# KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ
# AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2026**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE INTERIM CONSOLIDATED FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY- 31 MARCH 2026**

**CONTENTS** **INDEX**


CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ..... 1-2
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ..... 3-4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ..... 5
CONSOLIDATED STATEMENTS OF CASH FLOWS ..... 6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ..... 7-44

NOTE 1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS ..... 7
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS ..... 8
NOTE 3 BUSINESS COMBINATIONS ..... 21
NOTE 4 DISCLOSURE OF INTERESTS IN OTHER ENTITIES ..... 21
NOTE 5 SEGMENT REPORTING ..... 21
NOTE 6 CASH AND CASH EQUIVALENTS ..... 22
NOTE 7 FINANCIAL INVESTMENTS ..... 23
NOTE 8 BORROWINGS ..... 23
NOTE 9 OTHER FINANCIAL LIABILITIES ..... 24
NOTE 10 TRADE RECEIVABLES AND PAYABLES ..... 24
NOTE 11 OTHER RECEIVABLES AND PAYABLES ..... 25
NOTE 12 DERIVATIVE INSTRUMENTS ..... 25
NOTE 13 INVENTORIES ..... 26
NOTE 14 RIGHT OF USE ASSETS ..... 26
NOTE 15 PREPAID EXPENSES AND DEFERRED INCOME ..... 26
NOTE 16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD ..... 26
NOTE 17 INVESTMENT PROPERTIES ..... 27
NOTE 18 PROPERTY, PLANT AND EQUIPMENT ..... 27
NOTE 19 INTANGIBLE ASSETS ..... 28
NOTE 20 EMPLOYEE BENEFITS ..... 29
NOTE 21 GOVERNMENT GRANTS ..... 29
NOTE 22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS ..... 29
NOTE 23 COMMITMENTS ..... 30
NOTE 24 PROVISIONS FOR EMPLOYEE BENEFITS ..... 30
NOTE 25 TAX ASSETS AND LIABILITIES ..... 30
NOTE 26 OTHER ASSETS AND LIABILITIES ..... 31
NOTE 27 EQUITY ..... 31
NOTE 28 REVENUE AND COST OF SALES ..... 32
NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES ..... 33
NOTE 30 EXPENSES BY NATURE ..... 33
NOTE 31 OTHER OPERATING INCOME/(EXPENSES) ..... 34
NOTE 32 GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES ..... 34
NOTE 33 FINANCIAL INCOME/(EXPENSES) ..... 34
NOTE 34 NET MONETARY POSITION GAINS/(LOSSES) ..... 34
NOTE 35 INCOME TAXES ..... 35
NOTE 36 EARNINGS PER SHARE ..... 36
NOTE 37 RELATED PARTY DISCLOSURES ..... 37
NOTE 38 NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS ..... 37
NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING) ..... 42
NOTE 40 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS ..... 43
NOTE 41 EVENTS AFTER THE REPORTING PERIOD ..... 43
NOTE 42 THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE ..... 43

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 MARCH 2026 AND 31 DECEMBER 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | Notes | Unreviewed current period 31.03.2026 | Audited prior period 31.12.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | **14.257.772.717** | **14.406.504.862** |
| Cash and Cash Equivalents | 6 | *4.420.436.202* | *4.725.814.003* |
| Financial Investments | 7 | 992.260.360 | 971.886.570 |
| Trade Receivables | 10 | *3.627.929.025* | *4.305.174.745* |
| *Third Parties* | *10* | *3.627.929.025* | *4.305.174.745* |
| Other Receivables | 11 | *464.669.780* | 329.844.548 |
| *Third Parties* | *11* | *353.872.302* | *209.182.977* |
| *Related Parties* | *11-37* | *110.797.478* | *120.661.571* |
| Inventories | 13 | 4.357.866.179 | 3.759.604.203 |
| Prepaid Expenses | 15 | 313.264.092 | 226.631.831 |
| *Third Parties* | *15* | *313.264.092* | *226.631.831* |
| Current Income Tax Assets | 25 | 1.496 | 1.646 |
| Other Current Assets | 26 | 81.345.583 | 87.547.316 |
| | | | |
| **Non-Current Assets** | | **14.394.406.108** | **14.422.616.156** |
| Other Receivables | 11 | 63.322.017 | 64.917.156 |
| *Third Parties* | *11* | *6.664.519* | *7.333.770* |
| *Related Parties* | *11-37* | *56.657.498* | *57.583.386* |
| Financial Investments | 7 | 6.711 | 6.711 |
| Right of Use Assets | 14 | 235.201.200 | 256.374.791 |
| Investment Properties | 17 | 774.910.262 | 774.910.262 |
| Property, Plant and Equipment | 18 | 13.310.770.922 | 13.316.722.853 |
| Intangible Assets | 19 | 10.194.996 | 9.684.383 |
| *Other Intangible Assets* | *19* | *10.194.996* | *9.684.383* |
| **TOTAL ASSETS** | | **28.652.178.825** | **28.829.121.018** |

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 MARCH 2026 AND 31 DECEMBER 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | Notes | Unreviewed current period 31.03.2026 | Audited prior period 31.12.2025 |
|---|---|---|---|
| **LIABILITIES** | | | |
| **Current Liabilities** | | **11.591.952.388** | **11.444.352.750** |
| Short-Term Borrowings | 8 | 6.299.515.402 | 5.365.254.668 |
| Short-Term Portion of Long-Term Borrowings | 8 | 193.655.854 | 212.757.108 |
| Trade Payables | 10 | 4.228.701.599 | 4.895.079.566 |
| *Third Parties* | *10* | *4.228.701.599* | *4.895.079.566* |
| Employee Benefits | 20 | 122.158.369 | 120.937.279 |
| Other Payables | 11 | 284.240.075 | 212.428.446 |
| *Third Parties* | *11* | *283.930.054* | *212.428.446* |
| *Related Parties* | *11-37* | *310.021* | - |
| Deferred Income | 15 | 340.750.631 | 480.039.006 |
| *Third Parties* | 15 | 340.750.631 | 480.039.006 |
| Current Income Tax Liabilities | 35 | 37.374.571 | 73.030.914 |
| Short-Term Provisions | 22 | 85.519.351 | 84.825.763 |
| *Other Short-Term Provisions* | *22* | *55.951.758* | *61.570.434* |
| *Short-Term Provisions for Employee Benefits* | *22* | *29.567.593* | *23.255.329* |
| Other Current Liabilities | 26 | 36.536 | - |
| | | | |
| **Non-Current Liabilities** | | **3.363.425.440** | **3.814.390.869** |
| Long-Term Borrowings | 8 | 1.859.234.200 | 2.336.757.186 |
| Long-Term Provisions | 24 | 105.688.308 | 71.700.904 |
| *Long-Term Provisions for Employee Benefits* | *24* | *105.688.308* | *71.700.904* |
| Deferred Tax Liabilities | 35 | 1.398.502.932 | 1.405.932.779 |
| | | | |
| **EQUITY** | | **13.696.800.997** | **13.570.377.399** |
| **Equity Holders of the Parent** | **27** | **13.652.788.635** | **13.526.958.000** |
| Paid-in Share Capital | 27 | 1.915.000.000 | 1.915.000.000 |
| Adjustment to Share Capital | 27 | 1.928.912.322 | 1.928.912.322 |
| Share Premium | 27 | 455.713.711 | 455.713.711 |
| Other Comprehensive Income or Expenses not to be reclassified to Profit or Loss | 27 | 2.281.721.347 | 2.292.886.268 |
| Other Comprehensive Income or Expenses to be reclassified to Profit or Loss | 27 | (731.259.641) | (705.999.804) |
| Restricted Reserves | 27 | 551.865.993 | 551.865.993 |
| Retained Earnings | 27 | 7.131.998.910 | 6.567.549.698 |
| Profit for the Period | 27 | 118.835.993 | 521.029.812 |
| Non-Controlling Interests | 27 | 44.012.362 | 43.419.399 |
| **TOTAL LIABILITIES AND EQUITY** | | **28.652.178.825** | **28.829.121.018** |

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**
**FOR THE INTERIM PERIODS ENDED 31 MARCH 2026 AND 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | Notes | Unreviewed current period 01.01.2026 31.03.2026 | Unreviewed prior period 01.01.2025 31.03.2025 |
|---|---|---|---|
| Revenue | 28 | 5.055.055.997 | 5.919.691.395 |
| Cost of Sales (-) | 28 | (4.113.034.075) | (4.657.917.948) |
| **Gross profit from non-finance sector operations** | | **942.021.922** | **1.261.773.447** |
| **GROSS PROFIT** | | **942.021.922** | **1.261.773.447** |
| Marketing, Sales and Distribution Expenses (-) | 29-30 | (240.436.905) | (421.340.867) |
| General Administrative Expenses (-) | 29-30 | (114.359.175) | (123.234.777) |
| Research and Development Expenses (-) | 29-30 | (22.108.886) | (4.484.965) |
| Other Operating Income | 31 | 268.313.463 | 1.012.195.465 |
| Other Operating Expenses (-) | 31 | (369.416.445) | (691.247.294) |
| **OPERATING PROFIT** | | **464.013.974** | **1.033.661.009** |
| Gains from investment activities | 32 | 278.241.120 | 147.837.248 |
| Losses from investment activities (-) | 32 | (36.858.220) | (922.438) |
| **OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)** | | **705.396.874** | **1.180.575.819** |
| Financial Income | 33 | 27.247.956 | 297.825.974 |
| Financial Expenses (-) | 33 | (399.334.604) | (886.160.467) |
| Net monetary position gains/(losses) | 34 | (56.707.067) | (206.222.591) |
| **PROFIT BEFORE TAX** | | **276.603.159** | **386.018.735** |
| **Tax income/(expense)** | 35 | **(152.623.724)** | **(28.842.373)** |
| - Current period tax expense | | (24.639.911) | (177.803) |
| - Deferred income tax | | (127.983.813) | (28.664.570) |
| **PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS** | | **123.979.435** | **357.176.362** |
| **PROFIT FOR THE PERIOD** | | **123.979.435** | **357.176.362** |
| **Attributable to** | | 123.979.435 | 357.176.362 |
| Non-Controlling Interests | | 5.143.442 | 892.772 |
| Equity Holders of the Parent | | 118.835.993 | 356.283.590 |
| | | | |
| **Earnings Per Share** | | | |
| Earnings Per Share from Continuing Operations | 36 | 0.0621 | 0.1860 |

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOM**
**FOR THE INTERIM PERIODS ENDED 31 MARCH 2026 AND 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | Notes | Unreviewed current period 01.01.2026 31.03.2026 | Unreviewed prior period 01.01.2025 31.03.2025 |
|---|---|---|---|
| **PROFIT FOR THE PERIOD** | **36** | **123.979.435** | **357.176.362** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **Items not to be reclassified to profit or loss** | | **(11.164.921)** | **28.196.519** |
| Gains/(losses) on remeasurements of defined benefit plans | 24 | (9.791.857) | 30.824.456 |
| Adjustments for inflation, net | | - | 3.536.954 |
| Taxes relating to other comprehensive income not to be reclassified to profit or loss | | (1.373.064) | (6.164.891) |
| - Deferred income tax - (Actuarial gains/losses) | 35 | (1.373.064) | (6.164.891) |
| **Items to be reclassified to profit or loss** | | **(29.810.316)** | **(433.785.059)** |
| Currency translation differences | | (79.557.972) | (771.555) |
| Gains/(losses) on cash flow hedges | | 49.747.656 | (433.013.504) |
| **OTHER COMPREHENSIVE INCOME** | | **(40.975.237)** | **(405.588.540)** |
| **TOTAL COMPREHENSIVE INCOME** | | **83.004.198** | **(48.412.178)** |
| **Attributable to** | | **83.004.198** | **(48.412.178)** |
| Non-Controlling Interests | | 592.963 | (3.945.674) |
| Equity Holders of the Parent | | 82.411.235 | (44.466.504) |

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**FOR THE INTERIM PERIODS ENDED 31 MARCH 2026 AND 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | | | | | Items not to be reclassified to profit or loss | | Items to be reclassified to profit or loss | | | Retained earnings | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Unreviewed prior period** | **Notes** | **Paid-in share capital** | **Adjustment to share capital** | **Share premium** | **Gains/(losses) on remeasurements of defined benefit plans** | **Property, plant and equipment revaluation surplus** | **Currency translation differences** | **Gains/(losses) on hedge** | **Restricted reserves** | **Prior years' income** | **Profit for the period** | **Equity holders of the parent** | **Non-controlling interests** | **Total equity** |
| **Balances at 1 January 2025 (Beginning of the period)** | **27** | **1.915.000.000** | **1.928.848.356** | **455.706.127** | **(39.978.245)** | **2.311.382.601** | **166.004.418** | **(223.594.624)** | **549.179.098** | **6.458.096.770** | **119.401.805** | **13.640.046.306** | **36.751.099** | **13.676.797.405** |
| Transfers | 27 | - | - | - | - | - | - | - | - | 119.401.805 | (119.401.805) | - | - | - |
| Dividends paid | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Comprehensive Income** | | **-** | **-** | **-** | **24.624.254** | **-** | **7.639.155** | **(433.013.503)** | **-** | **-** | **356.283.590** | **(44.466.504)** | **(3.945.674)** | **(48.412.178)** |
| *-Profit for the Period* | 27 | - | - | - | - | - | - | - | - | - | *356.283.590* | *356.283.590* | *892.772* | 357.176.362 |
| *-Other Comprehensive Income* | | - | - | - | *24.624.254* | - | *7.639.155* | (433.013.503) | - | - | - | *(400.750.094)* | *(4.838.446)* | (405.588.540) |
| **Balances at 31 March 2025 (End of the period)** | **27** | **1.915.000.000** | **1.928.848.356** | **455.706.127** | **(15.353.991)** | **2.311.382.601** | **173.643.573** | **(656.608.127)** | **549.179.098** | **6.577.498.575** | **356.283.590** | **13.595.579.802** | **32.805.425** | **13.628.385.227** |
| **Unreviewed current period** | | | | | | | | | | | | | | |
| **Balances at 1 January 2026 (Beginning of the period)** | **27** | **1.915.000.000** | **1.928.912.322** | **455.713.711** | **(18.534.797)** | **2.311.421.065** | **8.894.610** | **(714.894.414)** | **551.865.993** | **6.567.549.698** | **521.029.812** | **13.526.958.000** | **43.419.399** | **13.570.377.399** |
| Transfers | 27 | - | - | - | - | - | - | - | - | 564.449.212 | (521.029.812) | 43.419.400 | (43.419.400) | - |
| Other | | - | - | - | - | - | - | - | - | - | - | - | 43.419.400 | 43.419.400 |
| **Total Comprehensive Income** | | **-** | **-** | **-** | **(11.164.921)** | **-** | **(75.007.493)** | **49.747.656** | **-** | **-** | **118.835.993** | **82.411.235** | **592.963** | **83.004.198** |
| *-Profit for the Period* | 27 | - | - | - | - | - | - | - | - | - | *118.835.993* | *118.835.993* | *5.143.442* | 123.979.435 |
| *-Other Comprehensive Income* | | - | - | - | *(11.164.921)* | - | *(75.007.493)* | *49.747.656* | - | - | - | *(36.424.758)* | *(4.550.479)* | (40.975.237) |
| **Balances at 31 March 2026 (End of the period)** | **27** | **1.915.000.000** | **1.928.912.322** | **455.713.711** | **(29.699.718)** | **2.311.421.065** | **(66.112.883)** | **(665.146.758)** | **551.865.993** | **7.131.998.910** | **118.835.993** | **13.652.788.635** | **44.012.362** | **13.696.800.997** |

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**KOCAER ÇELİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**FOR THE INTERIM PERIODS ENDED 31 MARCH 2026 AND 2025**
(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 March 2026, unless otherwise indicated.)

