.)

NOTE 52 – FIRST TRANSITION TO TFRS

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 53 – DISCLOSURES ON CASH FLOW STATEMENT

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

	30.09.2025	31.12.2024
Cash	202.478	75.781
Banks	8.055.855	13.729.382
- Demand deposits	7.749.859	13.639.277
- Time deposits	305.996	90.105
Demand bills received	4.431.138	--
Other liquid assets	320.315	738.317
Total	13.009.786	14.543.480

The details of term deposits as of the balance sheet date are as follows:

30.09.2025	Maturity Start Date	Maturity End Date	Interest Rate	Amount TRY
Ziraat Bank TRY deposit account	30.09.2025	1.10.2025	38,00%	700.000
Halkbank TRY Deposit Account	30.09.2025	1.10.2025	38,00%	300.000
Halkbank TRY deposit account	5.09.2025	13.10.2025	5,00%	5.996
Total				1.005.996

The details of term deposits as of the balance sheet date 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%	82.800
Halkbank TRY deposit account	30.12.2024	3.02.2025	5,00%	7.305
Total				90.105

YÜKSELEN ÇELİK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 54 – OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR THAT NEED TO BE DISCLOSED TO ENSURE THE FINANCIAL STATEMENTS ARE CLEAR, UNDERSTANDABLE, AND INTERPRETABLE**• Fees for Services Received from the Independent Auditor/Independent Audit Firm**

The Group's explanation regarding the fees for services provided by independent audit firms, prepared in accordance with the POA Board Decision published in the official gazette on March 30, 2021, and based on the POA letter dated August 19, 2021, is as follows:

	30.09.2025	31.12.2024
Independent audit fee for the reporting period	275.000	439.004
Other assurance services for the reporting period	--	--
Tax advisory services for the reporting period	--	--
Other non-audit services for the reporting period	--	--
Total	275.000	439.004

(*) The independent audit fee is for the audit period from January 1, 2025, to September 30, 2025, and excludes VAT.

(**) Prior period report fees have been indexed using the inflation presentation index.

NOTE 55 – DISCLOSURES OF CHANGES IN EQUITY

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

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