| | Notes | Unreviewed current period 01.01.2026 31.03.2026 | Unreviewed prior period 01.01.2025 31.03.2025 |
|---|---|---|---|
| **A) CASH FLOWS FROM OPERATING ACTIVITIES** | | **(1.019.381.907)** | **1.079.386.902** |
| **PROFIT FOR THE PERIOD** | | **123.979.435** | **357.176.362** |
| Profit for the Period from Continuing Operations | | 123.979.435 | 357.176.362 |
| **Adjustments to reconcile profit for the period to cash generated from operating activities** | | **(370.553.944)** | **1.649.263.319** |
| Depreciation and amortisation | 14-18-19 | 150.130.006 | 142.189.800 |
| Adjustments for tax income and expenses | | (32.069.758) | 71.870.538 |
| **Adjustments for Provisions** | **22-24** | **44.609.572** | **8.287.487** |
| *Adjustments for Provision for Employee Benefits (Reversal)* | 22-24 | *44.609.572* | *8.287.487* |
| **Adjustments for interest income and expenses** | | **(249.385.137)** | **(149.157.184)** |
| *Adjustments for Interest Income* | *33* | *5.633.204* | *17.231.300* |
| *Adjustments for Interest Expenses* | *33* | *(255.018.341)* | *(166.388.484)* |
| Adjustments for gains/(losses) on disposal of financial investments | | - | 1.750.391.566 |
| Adjustments for unrealized currency translation differences | | 33.721.813 | - |
| **Adjustments for gains/(losses) on fair value** | | **(241.382.900)** | **(147.837.248)** |
| *Financial assets* | | *(241.382.900)* | *(147.837.248)* |
| Adjustments for tax income and expenses | 35 | (24.639.911) | (177.803) |
| Monetary gains/(losses) | | (51.537.629) | (26.303.837) |
| **Total adjustments** | | **(370.553.944)** | **1.649.263.319** |
| **Changes in Working Capital** | | **(828.691.079)** | **(926.836.182)** |
| **Adjustments for Gains/(Losses) on Trade Receivables** | **10** | **677.245.720** | **(20.786.701)** |
| *Third parties* | | 677.245.720 | *(20.786.701)* |
| **Adjustments for Gains/(Losses) on Other Receivables Related to Operations** | **11-37** | **(127.028.210)** | **(27.937.098)** |
| *Third parties* | | *(137.818.192)* | *(32.133.499)* |
| *Related parties* | | *10.789.982* | *4.196.401* |
| Changes in Derivative Assets | | 49.747.656 | (433.013.503) |
| Changes in Inventories | 13 | (598.261.976) | (536.898.466) |
| Changes in Prepaid Expenses | 15 | (86.632.261) | 42.916.648 |
| **Adjustments for Gains/(Losses) on Trade Payables** | **10** | **(666.377.967)** | **(97.619.464)** |
| *Third parties* | | *(666.377.967)* | *(97.619.464)* |
| Adjustments for gains/(losses) on payables due to employee benefits | 20 | (9.943.831) | 28.393.433 |
| **Adjustments for Gains/(Losses) on Other Payables Related to Operations** | | **71.848.165** | **180.604.076** |
| *Third parties* | | *71.538.144* | *180.353.911* |
| *Related parties* | | *310.021* | *250.165* |
| Changes in Deferred Income | 15 | (139.288.375) | (62.496.567) |
| Adjustments for gains/(losses) on other changes in working capital | | - | 1.460 |
| **Cash Flows from Operating Activities** | | **(1.075.265.588)** | **1.079.603.499** |
| *Adjustments for gains/(losses) on provisions for employee benefits* | *22-24* | *(9.928.579)* | *(1.788.003)* |
| *Income taxes refund/(paid)* | *35* | *65.812.260* | *1.571.406* |
| **Net Cash From Operating Activities** | | **(1.019.381.907)** | **1.079.386.902** |
| **B) CASH FLOWS FROM INVESTING ACTIVITIES** | | **129.403.468** | **(3.629.044.536)** |
| **Cash outflows from purchase of property, plant and equipment and intangible assets** | **18** | **(128.463.862)** | **(284.368.685)** |
| *Property, plant and equipment and intangible assets* | *18* | *(128.463.862)* | *(284.368.685)* |
| Cash outflows from dividends and other financial instruments | | - | (3.344.675.851) |
| Cash inflows from dividends and other financial instruments | | 257.867.330 | - |
| **C) CASH FLOWS FROM FINANCING ACTIVITES** | | **659.608.131** | **(153.300.984)** |
| **Cash inflows from borrowings** | | **437.636.494** | **-** |
| *Loans* | | *437.636.494* | - |
| **Cash outflows from payments of borrowings** | | **(27.413.500)** | **(302.458.168)** |
| *Cash outflows from repayments of borrowings* | | - | *(250.594.158)* |
| *Cash outflows from other borrowings* | | *(27.413.500)* | *(51.864.010)* |
| Interest received | | 249.385.137 | 149.157.184 |
| **D) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES** | | **(230.370.308)** | **(2.702.958.618)** |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | | (75.007.493) | 7.639.155 |
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | | **(305.377.801)** | **(2.695.319.463)** |
| **E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **6** | **4.725.814.003** | **3.709.582.045** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **6** | **4.420.436.202** | **1.014.262.582** |

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

## NOTE 1 – GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi ("the Company" or "Kocaer Çelik") was established on 25 December 1984 in İzmir, Aliağa with the title of Kocaer Haddecilik Sanayi ve Ticaret Anonim Şirketi. The title of Kocaer Haddecilik Sanayi ve Ticaret Anonim Şirketi has been changed to Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi on 20 May 2021. In 2021, the Company was restructured as engage in business activities iron and steel, transportation. In accordance with the restructuring, by merging with all its subsidiaries operating in the business activities of iron and steel, transportation and automotive and excluded other subsidiaries, the Company has a structure that only have iron, steel and transportation.

Kocaer Çelik operates its business activities in its production facility in Aliağa, İzmir. Kocaer Çelik's business activties include supplying, shaping, manufacturing and trading all kinds of iron and steel products, semi-finished products and raw materials.

In its 3 steel profile factories with an annual production capacity of 800,000 tons, Galvanizing factory with a capacity of 100 thousand tons, Steel Service Center with a capacity of 120 thousand tons and Electricity production facilities with a capacity of 15 million kWh, using the latest technology and high engineering power; it produces special steel profiles for solar energy infrastructure, energy transmission line, structural steel, transportation, mining, tunneling, shipbuilding, agriculture, machinery manufacturing and defense industry sectors.

The registered address of the Kocaer Çelik is as follows:

Gümüşçay Mahallesi, Menderes Bulvarı, No: 45 Merkezefendi/Denizli

The Company has three steel profile production facilities, a galvanizing factory and a service center in Aliağa. In addition, the Company has branches in İzmir, İstanbul and Denizli. Besides, Kocaer Çelik has foreign operations in the foreign market with its subsidiary, Kocaer Steel UK LTD (Former title: Mymetal LTD), which was established in England.

The detailed information and registered address of the branches and offices is as follows:

- İstanbul Branch: Levazım Mahallesi Korlu Sokak Zorlu Center Teras Evler No:307 Beşiktaş / İstanbul,
- Aliağa Branch: Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevkii 19. Cadde No:1 Aliağa / İzmir,
- Aliağa Branch 2:Yeni Foça yolu üzeri 2. km Sanayi Caddesi Bozköy mevkii No:31 Aliağa / İzmir,
- Aliağa Branch 3: Yeni Foça yolu üzeri 3. km Horozgediği Köyü mevkii 19. Cadde No:1 Aliağa / İzmir,
- İzmir Alsancak Branch: Akdeniz Mahallesi Şehit Fethibey Caddesi No:55/161 Konak/İzmir,
- Teknokent Research and Development Techology Branch: Muradiye Mahallesi Celal Bayar Üniversitesi Küme Evleri Teknokent No:22 Yunusemre / Manisa,
- Galvanization and Service Center Branch: Bozköy Mahallesi Sanayi Caddesi Dış Kapı No: 31/6 Aliağa/İzmir.

As of 31 March 2026 and 31 December 2025, the principal shareholders and their respective shareholding rates in Kocaer Çelik are as follows:

| | 31.03.2026 | | 31.12.2025 | |
|---|---|---|---|---|
| **Shareholders** | **Amount** | **Share (%)** | **Amount** | **Share (%)** |
| Hakan Kocaer | 1.420.836.864 | 74 | 1.420.836.864 | 74 |
| Other (Listed shares) | 494.163.136 | 26 | 494.163.136 | 26 |
| **Total share capital** | **1.915.000.000** | **100** | **1.915.000.000** | **100** |

The Group has applied the registered capital system in accordance with the CMB regulations and adopted to the registered capital system with the permission of the CMB on 14 April 2022 and numbered 18/589. The issued share capital of the Group has been increased by TL 1.257.430.000 to TL 1.915.000.000 and the issued share capital has been fully paid free of collusion. The capital increase was registered and announced in the Official Gazette on 28 December 2024 and numbered 11217.

The functional breakdown of the subsidiaries ("Subsidiaries") and the associates ("Associates") their country of incorporation, effective interests, nature of business and their respective business segments are as follows:

| **Subsidiaries** | **Country of incorporation** | **Nature of business** |
|---|---|---|
| Yağız Nakliyat San. ve Tic.A.Ş. | Türkiye | International Road Transport |
| Kocaer Steel UK LTD (Former title: MYMETAL LTD) | England | Wholesale Trade of Iron and Steel Products |
| Kocaer Steel Ireland Limited (*) | Ireland | Wholesale Trade of Iron and Steel Products |
| Kocaer Enerji A.Ş. (**) | Türkiye | Energy Production |
| KCR Dış Ticaret A.Ş.(***) | Türkiye | Export and Import of Iron and Steel Products |

(*) Kocaer Steel Ireland Limited was established on 23 November 2022 by Kocaer Steel UK LTD and included in the scope of consolidation. The share capital of Kocaer Steel Ireland Limited is amounting to EUR 100. The reason of the establishment of Kocaer Steel Ireland Limited is increasing exports in the European market. As of 31 March 2026, Kocaer Steel Ireland Limited is inactive and has not been carrying on any business or operation.

(**) Kocaer Enerji Anonim Şirketi was established on 4 July 2023 and the registration of the establishment was published in Offical Gazette on 4 July 2023 and numbered 10863.

The registered address of the Kocaer Enerji is as follows:

Bozköy Mah. Sanayi Caddesi No:31/2 Aliağa/ İzmir

Kocaer Enerji's business activities include ensuring the development of projects for producing electricity, steam and heat, to establish facilities by preparing the relevant feasibility, to produce electricity and steam energy in these facilities, and to transport the produced electricity and steam to its customers.

(***) KCR Dış Ticaret Anonim Şirketi was established on 3 May 2024 and its registration was published in th Official Gazette on 3 May 2024 and numbered 11074.
The registered address of the KCR Dış Ticaret is as follows:

Gümüşçay Mah. Menderes Bulvarı No:47 Merkezefendi/ Denizli

KCR Dış Ticaret's business activities include ensuring supply, shape, manufacture, store, trade, distribute, market, transport, import and export iron and steel products, semi-finished products and raw materials.

**Country of incorporation, nature of business and respective business segments of the subsidiaries ("Subsidiaries") and the associates ("Associates") are as follows:**

1- Yağız Nakliyat San. ve Tic. A.Ş. ("Yağız Nakliyat") was established on 18 August 1995. The registered address of Yağız Nakliyat is Menderes Bulvarı No:53 Merkez/Denizli. Yağız Nakliyat's business activities include ensuring domestic and international transportation, cargo, contracting services and commodity trading. Kocaer Çelik acquired Yağız Nakliyat in 2018. Yağız Nakliyat has been consolidated in accordance with the full consolidation method. The abovementioned consolidation has been considered as "business combination under common control" and consolidated retrospectively for the periods presented with pooling of interest method in scope of TFRS 3. Another subsidary of the Kocaer Çelik is KCR Otomotiv and Yağız Nakliyat acquired KCR Otomotiv on 25 June 2021 through business combination. Voting rights and effective ownership interest of the Group have been disclosed in **Note 2.03**.

2- Kocaer Steel UK LTD (Former title: Mymetal LTD) was established on 14 January 2013. The registered address of My Metal is 204 Field End Road Eastcote Pinner Middlesex Ha5 1Rd London England. MY Metal's business activities include wholesale of iron and steel products. My Metal has been consolidated in accordance with the full consolidation method. Kocaer Çelik acquired My Metal in 2015. The abovementioned consolidation has been considered as "business combination under common control" in the accompanying consolidated financial statements. Voting rights and effective ownership interest of the Group have been disclosed in **Note 2.03**. The title of Mymetal Limited was changed and and registered as Kocaer Steel UK Limited on 29 September 2022.

3- Kocaer Enerji Anonim Şirketi was established on 4 July 2023 and included in the scope of consolidation. The registration of the establishment was published in Offical Gazette on 4 July 2023 and numbered 10863. The registered address of the Kocaer Enerji is Bozköy Mah. Sanayi Caddesi No:31/2 Aliağa/ İzmir. Kocaer Enerji's business activities include ensuring the development of projects for producing electricity, steam and heat, to establish facilities by preparing the relevant feasibility, to **produce electricity and steam energy in these facilities, and to transport the produced electricity and steam to its customers**. Voting rights and effective ownership interest of the Group have been disclosed in **Note 2.03**. The current issued share capital of Kocaer Enerji comprise of 300.000 outstanding shares each with a nominal value of TL 1. Accordingly, current share capital of Kocaer Enerji has been increased to 600.000 outstanding shares each with a nominal value of TL 1.000 representing current share capital amounting to TL 600.000.000. The relevant decision was published in Official Gazette on 11 September 2024 and numbered 1162.

4- KCR Dış Ticaret Anonim Şirketi was established on 3 May 2024 and its registration eas published in th Official Gazette on 3 May 2024 and numbered 11074. The registered address of the KCR Dış Ticaret is Gümüşçay Mah. Menderes Bulvarı No:47 Merkezefendi/ Denizli. KCR Dış Ticaret's business activities include ensuring supply, shape, manufacture, store, trade, distribute, market, transport, import and export iron and steel products, semi-finished products and raw materials. Voting rights and effective ownership interest of the Group have been disclosed in Note 2.03. The current issued share capital of KCR Dış Ticaret is amounting to TL 2.000.000 which comprise of 2.000 outstanding shares each with a nominal value of TL 1.000. The amount of TL 20.000 representing 20 outsanding shares was committed to paid-in cash by Hakan Kocaer and the remaining amount of TL 1.980.000 representing 1.980 outsanding shares was committed to paid-in cash by Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi. Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi has paid its capital commitment during the interim reporting period.

For the purpose of the consolidated financial statements and notes to the consolidated financial statements, Kocaer Çelik and its consolidated subsidiaries and associates are hereinafter referred to as "the Group".

Total end of the interim reporting period and average number of personnel employed by Kocaer Çelik is 1.031 (31 December 2025: 1.143).

## NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.01 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International and Accounting Standards ("IFRS") by the communiqués announced by the POA. The consolidated financial statements are presented in accordance with the TAS Taxonomy published by POA and the formats specified in the Financial Statement Examples and User Guide published by CMB in the Bulletin numbered 2013/19.

The Group and its subsidiaries and associates maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC") No. 6102, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion except for property, plant and equipment including land, buildings, land improvements and plant, machinery and equipment at fair value and financial assets and

liabilities at fair value with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TFRS and presented in Turkish Lira ("TL").

Foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. Adjustments and restatements, required for the fair presentation of the consolidated financial statements in conformity with the TAS/TFRS, have been accounted for in the statutory financial statements, which are prepared in accordance with the historical cost principle in accordance with TAS/TFRS.

**Reporting currency**

i) Functional and presentation currency

Items included in the consolidated financial statements of the subsidiaries and associates of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is Kocaer Çelik's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of other comprehensive income.

iii)Translation of the financial statements of subsidiaries and associates operating in foreign countries

Assets and liabilities of the subsidiaries operating in foreign countries are translated into TL at the exchange rates prevailing at the balance sheet dates. Comprehensive income items of those subsidiaries are translated into TL using average exchange rates for the period (if the average exchange rates for the period do not reasonably reflect the exchange rate fluctuations, transactions are translated using the exchange rates prevailing at the date of the transaction). Exchange differences arising from using average and balance sheet date rates are included in "currency translation differences" under equity.

The GBP ("GBP") rates as of 31 March 2026 and 31 December 2025 and annual average rates are as follows:

| | 31.03.2026 | 31.12.2025 |
|---|---|---|
| GBP ("GBP") - as of the balance sheet date | 58.6665 | 57.8159 |
| GBP ("GBP") - period average | 58.6249 | 51.9686 |

**2.02 Adjustments of Financial Statements in Hyperinflationary Periods**

*Financial Reporting in Hyperinflationary Economies*

In accordance with the announcement realised by the Public Oversight Accounting and Auditing Standards Authority (the "POA") on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period beginning on or after 31 December 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in the prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as at and for the interim period ended 31 March 2026 and as at and for the year ended 31 December 2025 in terms of the purchasing power on 31 March 2026.

In accordance with the CMB's resolution No: 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

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

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 March 2026, the indices and adjustment factors used in the restatement of the financial statements are as follows:

| Date | Index | Adjustment coefficient | Three-year cumulative inflation rates |
|---|---|---|---|
| 31.03.2026 | 121,47 | 1 | 205% |
| 31.12.2025 | 110,39 | 1.10040 | 212% |
| 31.03.2025 | 92,82 | 1.30865 | 250% |

The main components of the Group's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The consolidated financial statements for the current period presented in TL are expressed in terms of the purchasing power of TL at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power of TL at the end of the reporting period.

- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted carrying amounts of non-monetary items exceed their recoverable amounts or net realisable values, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.

- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the statement of financial position date are restated by using the relevant adjustment factors.

- All items in the statement of comprehensive income, except for the non-monetary items in the statement of financial position that have an effect on the statement of comprehensive income, are restated by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognised in the financial statements.

- The effect of inflation on the Group's net monetary asset position in the current period is recognised in the gains/(losses) on net monetary position in the consolidated statement of profit or loss.

The material influence and impact of the application of inflation accounting in accordance with TAS 29 are summarised below:

Restatement of the statement of financial position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the statement of profit or loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance. Depreciation and amortisation charges have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of the statement of cash flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been translated to the purchasing power on 31 March 2026. If financial statements with different reporting period endings are subject to consolidation, all items, whether monetary or non-monetary, are restated according to the measuring unit in effect at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the prior reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

**2.03 Basis of Consolidation and Group Accounting**

After the restructuring realized by the Group management and ceasing the operations of home textile, the main and sole activities of the Group became iron, steel and transportation operations. In order to present the consolidated financial position and the results of operations, the Group prepared its consolidated financial statements comparatively with the prior period.

The consolidated financial statements include the accounts of the Group, and its subsidiaries from the date on which the control is transferred to the Group until the date that the control ceases. The consolidated financial statements of the entities included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") by applying uniform accounting policies and presentation.

**Subsidiaries**

The Group has control over an entity when it has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the entity's returns. On the other hand, the Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In order to be consistent with accounting policies accepted by the Group, accounting policies of the subsidiaries are modified where necessary.

The statement of financial position and profit or loss of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Kocaer Çelik and its subsidiaries is eliminated against the related equity. Intercompany transactions and balances between Kocaer Çelik and its subsidiaries are eliminated during the consolidation. The carrying value of the investment held by Kocaer Çelik and its

subsidiaries is eliminated against the related equity and other equity items and non-controlling interest are reflected to the consolidated financial statements.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the consolidated statements of comprehensive income and the consolidated statements of changes in equity.

Voting rights of the subsidiaries and their effective ownership interests are as follows:

| | Proportion of voting rights and effective ownership interests held by Kocaer Çelik (%) | |
|---|---|---|
| **Subsidiaries** | **31.03.2026** | **31.12.2025** |
| Yağız Nakliyat San. Ve Tic. A.Ş. | 90.81 | 90.81 |
| Kocaer Steel UK LTD | 90 | 90 |
| Kocaer Enerji A.Ş. | 99 | 99 |
| KCR Dış Ticaret A.Ş. | 99 | 99 |

Kocaer Çelik has the joint control of its subsidiaries and associates within the scope of full consolidation method including statement of financial position and profit or loss by using the shares it owns directly or indirectly, or by using the voting rights of Kocaer Family members and related parties on their behalf.

Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that the control ceases.

Non-controlling shares in the net assets and operating results of subsidiaries are separately classified in the consolidated statements of financial position and profit or loss as "non-controlling interests".

**Business combinations under common control**

Legal mergers among the entities controlled by the Group are not evaluated within the scope of the "TFRS 3 (Revised) Business Combinations" standard. Acccordingly, in the absence of a specifically applicable TFRS, the receiving company is required to develop its own accounting policy for business combinations under common control, applying the requirements on selecting accounting policies in TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in accordance with the paragraphs 10 and 12 presented under "POA" which describes applications and policies regarding business combinations under common control.

The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Business combinations under common control" included in retained earnings.

**2.04 Comparatives and Adjustment of Prior Periods' Financial Statements**

The current period financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance.

Comparative figures are reclassified, where necessary, to conform to the changes in the presentation of the current period financial statements.

The Group prepared its consolidated statement of financial position as at 31 March 2026 on a comparative basis with consolidated statement of financial position as at 31 December 2025; and consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the interim period 1 January – 31 March 2026 on a comparative basis with consolidated financial statements for the interim period 1 January – 31 March 2025.

**2.05 Changes in Accounting Policies**

Whether there are changes and errors in accounting policies and accounting estimates, the amended significant changes and the identified significant accounting errors are implemented retrospectively and the previous periods Group's consolidated financial statements are restated. Whether the changes are amended in accounting policies effect the previous periods, aforementioned policy is implemented retrospectively to the consolidated financial statements as it had been used in. There has been no changes incurred in the accounting policies during the interim reporting period.

**2.06 Changes in Accounting Estimates and Errors**

Accounting estimates are based on reliable information and reasonable estimation methods. However, estimates are revised as a result of changes in circumstances, estimating new information or additional developments. If changes in accounting forecasts are related to only one period, amendments are made in the current period. If amendments are related to the forthcoming periods, changes are applied in both current period and forthcoming periods. The nature and amount of a change in the accounting estimate, which has a material influence on the outcome of the current period or is expected to have a material influence on subsequent periods, is disclosed in the notes to the consolidated financial statements, except when the estimation of the effect on the future periods is not possible. There are no changes in the accounting estimates and errors expected to have a material influence on the results of operations in the current period.

**2.07 Offsetting**

Financial assets and liabilities are offset, and the net amount is recognised in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.08 Summary of Significant Accounting Policies**

Accounting policies used in the preparation of the consolidated financial statements are summarised below:

***2.08.01 Revenue Recognition***

The Group mainly generates revenue by producing and selling iron and steel products considered as revenue arising from product sales. Revenue is recognized when the goods or services are transferred to the customer and the performance obligation is satisfied.

Kocaer Çelik has been serving in many sectors such as energy and renewable energy, transportation, mining and tunnel, ship building, agriculture and constructional sectors by supplying customer-oriented steel products (equal angles, U and C profiles, I and H beams, round and deformed bars, mining and tunnelling profiles and fittings, square bars, flat bars) with different sizes, grades and lengths, as well as carrying out operations for product development, sales & dispatch, import/export and custom clearances.

The Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is satisfied. In accordance with TFRS 15, a five-step model is followed in recognizing revenue for all contracts with customers.

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of the transaction price in the contracts,
- Allocation of transaction price to the performance obligations,
- Recognition of revenue when the performance obligations are satisfied.

A contract with a customer recognized as a revenue will be within the scope of TFRS 15 if all the following conditions are met:

(a) the contract has been approved by the parties to the contract;
(b) each party's rights in relation to the goods or services to be transferred can be identified;
(c) the payment terms for the goods or services to be transferred can be identified;
(d) the contract has commercial substance; and
(e) it is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected.
When assessing the collectability of a consideration, the Group considers only the customer's ability and intention to pay such consideration on time. The price that the Group will be entitled to collect may be lower than the price specified in the contract since it offers a price advantage to its customer on a customer and contract basis.

***2.08.02 Inventories***

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory below its cost, the inventories are reduced to their net realizable value and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred. In cases where the conditions that previously caused the inventories to be reduced to net realizable value lose their validity or there is an increase in the net realizable value due to changing economic conditions, the provision for the impairment allocated is reversed. The reverseal is limited with the allocated impairment. The provision for impairment on inventories is disclosed in **Note 13**.

***2.08.03 Property, plant and equipment and related depreciation***

Land, buildings, land improvements and machinery and equipment have been revaluated by the appraisal firm Elit Gayrimenkul Değerleme Anonim Şirketi authorized by CMB. In accordance with the appraisal report prepared by the firm on 5-13-20 December 2023 and subsequently, property, plant and equipment carried at their fair value less accumulated depreciation in the accompanying consolidated financial statements.

Property, plant and equipment except land, land improvements, buildings and machinery and equipment are carried at cost less accumulated depreciation of the purchasing power on 31 December 2004 for the items acquired before 1 January 2005 and for the items acquired as of 1 January 2005, less the accumulated depreciation in the accompanying consolidated financial statements.

Gains arising from revaluation of land, buildings, land improvements and machinery and equipment have been classified under assets and changes in the fair value (revaluation surplus) has been recognized under equity. Revaluation surplus arising from revaluation of property, plant and equipment has been initially recognised under profit or loss less impairment, if there is a depreciation related to the property, plant and equipment that was previously presented under profit or loss. The decrease in the book value arising from the revaluation of the aforementioned land, buildings and land improvements has been presented under profit or loss, if the property, plant and equipment in question exceeds the balance in the revaluation fund related to the previous revaluation.

Property, plant and equipment except land and construction in progress are carried at cost less accumulated depreciation. Depreciation is provided for property, plant and equipment on a straight-line basis over their estimated useful lives. Useful life, residual value and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. In the disposal of the revalued property, plant and equipment, the revaluation fund related to the disposed property, plant and equipment is transferred to retained earnings.

Repairs and maintenance expenses are charged to the statements of profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset. All other expenses recognised in the profit or loss in the period which they incurred.

Land is not depreciated as it is deemed to have an indefinite useful life.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

| Economic useful lives (years) | |
|---|---|
| - Land | Indefinite |
| - Buildings | 10-50 |
| - Plant, Machinery and Equipment | 0-25 |
| - Motor Vehicles | 4-10 |
| - Furniture and Fixtures | 2-50 |
| - Leasehold Improvements | 5-10 |

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their net carrying amounts and are classified under "gains/(losses) from investing activities" in the operating profit in the current period.

Repairs and maintenance expenses are charged to the statements of profit or loss during the period in which they are incurred. Machinery and equipment are capitalised and amortised when their capacity is fully available for use.

***2.08.04 Intangible assets and related amortisation***

Intangible assets are carried at cost value less accumulated amortization and impairment losses. These intangible assets are amortized on a straight-line basis over their estimated useful lives.

Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset and recognised on prospective basis.

Rights and software recognized at their acquisition cost and these intangible assets are amortized on a straight-line basis over their estimated useful lives subsequently for the period between 3-10 years.

Research and development costs (R&D);

The Group started its operations regarding value-added production by establishing R&D center in its business segment in 2015 with the approval of Republic of Türkiye Ministry of Industry and Technology.

Research and development costs recognized under consolidated statement of profit or loss in the period which they incurred.

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all of the following conditions are met:

- The technical feasibility of completing the asset so that it will be available for use or sale.
- The intention to complete the asset and use or sell it.
- The ability to use or sell the asset.
- The asset will generate probable future economic benefits and demonstrate the existence of a market or the usefulness of the asset if it is to be used internally,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell it.
- The ability to measure reliably the expenditure attributable to the intangible asset.

If an intangible item does not meet both the definition of and the criteria for recognition as an intangible asset, TAS 38 requires the expenditure on this item to be recognised as an expense when it is incurred. Development costs recognized as an expense in the prior period cannot be able to capitalized in subsequent period. Capitalized development cost is depreciated using the straight-line basis over an average of 5 years over the life of the project, with the start of commercial production of the product. Its useful life should be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite should be accounted for as a change in an accounting estimate. The research and development activities of the Group have been suspended and the existing research and development projects are still in progress.

Gains and losses arising from the disposal of intangible assets (the difference between net cash and the carrying value), recognized under consolidated statement of profit or loss in the period of disposal of intangible assets).

Intangible assets comprise of rights, computer software and capitalized development costs.

***2.08.05 Impairment of Assets***
Assets with an indefinite useful life, such as goodwill, are not subject to amortization. An impairment test is applied to these assets each year. For assets subject to amortization, impairment test is applied if the book value cannot be recovered. An impairment loss is recognized if the carrying

amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets except goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

***2.08.06 Borrowing Costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The financing costs of borrowings attributable to ongoing investments are capitalised until the completion of the investments. All other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred.

***2.08.07 Financial Instruments***

*TFRS 9 "Financial Instruments"*

TFRS 9 includes requirements for recognition and measurement of financial assets and liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.
The details of significant accounting policies and nature of changes in previous accounting policies are as follows:

i.) Classification of financial assets and liabilities under TFRS 9 largely preserves the existing requirements of TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories for financial assets, loans and receivables to be held to maturity financial assets and financial assets available for sale have been removed.

The application of TFRS 9 did not have a significant material influence on the Group's accounting policies for its financial liabilities and derivative financial instruments. The classification and measurement of the financial assets under TFRS 9 are as follows.

The classification of financial assets within the scope of TFRS 9 is generally based on the business model used by the enterprise for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. Within the scope of the standard, the obligation to separate embedded derivatives from financial assets has been eliminated, and the classification of a hybrid contract as a whole should be considered.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• it is its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument at FVOCI if both of the following conditions are met and the FV is not classified as measured by the difference in profit or loss:

- The retention of the financial asset based on a business model aimed at collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset lead to cash flows that include interest payments on principal and principal balance on certain dates.

The Group may irrevocably make preference about presentation of subsequent changes in its fair value in other comprehensive income on initial recognition of non-trading equity investment. This is made separately for each investment.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In the first measurement of the financial assets other than the fair value changes that are reflected to the profit or loss (except for the trade receivables that are measured at the transaction cost and not having an important financing component at the time of the financial statements), the transaction costs directly attributable to the acquisition or issuance thereof are also added to the fair value.

The following accounting policies apply to the subsequent measurement of financial assets.

| | |
|---|---|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. |
| Debt instruments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity instruments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of |

| | |
|---|---|
| | the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. |

ii) Impairment of financial assets

TFRS 9 replaces the "incurred loss" model in TAS 39 with an "expected credit loss" ("ECL") model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under TFRS 9, credit losses are recognized earlier than under TAS 39.

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents.

Under TFRS 9, loss allowances are measured on either of the following bases: financial assets measured at amortized cost

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument and bank balances for which credit risk has not increased significantly since initial recognition;

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.
The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

- 360 days overdue
For determining whether a financial instrument has low credit risk, it may use other methodologies that comply with a globally accepted definition of low credit risk and take into account the type and risks of the financial instruments being evaluated.

The maximum time to be measured by the ECLs is the maximum contractual period that the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses (TFRS 9 requires the use of the lifetime expected loss provision for all trade receivables). The expected credit losses were calculated based on actual credit loss experience over the past years.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.
Trade receivables

The following analysis provides further detail about the calculation of ECLs related to trade receivables and contract assets on the adoption of TFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty. The Group performed the calculation of ECL for receivables at the reporting date and loss allowance performances in accordance with the past three year performances. Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship.

Impairment of financial assets

The Group management makes assumptions and judgments such as default risk and expected credit losses for the relevant assets when evaluating impairment on financial assets. While making these assumptions and judgments as of each balance sheet date, considering the past experiences and performances of the Group, and the current market conditions and future expectations for the market.

***2.08.08 Foreign Currency Translation***

Foreign currency transactions are translated into Turkish Lira using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira using the exchange rates at the consolidated balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group operating in the non-finance sectors, have been accounted for under "other operating income/(expenses)".

The consolidated financial statements are presented in TL, which is Kocaer Çelik's functional and presentation currency. Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency indexed monetary assets and liabilities are recognised at the rates of exchange prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency as Turkish Lira using the exchange rates as at the

dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Currency translation differences recognized as profit or loss in the period which they incurred.

***2.08.09 Earnings Per Share***

Earnings per share disclosed in the statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Türkiye, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

***2.08.10 Events After the Reporting Period***

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

***2.08.11 Provisions, Contingent Liabilities and Contingent Assets***

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

***2.08.12 Related Parties***

For the purpose of these consolidated financial statements, shareholders, parents of Kocaer Çelik Sanayi ve Ticaret Anonim Şirketi, key management personnel and Board of Directors members, their close family members and the legal entities over which these related parties exercise control and significant influence, are considered and expressed as "related parties".

***2.08.13 Government Grants***

The Group is entitled to have personel employment and turquality incentives and rights which are considered in the scope of government grants.

***2.08.14 Taxes on Income***

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

*Current tax*

Current year tax liability is calculated over the taxable profit for the period. Taxable profit differs from profit as recognised in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that cannot be taxed or deducted. The Group's liability for current tax is calculated using legal statuory tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred tax*

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts presented in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Group is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares

are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration

Deferred tax assets and liabilities are recognized when there is a legal right to offset current tax assets and current tax liabilities, or if such assets and liabilities are associated with the income tax collected by the same tax authority, or if the Group intends to pay off the current tax assets and liabilities.

*Current and deferred tax for the period*

The deferred tax, other than those directly attributable to debt or liability recognized in equity (in which case deferred tax is recognized directly in equity) or deferred tax, other than those arising from initial recognition of business combinations, is recognized as income or expense in the statement of profit or loss. In business combinations, the tax effect is taken into consideration in the calculation of goodwill or in determining the part of the purchaser that exceeds the acquisition cost of the share of the acquiree's identifiable assets, liabilities and contingent liabilities in the fair value.

The taxes included in the consolidated financial statements include current period tax and the change in deferred taxes. The Group calculates current and deferred tax on the results for the period.

*Offsetting in tax assets and liabilities*

The amount of corporate tax payable is netted because it is related to prepaid corporate tax amounts. Deferred tax assets and liabilities are also offset in the same way.

***2.08.15 Provision for Employment Termination Benefits***

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Group arising from the retirement of its employees based on the actuarial projections. TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/(losses) and recognised under consolidated statement of other comprehensive income.

In the accompanying consolidated financial statements, termination benefits is recognised as the amount calculated by discounting the future obligations at the balance sheet date using the appropriate interest rate adjusted for the inflation rate.

***2.08.16 Statement of Cash Flows***

Cash and cash equivalents are carried at cost in the consolidated statement of financial position. Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements. Cash flows from operating activities represent the cash flows generated from the Group's activities such as cash on hand, bank deposits and highly-liquid investments.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (property, plant and equipment, intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

***2.08.17 Investment Properties***

Investment properties that are held in the production of supply of goods or services of for administrative purposes or for long term rental yields or for capital appreciation or both rather than for the sale in the ordinary course of business are classified as "investment property". Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Daily repair and maintenance is not included in the aforementioned costs. Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise. Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss and other comprehensive income in the year of retirement or disposal

Investment properties has been revaluated by the appraisal firm Elit Gayrimenkul Değerleme Anonim Şirketi authorized by CMB. In accordance with the appraisal report prepared by the firm, investment properties carried at their fair value on 22-31 January 2025 and 21 January 2026 in the accompanying consolidated financial statements for the interim period ended 31 March 2026. The detailed information regarding investment properties is disclosed under **Note 17**.

***2.08.18 Leases***

The Group has measured its right-of-use assets on a basis equivalent to the lease liability, adjusted for prepaid or accrued lease payments. The Group has elected to use the following simplifying treatments:
- The Group has applied a single discount rate to a portfolio of leases with reasonably certain in nature.

- As an alternative to reviewing the impairment, the Group has made its assessment of whether the leases are economically disadvantaged or not by applying TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" just before the initial transition.
- The Group has applied previous performance, trends and experiences for determining the lease term for lease contracts tha include terminate and extension options.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors. At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) The amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group, and
d) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).
When applying the cost model, the Group measures the right-of-use asset at cost:

a) Less any accumulated depreciation and any accumulated impairment losses; and
b) Adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in TAS 16 "Property, Plant and Equipment" in depreciating the right-of-use asset. In the event that the supplier transfers the ownership of the underlying asset to the Group at the end of the lease term or if the cost of use rights indicates that the Group will use a purchase option, the Group depreciates the right of use asset from the effective date of the lease to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right of use assets on the basis of the shorter of the useful life or the lease term of the asset, starting from the effective date of the lease.
The Group applies TAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) Fixed payments, less any lease incentives receivable,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,

c) The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

d) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) Increasing the carrying amount to reflect interest on the lease liability,
b) Reducing the carrying amount to reflect the lease payments made, and
c) Remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The interest on the lease liabilities for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liabilities. The periodic interest rate, if easily determined, is the implied interest rate on the lease. If this rate cannot be easily determined, the Group uses the Group's incremental borrowing interest rate.

After the effective date of the lease, the Group remeasures the lease liabilities to reflect changes in lease payments. The Group reflects the remeasurement amount of the lease liabilities to the consolidated financial statements as an adjustment to the right of use assets.

The Group remeasures its lease liabilities by deducting the adjusted lease payments at a revised discount rate if either of the following conditions occurs:

(a) A change in the lease term. The Group determines adjusted lease payments based on the adjusted lease term.

(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group calculates the adjusted discount rate for the remainder of the lease term if the implicit interest rate in the lease can be easily determined; if it cannot be easily determined, the Group determines the alternative borrowing interest rate at the date of the revaluation.

The Group remeasures its lease liabilities by reducing the adjusted lease payments if either of the following conditions incurred:

(a) Changes in the amounts expected to be paid under a residual value commitment. The Group determines the adjusted lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.

(b) A change in these payments as a result of an index or rate change used to determine future lease payments. The Group remeasures the lease liabilities to reflect the adjusted lease payments only when there is a change in cash flows.

The Group determines the adjusted lease payments for the remaining lease term based on the adjusted contractual payments. In this case, the Group uses an unchanged discount rate.
The Group recognizes the restructuring of the lease as a separate lease if both of the following conditions are met:
(a) The restructuring shall extend the scope of the lease by adding the right of use on one or more underlying assets; and

(b) The increase in the lease amount by the appropriate price adjustment to reflect the price of the increase alone and the terms of the relevant contract.

Right of use assets of the Group is disclosed under **Note 14**.

**Group - as a lessor**

The Group classifies each of the leases as operating leases or finance leases. A lease is classified as a finance lease when all risks and gains of ownership of the underlying asset are substantially transferred. A lease is classified as an operating lease if all risks and gains of ownership of the underlying asset are not substantially transferred. For a contract that includes one or more additional leasing components or not carrying a component, the Group distributes the contractual value by applying TFRS 15 "Revenue from Contracts with Customers".

**2.09 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with TFRS requires management to make estimates and assumptions that are reflected in the measurement of income and expense in the statement of profit or loss and in the carrying value of assets and liabilities in the statement of financial position, and in the disclosure of information in the notes to the financial statements. Managements do exercise judgment and make use of information available at the date of the preparation of the financial statements in making these estimates. The actual future results from operations in respect of the areas where these judgments and estimates have been made may in reality be different than those estimates.
The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) Provision for employment termination benefits is determined by using actuarial assumptions (discount rates, future salary increases and employee exit rates) **(Note 24)**.

b) The Group has been applied revaluation model on property, plant and equipment and investment properties in the accompanying consolidated financial statements. The fair value of property, plant and equipment and investment properties have been determined by appraisal firm authorized by CMB **(Note 17 and 18)**.

c) The Group depreciates its property, plant and equipment and intangible assets on a straight-line basis over their useful lives. Expected useful life residual value and amortization method are reviewed every year for possible effects of changes in estimates and are accounted for prospectively if there is a change in estimates **(Note 2.08.03-2.08.04)**.

d) On the provision for lawsuits, the probability of losing these cases regarding collecting the receivables and the consequences to be faced if these cases are lost evaluated in accordance with the opinions of the Group's legal counsel as of 31 March 2026 and 31 December 2025 **(Note 22)**.

e) In determining the impairment of trade receivables, creditworthiness of debtors, past payment performances and restructuring conditions, collaterals of mortgages and receivable insurance amounts taken into consideration **(Note 10)**.

f) The Group has calculated the deferred tax in accordance with TAS and TFRS and reflected to the consolidated financial statements **(Note 35)**.

g) The physical properties of the inventories and the past are examined in relation to the inventory impairment, the availability of the personnel is determined according to the opinions of the technical personnel and provision is made for the items that are estimated to be unavailable. Average sales prices are used to determine the net realizable value of inventories and provision for impairment is allocated in the accompanying consolidated financial statements when net realizable value is below the cost. The information about the inventory impairment that has been presented as of the balance sheet date is given in **Note 13**.

**2.10 Dividends**

Common shares are classified as equity. Dividends on common shares are recognized in equity less retained earnings in the period in which they are approved and declared less retained earnings.

**2.11 Going Concern**

As of 31 March 2026, the Group has prepared its consolidated financial statements with the assumption on the Group's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

**2.12 New and Revised Turkish Financial Reporting Standards**

**New and revised standards and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at and for the interim period ended 31 March 2026 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TFRS/TAS") and interpretations effective as of 1 January 2026 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 1 January 2026 are as follows:**

**Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments**

On 10 August 2025, the POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance ("ESG")-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. The Group is in the process of assessing the material influence of the amendments on the consolidated financial position or performance of the Group.

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

On 10 August 2025, the POA issued the amendment "Contracts for Electricity Generated from Natural Resources" (related to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" exception and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements to help investors understand the impact of these contracts on an entity's financial performance and cash flows. The amendment is not applicable for the Group and has no material influence on the consolidated financial position or performance of the Group.

**Annual Improvements to TAS/TFRS Accounting Standards - Amendment 11**

On 27 September 2025, the POA issued "Annual Improvements to TAS/TFRS Accounting Standards /Amendment 11" published in the Official Gazette with the following amendments:

- TFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter: The amendment is intended to eliminate potential confusion caused by the inconsistency between the wording in TFRS 1 and the hedge accounting requirements in TFRS 9.
-TFRS 7 Financial Instruments: Disclosures - Gains or losses on derecognition: TFRS 7 amends the wording of unobservable inputs and adds a reference to TFRS 13.
- TFRS 9 Financial Instruments - Transaction price when the lease liability is derecognized by the lessee: TFRS 9 has been amended to clarify that when the lease liability is extinguished for the lessee, the lessee is required to apply the derecognition provisions in TFRS 9 and the resulting gain or loss is recognized in profit or loss. TFRS 9 has also been amended to remove the reference to "transaction price".
- TFRS 10 Consolidated Financial Statements - Identifying the "de facto agent": Amendments to TFRS 10 to remove inconsistencies in paragraphs.
- TAS 7 Statement of Cash Flows - Cost method: The wording in the Standard has been deleted following the removal of "cost method" in previous amendments.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, and early application permitted.

The Group is in the process of assessing the material influence of the amendments on the consolidated financial position or performance of the Group.

**ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective and applied by the Group up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**Amendments to TFRS 10/TAS 28 — Sales or contributions of assets between an investor and its associate/joint venture**

In December 2017, the POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will assess the effects of the amendments after the new standards have been finalized.

**TFRS 17 - The new Standard for insurance contracts**

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

The Group is in the process of assessing the material influence of the amendments on the consolidated financial position or performance of the Group.

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

The standard is effective from annual periods beginning on or after 1 January 2027 and published in the Official Gazette on 8 May 2025. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

• the structure of the statement of profit or loss;

• required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

• enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is in the process of assessing the material influence of the standard on the consolidated financial position or performance of the Group.

**TFRS 19 – Subsidiaries without Public Accountability: Disclosures**

TFRS 19 – Subsidiaries without Public Accountability: Disclosures ("TFRS 19") was published in the Official Gazette on 10 August 2025. It is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. The standard aims to reduce the disclosure requirements in TAS/TFRS for subsidiaries covered by its scope. Under TFRS 19, businesses that are not subject to public accountability and are themselves subsidiaries are expected to apply the simplified disclosure provisions set out in TFRS 19 instead of the disclosure provisions in other TAS/TFRS. This aims to reduce the reporting obligations of these businesses in terms of disclosure provisions. The application of TFRS 19 is not mandatory and is left to the discretion of the entity.

A subsidiary meets the relevant conditions in the following circumstances:

- It is a non-public subsidiary or a subsidiary whose capital market instruments are not traded on a stock exchange, or

- It has a parent or intermediate parent that produces financial statements in accordance with TAS/TFRS that are available to the public.

The standard has no material influence on the financial position or performance of the Group.

**iii) Amendments published by the International Accounting Standards Board ("'IASB") but not published by the POA**

As of the date of approval and authorisation of the consolidated financial statements, the amendments published by the International Accounting Standards Board ("IASB") but not yet published by the POA and which do not form part of the TAS/TFRS are as follows. Unless otherwise indicated, the Group will make the necessary changes that will have material influence on the consolidated financial statements and their notes to the consolidated financial statements following the entry into force of the relevant TAS/TFRS regarding the amendment.

**Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency**

With the amendment published by the IASB in November 2025, IAS 21 "The Effects of Changes in Foreign Exchange Rates" ("IAS 21") mandates the use of the closing rate for translation from a non-hyperinflationary functional currency to a hyperinflationary presentation currency. In this context, an entity whose functional currency is that of a non-hyperinflationary economy but whose presentation currency is that of a hyperinflationary economy shall use the closing rate at the end of the current period for all amounts, including comparative amounts, in the translation of its financial statements. An entity whose functional currency and presentation currency are both that of a hyperinflationary economy shall express the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy in the current measurement unit by applying a general price index in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". These amendments also introduce additional disclosure requirements.

The Group is in the process of assessing the material influence of the standard on the consolidated financial position or performance of the Group.

## NOTE 3 – BUSINESS COMBINATIONS

**Business combination transactions with non-controlling interests**

As of 31 March 2026 and 31 December 2025, the Group has no acquisitions under business combinations in accordance with TFRS 3.

**Business combinations under common control**

Legal mergers among the entities controlled by the Group are not evaluated within the scope of the "TFRS 3 (Revised) Business Combinations" standard. Accordingly, in the absence of a specifically applicable TFRS, the receiving company is required to develop its own accounting policy for business combinations under common control, applying the requirements on selecting accounting policies in TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in accordance with the paragraphs 10 and 12 presented under "POA" which describes applications and policies regarding business combinations under common control.

The financial statements of the acquired entities have been consolidated from the beginning of the financial year in which the business combination occurs. As a result of these transactions, no goodwill or negative goodwill has been calculated. Any difference between the consideration paid and the share capital of the acquired entity are accounted under equity as "Business combinations under common control" included in retained earnings.

## NOTE 4 - DISCLOSURE OF INTERESTS IN OTHER ENTITIES

None.

## NOTE 5 - SEGMENT REPORTING

The reportable segments of Kocaer Çelik have been organized by the Group management which are strategic businessess that present various products and services. Those segments include steel, transportation, energy, foreign trade and various other sectors.

Operating segments which have been prepared in accordance with the reportable segments of Kocaer Çelik for the interim periods ended 31 March 2026 and 2025 are as follows:

| 31.03.2026 | Steel | Transportation | Energy | Foreign trade – Kcr Dış Ticaret | Elimination/ Adjustments | Total |
|---|---|---|---|---|---|---|
| Revenue | 5.447.152.137 | 86.174.731 | 39.820 | 2.313.935.165 | (2.792.245.856) | 5.055.055.997 |
| Cost of Sales (-) | (4.523.849.170) | (83.350.290) | - | (2.298.080.471) | 2.792.245.856 | (4.113.034.075) |
| **Gross Profit from Non-Finance Sector Operations** | **923.302.967** | **2.824.441** | **39.820** | **15.854.694** | **-** | **942.021.922** |
| **GROSS PROFIT** | **923.302.967** | **2.824.441** | **39.820** | **15.854.694** | **-** | **942.021.922** |
| Marketing, Sales and Distribution Expenses (-) | (239.731.287) | - | - | (705.618) | - | (240.436.905) |
| General Administrative Expenses (-) | (103.698.011) | (1.719.015) | (66.878) | (8.875.271) | - | (114.359.175) |
| Research and Development Expenses (-) | (22.108.886) | - | - | - | - | (22.108.886) |
| Other Operating Income | 297.644.411 | 110.573 | 23.133 | 52.130.538 | (81.595.192) | 268.313.463 |
| Other Operating Expenses (-) | (379.469.069) | (80.116) | (42.398) | (71.420.054) | 81.595.192 | (369.416.445) |
| **OPERATING PROFIT** | **475.940.125** | **1.135.883** | **(46.323)** | **(13.015.711)** | **-** | **464.013.974** |
| Gains from investment activities | 278.241.120 | - | - | - | - | 278.241.120 |
| Losses from investment activities (-) | (36.858.220) | - | - | - | - | (36.858.220) |
| **OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)** | **717.323.025** | **1.135.883** | **(46.323)** | **(13.015.711)** | **-** | **705.396.874** |
| Financial Income | 7.170.811 | 12.963 | 2.948 | 20.061.234 | - | 27.247.956 |
| Financial Expenses (-) | (396.380.938) | (9.475) | - | (2.944.191) | - | (399.334.604) |
| Net Monetary Position Gains/(Losses) | (107.936.722) | (1.546.883) | 56.146.995 | (3.370.457) | - | (56.707.067) |
| **PROFIT BEFORE TAX** | **220.176.176** | **(407.512)** | **56.103.620** | **730.875** | **-** | **276.603.159** |

**31.03.2025**

| | Steel | Transportation | Energy | Foreign Trade- Kcr Dış Ticaret | Elimination/ Adjustments | Total |
|---|---|---|---|---|---|---|
| Revenue | 6.421.210.737 | 88.126.122 | 173.193 | 2.846.446.407 | (3.436.265.064) | 5.919.691.395 |
| Cost of Sales (-) | (5.121.855.646) | (85.040.698) | (115.485) | (2.840.093.659) | 3.389.187.540 | (4.657.917.948) |
| **Gross Profit from Non-Finance Sector Operations** | **1.299.355.091** | **3.085.424** | **57.708** | **6.352.748** | **(47.077.524)** | **1.261.773.447** |
| **GROSS PROFIT** | **1.299.355.091** | **3.085.424** | **57.708** | **6.352.748** | **(47.077.524)** | **1.261.773.447** |
| Marketing, Sales and Distribution Expenses (-) | (419.171.823) | - | - | (2.169.044) | - | (421.340.867) |
| General Administrative Expenses (-) | (117.826.266) | (1.518.991) | (87.520) | (4.057.388) | 255.388 | (123.234.777) |
| Research and Development Expenses (-) | (4.484.965) | - | - | - | - | (4.484.965) |
| Other Operating Income | 1.014.774.522 | 810.226 | - | - | (3.389.283) | 1.012.195.465 |
| Other Operating Expenses (-) | (693.869.377) | (478.584) | (16.607) | (16.621) | 3.133.895 | (691.247.294) |
| **OPERATING PROFIT** | **1.078.777.182** | **1.898.075** | **(46.419)** | **109.695** | **(47.077.524)** | **1.033.661.009** |
| Gains from investment activities | 147.837.248 | - | - | - | - | 147.837.248 |
| Losses from investment activities (-) | (807.991) | - | - | - | (114.447) | (922.438) |
| **OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)** | **1.225.806.439** | **1.898.075** | **(46.419)** | **109.695** | **(47.191.971)** | **1.180.575.819** |
| Financial Income | 92.422.807 | - | 203.221 | 205.199.946 | - | 297.825.974 |
| Financial Expenses (-) | (674.116.824) | (3.532) | (214.862) | (211.825.249) | - | (886.160.467) |
| Net Monetary Position Gains/(Losses) | (228.117.977) | (18.871.997) | 10.028.380 | (241.231) | 30.980.234 | (206.222.591) |
| **PROFIT BEFORE TAX** | **415.994.445** | **(16.977.454)** | **9.970.320** | **(6.756.839)** | **(16.211.737)** | **386.018.735** |

**NOTE 6 - CASH AND CASH EQUIVALENTS**

As of 31 March 2026 and 31 December 2025, the functional breakdown of cash and cash equivalents is as follows:

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Cash on hand | 11.116 | 21.573 |
| Banks | 4.420.425.086 | 4.725.792.430 |
| - Demand deposits | 2.381.465.564 | 2.336.845.923 |
| - Time deposits | 2.038.959.522 | 2.388.946.507 |
| **Cash and cash equivalents, net** | **4.420.436.202** | **4.725.814.003** |

As of 31 March 2026 and 31 December 2025, the functional breakdown of cash on hand is as follows:

| | | 31.03.2026 | | 31.12.2025 |
|---|---|---|---|---|
| **Cash on hand** | **Original currency amount** | **TL equivalent** | **Original currency amount** | **TL equivalent** |
| TL | 11.116 | 11.116 | 21.573 | 21.573 |
| **Total** | | **11.116** | | **21.573** |

As of 31 March 2026 and 31 December 2025, the functional breakdown of banks is as follows:

| | | 31.03.2026 | | 31.12.2025 |
|---|---|---|---|---|
| **Banks** | **Original currency amount** | **TL equivalent** | **Original currency amount** | **TL equivalent** |
| TL | 1.757.900.519 | 1.757.900.519 | 2.406.130.161 | 2.406.130.161 |
| USD | 37.138.716 | 1.648.368.483 | 34.448.501 | 1.624.816.342 |
| EUR | 15.830.514 | 807.729.822 | 7.761.730 | 430.929.010 |
| GBP | 3.518.639 | 206.426.262 | 4.148.217 | 263.916.917 |
| **Total** | | **4.420.425.086** | | **4.725.792.430** |

As of 31 March 2026 and 31 December 2025, the breakdown of time deposits including the maturity analysis and annual effective interest rates is as follows:

| | 31.03.2026 | | 31.12.2025 | |
|---|---|---|---|---|
| **Banks** | **Original currency amount** | **Annual effective interest rate (%)** | **Original currency amount** | **Annual effective interest rate (%)** |
| TL | 2.038.959.522 | 37 - 40 | 2.388.946.507 | 37 – 40.5 |
| **Total** | **2.038.959.522** | | **2.388.946.507** | |

| **Maturity** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| 1-30 days | 2.038.959.522 | 2.388.946.507 |
| **Total** | **2.038.959.522** | **2.388.946.507** |

As of 31 March 2026 and 31 December 2025, the Group has no blocked deposits.

**NOTE 7 - FINANCIAL INVESTMENTS**

As of 31 March 2026 and 31 December 2025, the breakdown and details of short-term financial investments are as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Financial assets at fair value through profit or loss | 992.260.360 | 971.886.570 |
| **Short-term financial investments, net** | **992.260.360** | **971.886.570** |

(*) Financial assets at fair value through profit or loss comprise of equity securities and fund accounts. These relevant accounts are carried at their fair value in the accompanying consolidated financial statements as of 31 March 2026.

As of 31 March 2026 and 31 December 2025, the breakdown and details of long-term financial investments are as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Kocaer Steel Ireland Limited (*) | 6.711 | 6.711 |
| **Long-term financial investments, net** | **6.711** | **6.711** |

(*) Kocaer Steel Ireland Limited was established on 23 November 2022 by Kocaer Steel UK LTD and included in the scope of consolidation. The share capital of Kocaer Steel Ireland Limited is amounting to EUR 100. The reason of the establishment of Kocaer Steel Ireland Limited is increasing exports in the European market. As of 31 March 2026, Kocaer Steel Ireland Limited is inactive and has not been carrying on any business or operation.

**NOTE 8 – BORROWINGS**

As of 31 March 2026 and 31 December 2025, the detailed analysis of short-term borrowings is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Bank borrowings | 6.259.074.125 | 5.316.655.129 |
| Finance lease liabilities | 1.978.595 | 8.435.210 |
| Lease liabilities | 17.767.671 | 14.188.756 |
| Other | 20.695.011 | 25.975.573 |
| **Short-term borrowings, net** | **6.299.515.402** | **5.365.254.668** |

As of 31 March 2026 and 31 December 2025, the breakdown of short-term portion of long-term borrowings is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Principal and interest installments of long-term borrowings | 193.655.854 | 212.757.108 |
| **Short-term portion of long-term borrowings, net** | **193.655.854** | **212.757.108** |

As of 31 March 2026 and 31 December 2025, the detailed analysis of long-term borrowings is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Bank borrowings | 1.649.542.276 | 2.102.886.687 |
| Lease liabilities | 209.691.924 | 233.870.499 |
| **Long-term borrowings, net** | **1.859.234.200** | **2.336.757.186** |

The repayment schedule of borrowings is as follows:

| **Bank borrowings (Loans)** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| 0-3 months | 2.426.448.924 | 1.620.331.247 |
| 4-12 months | 4.046.976.066 | 3.935.056.563 |
| 13-36 months | 1.649.542.276 | 2.102.886.687 |
| **Total** | **8.122.967.266** | **7.658.274.497** |

| **Finance lease liabilities** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| 0-3 months | 1.978.595 | 6.351.708 |
| 4-12 months | - | 2.083.502 |
| **Total** | **1.978.595** | **8.435.210** |

| **Lease liabilities** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| 0-3 months | 3.941.481 | 1.920.906 |
| 4-12 months | 13.826.190 | 12.267.850 |
| 13-36 months | 209.691.924 | 233.870.499 |
| **Total** | **227.459.595** | **248.059.255** |

The annual effective interest rates of borrowings in terms of currencies are as follows:

**31.03.2026**

| **Currency** | **Original currency amount** | **TL equivalent (Valuation)** | **Annual effective interest rate (%)** |
|---|---|---|---|
| TL | 4.416.307.388 | 4.416.307.388 | 18.82-21.97 |
| EUR | 39.868.084 | 2.037.167.375 | 4.60 – 5.95 |
| USD | 33.265.976 | 1.481.759.703 | 6.20-6.50 |
| GBP | 3.200.000 | 187.732.800 | 7.50 |
| **Total** | | **8.122.967.266** | |

**31.12.2025**

| **Currency** | **Original currency amount** | **TL equivalent (Valuation)** | **Annual effective interest rate (%)** |
|---|---|---|---|
| TL | 2.922.327.731 | 2.922.327.731 | 19.32-22 |
| EUR | 44.884.804 | 2.491.932.067 | 4 – 6 |
| USD | 34.648.312 | 1.639.006.698 | 4.65-5.60 |
| GBP | 9.509.449 | 605.008.001 | 7.50 |
| **Total** | | **7.658.274.497** | |

The annual effective interest rates of finance leases in terms of currencies are as follows:

**31.03.2026**

| **Currency** | **Original currency amount** | **TL equivalent (Valuation)** | **Annual effective interest rate (%)** |
|---|---|---|---|
| USD | 44.567 | 1.978.595 | 8 |
| **Total** | | **1.978.595** | |

**31.12.2025**

| **Currency** | **Original currency amount** | **TL equivalent (Valuation)** | **Annual effective interest rate (%)** |
|---|---|---|---|
| USD | 178.319 | 8.435.210 | 8 |
| **Total** | | **8.435.210** | |

## NOTE 9 - OTHER FINANCIAL LIABILITIES

None.

## NOTE 10 - TRADE RECEIVABLES AND PAYABLES

As of 31 March 2026 and 31 December 2025, the breakdown of short-term trade receivables is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Trade Receivables from Third Parties | 3.627.929.025 | 4.305.174.745 |
| *-Customers* | *3.638.949.120* | *4.251.932.660* |
| *-Notes receivables* | *3.811.488* | *73.719.183* |
| *-Discount on notes receivables* | *(14.831.583)* | *(20.477.098)* |
| *- Doubtful trade receivables* | *28.478.711* | *28.007.695* |
| *- Provision for doubtful trade receivables (-)* | *(28.478.711)* | *(28.007.695)* |
| **Short-term trade receivables, net** | **3.627.929.025** | **4.305.174.745** |

As of 31 March 2026, the average turnover period for trade receivables is 60 days (31 December 2025: 60 days).

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

| | **01.01.2026 31.03.2026** | **01.01.2025 31.03.2025** |
|---|---|---|
| Beginning of the period – 1 January | 28.007.695 | 25.559.264 |
| Additions | 11.247.112 | 721.333 |
| Provisions no longer required | (8.061.197) | (2.971.400) |
| Inflation adjustments | (2.714.899) | (2.284.535) |
| **End of the period – 31 March** | **28.478.711** | **21.024.662** |

The Group has been organized its sales mainly from according to custmers orders. A significant portion of domestic and foreign sales are made under the scope of receivables insurance, and foreign sales are made within the scope of confirmed letter of credit. Accordingly, the Group mitigates the risk arising from its sales with avoiding losses on cash flow.

As of 31 March 2026 and 31 December 2025, the Group has no long-term trade receivables.

As of 31 March 2026 and 31 December 2025, the breakdown of short-term trade payables is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Trade Payables to Third Parties | 4.228.701.599 | 4.895.079.566 |
| *- Suppliers* | *4.228.701.599* | *4.895.079.566* |
| **Short-term trade payables, net** | **4.228.701.599** | **4.895.079.566** |

As of 31 March 2026, the average turnover period for trade payables is 69 days (31 December 2025: 69 days).

As of 31 March 2026 and 31 December 2025, the Group has no long-term trade payables.

**NOTE 11 - OTHER RECEIVABLES AND PAYABLES**

As of 31 March 2026 and 31 December 2025, the detailed analysis of short-term other receivables is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Other Receivables from Third Parties | 353.872.302 | 209.182.977 |
| *- Deposits and guarantees given* | *12.706.483* | *12.097.565* |
| *- Due from tax office* | *319.757.949* | *190.515.403* |
| *- Due from employee* | *4.636.952* | *5.831.488* |
| *- Other* | *16.770.918* | *738.521* |
| Other Receivables from Related Parties **(Note 37)** | 110.797.478 | 120.661.571 |
| **Short-term other receivables, net** | **464.669.780** | **329.844.548** |

As of 31 March 2026 and 31 December 2025, the details of long-term other receivables are as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Other Receivables from Third Parties | 6.664.519 | 7.333.770 |
| *- Deposits and guarantees given* | *6.664.519* | *7.333.770* |
| Other Receivables from Related Parties **(Note 37)** | *56.657.498* | *57.583.386* |
| *-Related parties* | *115.625.000* | *127.236.063* |
| *-Discoun on notes receivables from related parties* | *(58.967.502)* | *(69.652.677)* |
| **Long-term other receivables, net** | **63.322.017** | **64.917.156** |

As of 31 March 2026 and 31 December 2025, the details of short-term other payables are as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Other Payables to Third Parties | 283.930.054 | 212.428.446 |
| *- Other liabilities* | *268.875* | *300.485* |
| *- Taxes payable* | *282.625.749* | *210.988.553* |
| *- Other payables* | *1.035.430* | *1.139.408* |
| Other Payables to Related Parties **(Note 37)** | 310.021 | - |
| **Short-term other payables, net** | **284.240.075** | **212.428.446** |

As of 31 March 2026 and 31 December 2025, the Group has no long-term other payables.

**NOTE 12 - DERIVATIVE INSTRUMENTS**

As of 31 March 2026 and 31 December 2025, the Group has no short and long-term derivative instruments.

The Group uses hedge accounts on its consolidated statement of financial position by borrowing in the same currency against the foreign currency denominated risks arising from the foreign currency sales amounts to be realized in the subsequent periods within the scope of the agreements.

In this context, repayments of foreign currency denominated borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that are realized on closing dates and determined as hedged item within the scope of hedge accounting.
In accordance with the currency risk management strategy determined by the Group management, unrealized firm commitment applies hedge accounting to hedge the currency risk component of the fair value risk and hedge the cash flow risk of the highly probable forecast transaction currency risk component and is formed on the hedged item and the hedging instrument. The Group aims to present a precise statement of profit or loss by netting the foreign exchange rate fluctuations that have not yet been realized and by following the currency fluctuations of bank borrowings, which are defined as hedge instruments, under the consolidated statement of other comprehensive income.

## NOTE 13 – INVENTORIES

As of 31 March 2026 and 31 December 2025, the breakdown of inventories is as follows:

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Raw materials and supplies | 1.415.458.182 | 1.119.438.759 |
| Finished goods | 2.211.366.413 | 1.937.810.358 |
| Merchandise | 706.145.592 | 685.486.413 |
| Other inventories | 24.895.992 | 16.868.673 |
| **Total** | **4.357.866.179** | **3.759.604.203** |

The Group has no provision for impairment on inventories.

## NOTE 14 – RIGHT OF USE ASSETS

As of 31 March 2026 and 2025, the movements for right of use assets, and related depreciation are as follows:

**31.03.2026**

| Cost | Opening balance – 1 January 2026 | Additions | Disposals | Currency translation differences | Closing balance – 31 March 2026 |
|---|---|---|---|---|---|
| Motor vehicles | 106.279.296 | 6.790.722 | (59.950.497) | - | 53.119.521 |
| Buildings | 390.610.543 | 579.286 | - | (23.700.068) | 367.489.761 |
| **Total** | **496.889.839** | **7.370.008** | **(59.950.497)** | **(23.700.068)** | **420.609.282** |

| Accumulated depreciation (-) | Opening balance – 1 January 2026 | Current period depreciation | Disposals | Currency translation differences | Closing balance – 31 March 2026 |
|---|---|---|---|---|---|
| Motor vehicles | (69.522.116) | (4.015.184) | 59.950.497 | - | (13.586.803) |
| Buildings | (170.992.932) | (10.850.092) | - | 10.021.745 | (171.821.279) |
| **Total** | **(240.515.048)** | **(14.865.276)** | **59.950.497** | **10.021.745** | **(185.408.082)** |
| **Net book value** | **256.374.791** | | | | **235.201.200** |

**31.03.2025**

| Cost | Opening balance – 1 January 2025 | Additions | Disposals | Currency translation differences | Closing balance – 31 March 2025 |
|---|---|---|---|---|---|
| Motor vehicles | 59.949.650 | 37.828.177 | - | - | 97.777.827 |
| Buildings | 430.391.376 | 13.042.860 | - | 776.009 | 444.210.245 |
| **Total** | **490.341.026** | **50.871.037** | **-** | **776.009** | **541.988.072** |

| | Opening balance – 1 January 2025 | Current period depreciation | Disposals | Currency translation differences | Closing balance – 31 March 2025 |
|---|---|---|---|---|---|
| Motor vehicles | (59.949.650) | (18.417.074) | | - | (78.366.724) |
| Buildings | (128.660.690) | (4.115.636) | - | - | (132.776.326) |
| **Total** | **(188.610.340)** | **(22.532.710)** | **-** | - | **(211.143.050)** |
| **Net book value** | **301.730.686** | | | | **330.845.022** |

## NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOME

As of 31 March 2026 and 31 December 2025, the breakdown of short-term prepaid expenses is as follows:

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Prepaid Expenses to Third Parties | 313.264.092 | 226.631.831 |
| *-Short-term prepaid expenses* | *62.903.338* | *59.111.994* |
| *-Advances given for purchases* | *249.941.539* | *167.355.289* |
| *-Advances given to employees* | *80.145* | *156.453* |
| *-Business cash advances* | *339.070* | *8.095* |
| **Short-term prepaid expenses, net** | **313.264.092** | **226.631.831** |

As of 31 March 2026 and 31 December 2025, the Group has no long-term prepaid expenses.

As of 31 March 2026 and 31 December 2025, the breakdown of short-term deferred income is as follows:

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Deferred Income from Third Parties | 340.750.631 | 480.039.006 |
| *Advances received* | *340.750.631* | *480.039.006* |
| **Short-term deferred income, net** | **340.750.631** | **480.039.006** |

(*) Includes advances received from domestic and foreign customers

As of 31 March 2026 and 31 December 2025, the Group has no long-term deferred income.

## NOTE 16 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

None.

## NOTE 17 - INVESTMENT PROPERTIES

As of 31 March 2026 and 2025, the detailed analysis and movements of investment properties are as follows:

**31.03.2026**

| Cost | Opening balance – 1 January 2026 | Additions | Revaluation surplus | Closing balance – 31 March 2026 |
|---|---|---|---|---|
| Land | 463.029.225 | - | - | 463.029.225 |
| Buildings | 311.881.037 | - | - | 311.881.037 |
| **Total** | **774.910.262** | **-** | **-** | **774.910.262** |

**31.03.2025**

| Cost | Opening balance – 1 January 2025 | Additions | Transfers | Closing balance – 31 March 2025 |
|---|---|---|---|---|
| Land | 380.271.732 | - | - | 380.271.732 |
| Buildings | 324.854.597 | - | - | 324.854.597 |
| **Total** | **705.126.329** | **-** | **-** | **705.126.329** |

## NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

As of 31 March 2026 and 2025, the movements for property, plant and equipment, and related depreciation are as follows:

**31.03.2026**

| Cost | Opening balance – 1 January 2026 | Additions | Disposals | Closing balance – 31 March 2026 |
|---|---|---|---|---|
| Land | 4.753.849.488 | - | - | 4.753.849.488 |
| Land improvements | 72.084.118 | - | - | 72.084.118 |
| Buildings | 2.772.958.920 | 173.307 | - | 2.773.132.227 |
| Plant, machinery and equipment | 5.815.152.518 | 11.874.425 | - | 5.827.026.943 |
| Motor vehicles | 516.857.431 | | - | 516.857.431 |
| Furniture and fixtures | 272.843.943 | 1.428.206 | - | 274.272.149 |
| Other property, plant and equipment | 575.273 | - | - | 575.273 |
| Leasehold improvements | 12.430.913 | - | - | 12.430.913 |
| Constructions in progress | 2.708.484.490 | 114.987.924 | - | 2.823.472.414 |
| **Total** | **16.925.237.094** | **128.463.862** | **-** | **17.053.700.956** |

| Accumulated depreciation (-) | Opening balance – 1 January 2026 | Current period depreciation | Disposals | Closing balance – 31 March 2026 |
|---|---|---|---|---|
| Land improvements | (38.542.388) | (1.079.909) | - | (39.622.297) |
| Buildings | (469.096.129) | (16.747.451) | - | (485.843.580) |
| Plant, machinery and equipment | (2.632.220.234) | (94.851.334) | - | (2.727.071.568) |
| Motor vehicles | (262.439.800) | (15.768.255) | - | (278.208.055) |
| Furniture and fixtures | (194.374.980) | (5.880.136) | - | (200.255.116) |
| Other property, plant and equipment | (575.271) | - | - | (575.271) |
| Leasehold improvements | (11.265.439) | (88.708) | - | (11.354.147) |
| **Total** | **(3.608.514.241)** | **(134.415.793)** | **-** | **(3.742.930.034)** |
| **Net book value** | **13.316.722.853** | | | **13.310.770.922** |

**31.03.2025**

| Cost | Opening balance – 1 January 2025 | Additions | Revaluation surplus | Transfers | Closing balance – 31 March 2025 |
|---|---|---|---|---|---|
| Land | 4.806.611.498 | - | - | - | 4.806.611.498 |
| Land improvements | 71.248.295 | 834.625 | - | 834.625 | 72.917.545 |
| Buildings | 2.607.016.857 | - | - | - | 2.607.016.857 |
| Plant, machinery and equipment | 5.169.754.155 | 29.908.132 | 4.351.181 | 24.329.682 | 5.228.343.150 |
| Motor vehicles | 500.867.583 | 21.977.925 | - | - | 522.845.508 |
| Furniture and fixtures | 260.435.909 | 3.592.316 | 191.588 | 1.509.166 | 265.728.979 |
| Other property, plant and equipment | 575.264 | - | - | - | 575.264 |
| Leasehold improvements | 11.993.189 | - | - | - | 11.993.189 |
| Constructions in progress | 2.459.896.345 | 228.055.687 | 4.701.403 | (26.673.473) | 2.665.979.962 |
| **Total** | **15.888.399.095** | **284.368.685** | **9.244.172** | **-** | **16.182.011.952** |

| Accumulated depreciation (-) | Opening balance – 1 January 2025 | Current period depreciation | Disposals | Closing balance – 31 March 2025 |
|---|---|---|---|---|
| Land improvements | (34.175.987) | (1.066.174) | - | (35.242.161) |
| Buildings | (399.461.599) | (15.908.901) | - | (415.370.500) |
| Plant, machinery and equipment | (2.512.093.829) | (80.023.094) | - | (2.592.116.923) |
| Motor vehicles | (219.811.235) | (15.499.051) | - | (235.310.286) |
| Furniture and fixtures | (169.993.993) | (5.983.189) | - | (175.977.182) |
| Other property, plant and equipment | (528.473) | (37.756) | - | (566.229) |
| Leasehold improvements | (10.711.112) | (169.595) | - | (10.880.707) |
| **Total** | **(3.346.776.228)** | **(118.687.760)** | **-** | **(3.465.463.988)** |
| **Net book value** | **12.541.622.868** | | | **12.716.547.962** |

Total insurance coverage on property, plant and equipment has been presented under **Note 22**.

The functional breakdown of depreciation and amortisation charges on property, plant and equipment have been presented under **Note 30**.

**NOTE 19 - INTANGIBLE ASSETS**

As of 31 March 2026 and 2025, the movements for intangible assets, and related depreciation are as follows:

**31.03.2026**

| Cost | Opening balance – 1 January 2026 | Additions | Disposals | Closing balance – 31 March 2026 |
|---|---|---|---|---|
| Rights | 108.696.456 | 1.359.550 | - | 110.056.006 |
| Development costs | 635.094.122 | - | - | 635.094.122 |
| **Total** | **743.790.578** | **1.359.550** | **-** | **745.150.128** |

| Accumulated depreciation (-) | Opening balance – 1 January 2026 | Current period depreciation | Disposals | Closing balance – 31 March 2026 |
|---|---|---|---|---|
| Rights | (102.951.989) | (538.256) | - | (103.490.245) |
| Development costs | (631.154.206) | (310.681) | - | (631.464.887) |
| **Total** | **(734.106.195)** | **(848.937)** | **-** | **(734.955.132)** |
| **Net book value** | **9.684.383** | **-** | **-** | **10.194.996** |

**31.03.2025**

| Cost | Opening balance – 1 January 2025 | Additions | Closing balance – 31 March 2025 |
|---|---|---|---|
| Rights | 106.741.019 | 157.214 | 106.898.233 |
| Development costs | 635.083.553 | - | 635.083.553 |
| **Total** | **741.824.572** | **157.214** | **741.981.786** |

| Accumulated depreciation (-) | Opening balance – 1 January 2025 | Current period depreciation | Closing balance – 31 March 2025 |
|---|---|---|---|
| Rights | (101.680.595) | (528.145) | (102.208.740) |
| Development costs | (629.691.693) | (441.185) | (630.132.878) |
| **Total** | **(731.372.288)** | **(969.330)** | **(732.341.618)** |
| **Net book value** | **10.452.284** | | **9.640.168** |

Total insurance coverage on intangible assets has been presented under **Note 22**.

The functional breakdown of depreciation and amortisation charges on intangible assets have been presented under **Note 30**.

## NOTE 20 - EMPLOYEE BENEFITS

As of 31 March 2026 and 31 December 2025, the breakdown of employee benefits is as follows:

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Due to employees | 65.110.966 | 60.713.191 |
| Taxes payable | 14.856.657 | 24.347.218 |
| Social security premiums payable | 42.190.746 | 35.876.870 |
| **Employee benefits, net** | **122.158.369** | **120.937.279** |

## NOTE 21 – GOVERNMENT GRANTS

As of 31 March 2026, the Group has entitled to benefit from employment incentives, turquality and reduced corporate tax incentives in accordance with government grants.

## NOTE 22 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

*i) Other short-term provisions*

| Account Name | 31.03.2026 | 31.12.2025 |
|---|---|---|
| Provision for lawsuit | 55.951.758 | 61.570.434 |
| Provision for unused vacation | 29.567.593 | 23.255.329 |
| **Total** | **85.519.351** | **84.825.763** |

As of 31 March 2026 and 2025, the movements of provision for lawsuits are as follows:

| | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Beginning of the period – 1 January | 61.570.434 | 60.196.027 |
| Additions | - | 13.156.333 |
| Provisions no longer required | - | (335.356) |
| Payments during the period | - | (1.725.322) |
| Inflation adjustments | (5.618.676) | (5.761.411) |
| **End of the period – 31 March** | **55.951.758** | **65.530.271** |

As of 31 March 2026 and 2025, the movements of provision for unused vacation are as follows:

| | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Beginning of the period – 1 January | 23.255.329 | 24.395.947 |
| Additions | 8.625.247 | 7.171.638 |
| Inflation adjustments | (2.312.983) | (2.397.111) |
| **End of the period – 31 March** | **29.567.593** | **29.170.474** |

*ii) Contingent liabilities and contingent assets*

None.

*iii) Commitments, mortgages and guarantees not included in the liability*

As of 31 March 2026 and 31 December 2025, the breakdown of collaterals/pledges/mortgages/bill of guarantees ("CPMB") is as follows:

| | | 31.03.2026 | | 31.12.2025 | |
|---|---|---|---|---|---|
| **Type** | **Currency** | **Original currency amount** | **TL equivalent** | **Original currency amount** | **TL equivalent** |
| Letter of guarantee given | TL | 2.459.472.395 | 2.459.472.395 | 3.008.558.228 | 3.008.558.228 |
| Letter of guarantee given | USD | - | - | - | - |
| Letter of guarantee given | EUR | - | - | - | - |
| Pledges and mortgages given | TL | - | - | - | - |
| Bill of guarantees given | TL | 8.545.316.430 | 8.545.316.430 | 2.859.876.828 | 2.859.876.828 |
| Bill of guarantees given | USD | 43.250.000 | 1.919.612.325 | 166.250.000 | 7.841.435.973 |
| Bill of guarantees given | EUR | 24.750.000 | 1.262.834.100 | 28.100.000 | 1.560.103.861 |
| **Total CPMB's given, net** | | | **14.187.235.250** | | **15.269.974.889** |
| Letter of guarantee received | TL | 5.063.120 | 34.280.590 | 37.723.047 | 37.723.047 |
| Letter of guarantee received | USD | 3.824.861 | 169.763.013 | - | - |
| Letter of guarantee received | EUR | 336.600 | 17.174.544 | 336.600 | 18.687.934 |
| **Total CPMB's received, net** | | | **221.218.147** | | **56.410.981** |

The functional breakdown of letters of guarantee which has been provided to various institutions during the period given accordingly to Customs Office, Electricity and Natural Gas distributor companies and tribunals. On the other hand, the Group has obtained letters of guarantees from its shareholders considered as bill of guarantees for acquisition of raw materials and supplies which were considered as deposit.

*iv) Ratio of guarantees and mortgages to equity*

As of 31 March 2026 and 31 December 2025, the Group's collateral/pledge/mortgage/bill of guarantees ("C&P&M&B") position is as follows:

| **Collaterals, Pledges, Mortgages, Bill of Guarantees Given by the Group** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| **A**. Total amount of CPMB's given in the name of its own legal personality | 2.459.472.395 | 3.008.558.228 |
| **B**. Total amount of CPMB's given on behalf of the fully consolidated subsidiaries | 11.727.762.855 | 12.261.416.661 |
| **C**. Total amount of CPMB's given on behalf of third parties for ordinary course of business | - | - |
| **D**. Total amount of other CPMB's given | - | - |
| i) Total amount of CPMB's given on behalf of the majority shareholder | - | - |
| ii) Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C | - | - |
| iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C | - | - |
| **Total** | **14.187.235.250** | **15.269.974.889** |

The ratio of other CPMB's given by the Group to its equity is 86% as of 31 March 2026 (31 December 2025: 90%).

*v) Total insurance coverage on assets*

As of 31 March 2026, total insurance coverage on property, plant and equipment is amounting to TL 9.420.357.539 and USD 32.000.000 against wide variety of risks as collateral (31 December 2025: TL 10.329.486.504 and USD 32.000.000).

## NOTE 23 - COMMITMENTS

None.

## NOTE 24 – PROVISIONS FOR EMPLOYEE BENEFITS

| | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Provision for employment termination benefits | 105.688.308 | 71.700.904 |
| **Total** | **105.688.308** | **71.700.904** |

Under Turkish Labour Law, Kocaer Çelik and its subsidiaries and associates incorporated in Türkiye are 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 (20 years for women) and reaches the retirement age (58 for women and 60 for men).
As of 31 March 2026, the amount payable consists of one month's salary limited to a maximum of TL 64.948,77 (31 December 2025: TL 64.948,77) for each year of service.

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 Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity'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. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects.

As of 31 March 2026, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. As of 31 March 2026, the provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24.00% and an interest rate of 27.41%, resulting in a discount rate of 5.51%.

The movements of provision for employment termination benefits are as follows:

| | **01.01.2026 31.03.2026** | **01.01.2025 31.03.2025** |
|---|---|---|
| **Beginning of the period – 1 January** | 71.700.904 | 94.283.541 |
| Payments during the period (-) | (9.928.579) | (7.341.412) |
| Interest cost | 7.699.016 | 10.508.721 |
| Service cost | 18.506.349 | 15.795.619 |
| Loss on remeasurements of defined benefit plans | 7.873.589 | 3.527.699 |
| Actuarial gains/losses | 18.047.398 | (21.468.012) |
| Inflation adjustments | (8.210.369) | (8.643.872) |
| **End of the period – 31 March** | **105.688.308** | **86.662.284** |

## NOTE 25 - TAX ASSETS AND LIABILITIES

As of 31 March 2026 and 31 December 2025, the breakdown of current income tax assets is as follows:

| | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Prepaid taxes | 1.496 | 1.646 |
| **Current income tax assets, net** | **1.496** | **1.646** |

## NOTE 26 - OTHER ASSETS AND LIABILITIES

As of 31 March 2026 and 31 December 2025, the breakdown of other current assets is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Deferred VAT | 81.345.583 | 87.547.316 |
| **Other current assets, net** | **81.345.583** | **87.547.316** |

As of 31 March 2026 and 31 December 2025, the breakdown of other current liabilities is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Other | 36.536 | - |
| **Other current liabilities, net** | **36.536** | **-** |

As of 31 March 2026 and 31 December 2025, the Group has no other non-current liabilities.

## NOTE 27 – EQUITY

*i) Non-controlling interests*

From all equity account group items of subsidiaries within the scope of consolidation, including paid/issued share capital, the amounts corresponding to the shares other than the parent company and subsidiaries are deducted and disclosed in the equity of the consolidated statement of financial position as "Non-Controlling Interests".

As of 31 March 2026 and 31 December 2025, the movements of non-controlling interests are as follows:

| | **01.01.2026 31.03.2026** | **01.01.2025 31.12.2025** |
|---|---|---|
| Paid-in share capital | 7.307.951 | 8.041.816 |
| Adjustment to share capital | 21.736.018 | 21.002.154 |
| Gains/(losses) on remeasurements of defined benefit plans, net | (523.250) | (301.074) |
| Currency translation differences, net | (3.329.021) | 999.282 |
| Retained earnings, net | 11.065.178 | 4.757.966 |
| Restricted reserves | 2.612.044 | 2.612.044 |
| Profit for the period, net | 5.143.442 | 6.307.211 |
| **End of the period** | **44.012.362** | **43.419.399** |

*ii) Share capital//Capital adjustments due to cross-ownership*

As of 31 March 2026 and 31 December 2025, the principal shareholders and their respective shareholding rates in Kocaer Çelik are as follows:

| | **31.03.2026** | | **31.12.2025** | |
|---|---|---|---|---|
| **Shareholders** | **Amount** | **Share (%)** | **Amount** | **Share (%)** |
| Hakan Kocaer | 1.420.836.864 | 74 | 1.420.836.864 | 74 |
| Other (Listed shares) | 494.163.136 | 26 | 494.163.136 | 26 |
| **Total share capital** | **1.915.000.000** | **100** | **1.915.000.000** | **100** |

Number of shares, class of shares and privileges

The Group has applied the registered capital system in accordance with the CMB regulations and adopted to the registered capital system with the permission of the CMB on 14 April 2022 and numbered 18/589. The issued share capital of the Group has been increased by TL 1.257.430.000 to TL 1.915.000.000 and the issued share capital has been fully paid free of collusion. The capital increase was registered and announced in the Official Gazette on 28 December 2024 and numbered 11217.

Capital adjustments due to cross-ownership

None.

*iii) Capital reserves*

None.

*iv) Restricted reserves*

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The details of the restricted reserves are as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Legal reserves | 196.666.491 | 196.666.491 |
| Gain on disposal of a subsidiary and property, plant and equipment | 355.199.502 | 355.199.502 |
| **Total** | **551.865.993** | **551.865.993** |

*v) Retained earnings*

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Extraordinary reserves | 1.931.071.986 | 1.931.071.986 |
| Retained earnings | 5.200.926.924 | 4.636.477.712 |
| **Total** | **7.131.998.910** | **6.567.549.698** |

*vi) Share premium*

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Share premium | 455.713.711 | 455.713.711 |
| **Total** | **455.713.711** | **455.713.711** |

*vii) Other comprehensive income or expenses to be reclassified to profit or loss*

As of 31 March 2026 and 31 December 2025, the detailed table of other comprehensive income or expenses to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Currency translation differences | (66.112.883) | 8.894.610 |
| Gains/(losses) on hedges | (665.146.758) | (714.894.414) |
| **Total** | **(731.259.641)** | **(705.999.804)** |

*viii) Other comprehensive income or expenses not to be reclassified to profit or loss*

As of 31 March 2026 and 31 December 2025, the detailed table of other comprehensive income or expenses not to be reclassified to the consolidated statement of profit or loss recognised under equity is as follows:

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Gains/(losses) on revaluation and remeasurement | 2.311.421.065 | 2.311.421.065 |
| Gains/(losses) on remeasurements of defined benefit plans | (29.699.718) | (18.534.797) |
| **Total** | **2.281.721.347** | **2.292.886.268** |

*ix) Equity*

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Paid-in share capital | 1.915.000.000 | 1.915.000.000 |
| Adjustment to share capital | 1.928.912.322 | 1.928.912.322 |
| Other comprehensive income or expenses not to be reclassified to profit or loss | 2.281.721.344 | 2.292.886.268 |
| Share premium | 455.713.711 | 455.713.711 |
| Other comprehensive income or expenses to be reclassified to profit or loss | (731.259.641) | (705.999.804) |
| Restricted reserves | 551.865.993 | 551.865.993 |
| Retained earnings | 7.131.998.910 | 6.567.549.698 |
| Profit for the period | 118.835.993 | 521.029.812 |
| **Equity holders of the parent** | **13.652.788.635** | **13.526.958.000** |
| Non-controlling interests | 44.012.362 | 43.419.399 |
| **Total equity** | **13.696.800.997** | **13.570.377.399** |

**NOTE 28 - REVENUE AND COST OF SALES**

As of 31 March 2026 and 2025, the functional breakdown of revenue and cost of sales is as follows:

| **Account Name** | **01.01.2026 31.03.2026** | **01.01.2025 31.03.2025** |
|---|---|---|
| Domestic sales | 1.863.072.792 | 1.356.104.025 |
| Foreign sales | 3.063.741.576 | 4.531.372.593 |
| Other revenue | 129.392.120 | 43.734.841 |
| Sales returns (-) | (273.086) | (10.939.936) |
| Sales discounts (-) | (877.405) | (580.128) |
| **Net sales** | **5.055.055.997** | **5.919.691.395** |
| **Cost of sales (-)** | **(4.113.034.075)** | **(4.657.917.948)** |
| *Cost of merchandise sold (-)* | (162.375.807) | (626.609.769) |
| *Cost of goods sold (-)* | (3.437.456.287) | (3.383.032.006) |
| *Other cost of sales (-)* | (126.814.298) | (185.766.433) |
| *Personnel expenses* | (255.518.149) | (342.289.044) |
| *Depreciation and amortisation charges(-)* | (130.869.534) | (120.220.696) |
| **Gross Profit** | **942.021.922** | **1.261.773.447** |

## NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

As of 31 March 2026 and 2025, the functional breakdown of operating expenses is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Marketing, sales and distribution expenses (-) | (240.436.905) | (421.340.867) |
| General administrative expenses (-) | (114.359.175) | (123.234.777) |
| Research and development expenses (-) | (22.108.886) | (4.484.965) |
| **Total operating expenses (-)** | **(376.904.966)** | **(549.060.609)** |

## NOTE 30 - EXPENSES BY NATURE

As of 31 March 2026 and 2025, the functional breakdown of marketing, sales and distribution expenses, research and development expenses and general administrative expenses recognized in expenses by nature is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| **Marketing, sales and distribution expenses (-)** | **(240.436.905)** | **(421.340.867)** |
| Personnel expenses | (21.883.937) | (18.822.450) |
| Freight costs | (126.727.495) | (209.148.291) |
| Transportation costs | (31.325.807) | (39.510.213) |
| Customs duty and expenses | (2.250.727) | (5.161.764) |
| Consumable costs | (17.840.231) | (33.051.146) |
| Sales commission expenses | (19.646.037) | (92.562.249) |
| Depreciation and amortisation charges | (158.829) | (12.872) |
| Advertising expenses | (327.357) | (645.156) |
| Maintenance and repair expenses | (5.803) | (426.349) |
| Consultancy expenses | (197.790) | (145.640) |
| Fair and exhibition costs | (4.312.036) | (5.834.628) |
| Travel and accommodation expenses | (3.535.271) | (2.636.720) |
| Insurance expenses | (936.162) | (1.200.613) |
| Other | (11.289.423) | (12.182.776) |
| **General Administrative Expenses (-)** | **(114.359.175)** | **(123.234.777)** |
| Personnel expenses | (64.266.085) | (67.794.423) |
| Consumable costs | (895.657) | (2.614.664) |
| Depreciation and amortisation charges | (19.082.684) | (21.932.100) |
| Maintenance and repair expenses | (1.616.150) | (1.297.823) |
| IT expenses | (3.819.846) | (8.940.193) |
| Consultancy expenses | (6.286.415) | (7.198.275) |
| Utility expenses | (810.230) | (852.845) |
| Communication expenses | (260.703) | (135.935) |
| Stationery expenses | (100.821) | (835.094) |
| Travel and accommodation expenses | (1.596.833) | (1.666.110) |
| Insurance expenses | (2.223.592) | (2.186.304) |
| Representation and hospitality expenses | (221.936) | (641.377) |
| Taxes, duties and charges | (131.731) | (221.376) |
| Other | (13.046.492) | (6.918.258) |
| **Research and Development Expenses (-)** | **(22.108.886)** | **(4.484.965)** |
| Personnel expenses | (21.434.446) | (3.974.203) |
| Depreciation and amortisation charges | (18.959) | (24.132) |
| Rent expenses | (156.500) | (148.506) |
| Other | (498.981) | (338.124) |
| **Total operating expenses, net (-)** | **(376.904.966)** | **(549.060.609)** |

The functional breakdown of depreciation and amortisation charges recognized under consolidated statement of profit or loss is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Cost of sales (-) | (130.869.534) | (120.220.696) |
| Marketing, sales and distribution expenses (-) | (158.829) | (12.872) |
| General administrative expenses (-) | (19.082.684) | (21.932.100) |
| Research and development expenses (-) | (18.959) | (24.132) |
| **Depreciation and amortisation charges, net** | **(150.130.006)** | **(142.189.800)** |

The functional breakdown of personnel expenses recognized under consolidated statement of profit or loss is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Cost of sales (-) | (255.518.149) | (342.289.044) |
| Marketing, sales and distribution expenses (-) | (21.883.937) | (18.822.450) |
| General administrative expenses (-) | (64.266.085) | (67.794.423) |
| Research and development expenses (-) | (21.434.446) | (3.974.203) |
| **Personnel expenses, net** | **(363.102.617)** | **(432.880.120)** |

## NOTE 31 - OTHER OPERATING INCOME/(EXPENSES)

As of 31 March 2026 and 2025, the functional breakdown of other operating income and expenses is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| **Other operating income** | **268.313.463** | **1.012.195.465** |
| Provisions no longer required (Doubtful receivables) | 8.061.197 | 2.971.400 |
| Provisions no longer required (Lawsuits) | - | 2.060.678 |
| Foreign exchange gains | 37.797.268 | 779.609.055 |
| Interest income | 44.271.505 | 177.728.826 |
| Discount income | 82.334.825 | 28.959.600 |
| Income from reversal of discounts | 81.904.886 | 12.132.918 |
| Other | 13.943.782 | 8.732.988 |
| **Other operating expenses (-)** | **(369.416.445)** | **(691.247.294)** |
| Provisions for doubtful receivables | (11.247.112) | (721.333) |
| Provisions for lawsuits | - | (13.156.333) |
| Foreign exchange losses | (186.153.253) | (348.578.409) |
| Interest expenses | (46.993.179) | (231.163.486) |
| Discount expenses | (73.799.085) | (39.539.763) |
| Expenses from reversal of discounts | (44.141.568) | (56.101.540) |
| Other | (7.082.248) | (1.986.430) |
| **Other operating income/(expenses), (net)** | **(101.102.982)** | **320.948.171** |

## NOTE 32 - GAINS/(LOSSES) FROM INVESTMENT ACTIVITES

As of 31 March 2026 and 2025, the functional breakdown of gains and losses from investment activities is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| **Gains from investment activities** | **278.241.120** | **147.837.248** |
| Gain on sale of securities | 278.241.120 | 147.837.248 |
| **Losses from investment activities (-)** | **(36.858.220)** | **(922.438)** |
| Loss on sale of non-current assets | - | (922.438) |
| Loss on sale of securities | (36.858.220) | - |
| **Gains/(losses) from investment activities, (net)** | **241.382.900** | **146.914.810** |

## NOTE 33 - FINANCIAL INCOME/(EXPENSES)

As of 31 March 2026 and 2025, the functional breakdown of financial income and expenses is as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| **Financial income** | **27.247.956** | **297.825.974** |
| Interest income | 5.633.204 | 3.812.489 |
| Foreign exchange gains | 21.614.752 | 280.594.674 |
| Interest income arising from Group companies and shareholders | - | 13.418.811 |
| **Financial expenses (-)** | **(399.334.604)** | **(886.160.467)** |
| Interest expenses | (248.542.619) | (162.265.823) |
| Foreign exhange losses | (42.570.374) | (671.213.162) |
| Bank comissions, fees and charges | (74.594.370) | (40.447.575) |
| Interest expenses from TFRS 16 | (6.475.722) | (4.122.661) |
| Other | (27.151.519) | (8.111.246) |
| **Financial income/(expenses), (net)** | **(372.086.648)** | **(588.334.493)** |

## NOTE 34 – NET MONETARY POSITION GAINS/(LOSSES)

As of 31 March 2026 and 2025, the breakdown of net monetary position gains and losses is as follows:

| Non-monetary items | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Statement of financial position** | **(61.193.111)** | **(255.010.296)** |
| Prepaid expenses | 7.979.182 | 44.236.656 |
| Inventories | 68.058.708 | 34.988.723 |
| Property, plant and equipment | 1.239.663.421 | 832.859.270 |
| Intangible assets | 440.336 | 363.742 |
| Right of use assets | 4.078.699 | 21.235.821 |
| Deferred tax assets | - | 64.985.129 |
| Equity | (1.292.690.421) | (1.374.574.921) |
| Deposits and guarantees given | 1.752.380 | 670.498 |
| Deferred income and advances given | (90.475.416) | 120.224.786 |
| **Statement of profit or loss** | **4.486.044** | **48.787.705** |

| | | |
|---|---|---|
| Revenue | (96.388.002) | (38.573.925) |
| Cost of sales | 82.103.824 | 85.155.544 |
| Marketing, sales and distribution expenses | 5.481.891 | 6.529.969 |
| General administrative expenses | 1.848.429 | 2.217.537 |
| Other operating income | (1.257.384) | (4.521.767) |
| Other operating expenses | 9.511.805 | 415.300 |
| Gains from investment activities | (5.328.776) | (1.743.455) |
| Financial income | (2.401.553) | (27.933.371) |
| Financial expenses | 10.915.810 | 27.241.873 |
| **Net monetary position gains/(losses)** | **(56.707.067)** | **(206.222.591)** |

## NOTE 35 – INCOME TAXES

The Group's tax expense (or income) consists of current period corporate income tax expense and deferred tax expense or income and the functional breakdown of income taxes is as follows:

| **Account Name** | **01.01.2026 31.03.2026** | **01.01.2025 31.03.2025** |
|---|---|---|
| Current period tax expense | (24.639.911) | (177.803) |
| Deferred income tax | (127.983.813) | (28.664.570) |
| **Total tax income/(expense)** | **(152.623.724)** | **(28.842.373)** |

*i) Corporate tax*

The Group, its subsidiaries and associates operating in Türkiye, are subject to the tax legislation and practices in force in Türkiye. Provisions have been allocated in the accompanying consolidated financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

| **Account Name** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Current period tax expense | 37.204.115 | 118.650.586 |
| Less: Prepaid income tax | 170.456 | (45.619.672) |
| **Current income tax liabilities, net** | **37.374.571** | **73.030.914** |

The corporate tax to be accrued on the taxable income is calculated on the basis of the deduction of the expenses that cannot be deducted from the tax base expense in the determination of the earnings, and the amount of dividends received from domestic companies, taxable income and investment allowances.

*Corporate tax rates*

As of 31 March 2026, corporate tax rate applied in Türkiye is 25% in accordance with the Corporate Tax Law numbered 5520 (31 December 2025: 25%). The corporate tax rate is applied to the tax base that will be calculated as a result of including the expenses that are not considered as deductible in accordance with the tax laws to the operating profit of the entities and deducting the exemptions and allowances (subsidiary earnings, investment discount, etc.) and deductions (Exemptions from research and development, etc.) included in the tax laws. Additional tax is not paid if the profit is not distributed.

In accordance with the Article 35 of the law numbered 7256 on Restructuring of Some Receivables and Amending Some Laws ("Law No. 7256"), published in the Official Gazette on 17 November 2020 effective from 1 January 2021. For the institutions at least 20% of whose shares are offered to the public to be traded in Borsa Istanbul Equity Market for the first time, the corporate tax rate will be applied at a 2 point discounted rate for 5 accounting periods starting from the fiscal period during which their shares are offered to the public for the first time. However, the above mentioned discount on corporate tax rate is not applicable for banks, leasing companies, factoring companies, financing companies, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In case the condition disclosed in the aforementioned paragraph regarding the share ratio is lost within 5 accounting periods starting from the accounting period benefiting from the discount, taxes that are not accrued on time due to the reduced tax rate application are collected together with delay interest without any tax loss penalty.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to corporate tax law article numbered 20, the corporate tax is imposed by the taxpayer's tax returns. In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-30 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Dividend payments by resident corporations to resident joint-stock company in Türkiye are not subject to income tax. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated. Dividend income (excluding profits from investment funds 'participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully taxpayed is exempt from corporation tax.

The Group has been capitalised basic incentives and supports presented under the provisions of Law No. 5746 pertaining the Support of Research and Development Activities for the R&D investment projects in its statutory records. 100% of all eligible R&D and innovation expenditures made within technology centres, R&D centres (which should employ at least 15 (may increase to 30 for specific sectors) full-time equivalent R&D personnel), R&D and innovation projects supported by governmental institutions, foundations established by law, or international funds and design expenditures made within design centres (which should employ at least 10 full-time equivalent design personnel) and design projects

supported by the above institutions can be deducted from the corporate income tax base in accordance with the necessary calculations which has been recognised in the accompanying consolidated financial statements.

*Income withholding tax*

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 10% between 24 April 2003 and 22 July 2006. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on 22 July 2006. Undistributed dividends incorporated in share capital are not subject to income tax withholding. Undistributed dividends incorporated in share capital are not subject to income tax withholding.

*ii) Deferred tax*

Kocaer Çelik, its subsidiaries and associates, recognise deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS/TFRS and the Turkish tax legislations.These differences usually due to the recognition of revenue and expense items in different reporting periods for the TAS/TFRS and tax purposes, the differences explained as below.

As of 31 March 2026 and 31 December 2025, the breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

| | **Cumulative temporary differences** | | **Deferred tax assets/(liabilities)** | |
|---|---|---|---|---|
| **Account Name** | **31.03.2026** | **31.12.2025** | **31.03.2026** | **31.12.2025** |
| Adjustments for PP&E | (6.986.089.490) | (6.951.944.012) | (1.255.503.233) | (1.238.429.629) |
| Investment properties | (527.323.559) | 502.460.902 | (94.278.511) | (89.774.530) |
| Right of use assets | 12.508.628 | (13.664.791) | 2.376.639 | 2.596.310 |
| Prepaid expenses | 175.232.238 | 221.502.921 | 33.294.125 | 40.125.063 |
| Inventories | (478.929.905) | (415.401.374) | (78.313.149) | (78.926.261) |
| Adjustments for gain on sale of securities | (148.219.436) | (40.559.522) | (28.161.693) | (7.706.309) |
| Adjustments for discount on notes receivables | 21.967.542 | 29.487.615 | 4.173.833 | 5.602.646 |
| Doubtful receivables | 21.834.329 | 19.804.096 | 4.148.523 | 3.762.778 |
| Constructions in progress | (1.133.948.499) | (987.605.362) | (237.524.327) | (206.138.492) |
| Investment discounts | 16.345.805 | - | 3.759.535 | - |
| Cash discounts | 265.816.284 | 294.488.576 | 61.137.745 | 67.732.373 |
| Retained earnings to be offset | 129.814.398 | 129.156.686 | 29.857.312 | 29.706.037 |
| Borrowings | (161.167.764) | 194.115.845 | 30.621.875 | 36.882.010 |
| Adjustments for discount on notes payable | (82.334.825) | (48.574.264) | (15.643.617) | (9.229.110) |
| Foreign exchange gains (TAS 21) | (525.316.567) | 31.707.622 | 99.810.148 | 6.024.448 |
| Advances received/given and other payables | 22.555.226 | 792.438 | 7.184.426 | 2.496.866 |
| Provisions for lawsuits | 54.052.746 | 59.480.723 | 10.270.022 | 11.301.338 |
| Provisions for employment termination benefits | 105.688.308 | 71.700.900 | 18.977.372 | 13.623.171 |
| Provisions for unused vacation | 29.567.593 | 23.255.329 | 5.310.043 | 4.418.512 |
| **Deferred tax assets/(liabilities), net** | | | **(1.398.502.932)** | **(1.405.932.779)** |

Income tax expenses in the consolidated statements of profit or loss are summarised as follows:

| | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Profit before tax | 270.600.040 | 1.229.054.105 |
| **Tax calculated at domestic tax rate** | (54.120.008) | (232.021.211) |
| Non-deductible expenses | (8.545.924) | (48.781.767) |
| Other temporary differences and adjustments for inflation | (89.957.792) | (420.914.105) |
| **Tax income/(expense)** | **(152.623.724)** | **(701.717.083)** |

**NOTE 36 - EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Accordingly, the weighted average number of shares used in earnings per share calculation as of 31 March 2026 and 2025, which is as follows:

| **Account Name** | **01.01.2026 31.03.2026** | **01.01.2025 31.03.2025** |
|---|---|---|
| Profit for the period | 118.835.993 | 356.283.590 |
| Weighted average number of shares | 1.915.000.000 | 1.915.000.000 |
| **Earnings per share** | **0.0621** | **0.1860** |

## NOTE 37 - RELATED PARTY DISCLOSURES

a) Related party balances are as follows:

| 31.03.2026 | Trade receivables | Other receivables | Trade payables | Other payables |
|---|---|---|---|---|
| Kocaer Tekstil Sanayi ve Ticaret Anonim Şirketi | - | 89.545.228 | - | - |
| Chakra Mağazacılık Ticaret ve Anonim Şirketi | - | 77.909.748 | - | - |
| Other | - | - | - | 310.021 |
| **TOTAL** | **-** | **167.454.976** | **-** | **310.021** |

| 31.03.2025 | Trade receivables | Other receivables | Trade payables | Other payables |
|---|---|---|---|---|
| Kocaer Tekstil Sanayi ve Ticaret A.Ş. | - | 92.519.307 | - | - |
| Chakra Mağazacılık Ticaret ve A.Ş. | - | 85.725.650 | - | - |
| Other | - | - | - | - |
| **TOTAL** | **-** | **178.244.957** | **-** | **-** |

b) Related party transactions are as follows:

**31.03.2026**

| Purchases | Goods and services | Rent | Interest | Other services/Currency translation differences | Total |
|---|---|---|---|---|---|
| Chakra Mağazacılık Ticaret ve Anonim Şirketi | - | - | - | 10.257.558 | 10.257.558 |
| **Total** | **-** | **-** | **-** | **10.257.558** | **10.257.558** |

| Sales | Goods and services | Rent | Interest | Other services/Currency translation differences | Total |
|---|---|---|---|---|---|
| Hakan Kocaer | | 156.523 | | | 156.523 |
| **Total** | **-** | **156.523** | **-** | **-** | **156.523** |

**31.03.2025**

| Purchases | Goods and services | Rent | Interest | Other services/Currency translation differences | Total |
|---|---|---|---|---|---|
| Hakan Kocaer | - | - | - | - | - |
| Chakra Mağazacılık Ticaret ve Anonim Şirketi | - | - | - | 19.594 | 19.594 |
| **Total** | **-** | **-** | **-** | **19.594** | **19.594** |

| Sales | Goods and services | Rent | Interest | Other services/Currency translation differences | Total |
|---|---|---|---|---|---|
| Kocaer Tekstil Sanayi ve Ticaret Anonim Şirketi | - | 502.818 | - | - | 502.818 |
| Hakan Kocaer | - | 149.638 | - | - | 149.638 |
| İbrahim Kocaer | - | - | - | - | - |
| Chakra Mağazacılık Ticaret ve Anonim Şirketi | - | 92.294 | - | - | 92.294 |
| **Total** | **-** | **744.750** | **-** | **-** | **744.750** |

c) Key management compensation

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.03.2025 |
|---|---|---|
| Key management compensation | 21.371.054 | 20.532.685 |
| **Total** | **21.371.054** | **20.532.685** |

## NOTE 38 - NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital risk management

The Group, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand. The capital structure of the Group consists of cash and cash equivalents explained in note 6, borrowings explained in note 8 and equity items containing respectively issued share capital, capital reserves, profit reserves and profits of previous years explained in note 27. Risks, associated with each capital class, and the senior management evaluates the capital cost. It is aimed that the capital structure will be stabilized by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the senior management evaluations.

The Group monitors capital on the basis of the net financial debt/total equity ratio. This ratio calculated as dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from the total debt amount (includes borrowings and finance leases as disclosed in the consolidated statement of financial postion). Total capital is calculated as equity, as presented in the consolidated statement of financial postion,

plus net debt. General strategy based on the Group's equity does not differ from the prior period. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance.

Consolidated net financial debt/invested capital ratio as of 31 March 2026 and 31 December 2025 is as follows:

| | **31.03.2026** | **31.12.2025** |
|---|---|---|
| Total borrowings | 8.352.405.456 | 7.914.768.962 |
| Less: Cash and cash equivalents | (4.420.436.202) | (4.725.814.003) |
| Net financial debt | 3.931.969.254 | 3.188.954.959 |
| Equity | 13.696.800.997 | 13.570.377.399 |
| Invested capital | 17.628.770.251 | 16.759.332.358 |
| **Net financial debt/invested capital ratio** | **0.2230** | **0.1903** |

Foreign exchange risk

Foreign exchange risk arises from the fact that the Group has liabilities denominated in USD, EUR, GBP and other currencies. Foreign exchange transactions result in foreign exchange risk arising from foreign exchange denominated assets and liabilities into Turkish Lira. The Group management evaluates and monitors the balance of the assets and liabilities denominated in Turkish Lira as open positions. The Group monitors foreign exchange rate risk through foreign exchange position analysis. Derivative financial instruments are also used as instruments for foreign exchange risk management for hedging purposes, if deemed necessary.

As of 31 March 2026 and 31 December 2025, foreign exchange position of the Group is as follows:

| | Foreign exchange position | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31.03.2026 | | | | 31.12.2025 | | | |
| | TL equivalent | USD | EUR | GBP | TL equivalent | USD | EUR | GBP |
| 1. Trade Receivables | 3.516.855.890 | 68.944.189 | 7.803.885 | 1.000.000 | 4.064.822.329 | 69.600.753 | 11.390.607 | - |
| 2a. Monetary Financial Assets | 2.455.071.909 | 37.138.716 | 15.830.514 | 327 | 2.065.884.777 | 34.660.878 | 7.764.504 | 43 |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - | - | - | - |
| 3. Other | - | - | - | - | - | - | - | - |
| **4. Total Current Assets (1+2+3)** | **5.971.927.799** | **106.082.905** | **23.634.399** | **1.000.327** | **6.130.707.106** | **104.261.631** | **19.155.111** | **43** |
| 5. Trade Receivables | - | | | | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - | - | - | - | - |
| 6b. Non-monetary financial assets | - | - | - | - | - | - | - | - |
| 7. Other | - | - | - | - | - | - | - | - |
| **8. Total Non-Current Assets(5+6+7)** | - | - | - | - | - | - | - | - |
| **9. Total Assets (4+8)** | **5.971.927.799** | **106.082.905** | **23.634.399** | **1.000.327** | **6.130.707.106** | **104.261.631** | **19.155.111** | **43** |
| 10. Trade Payables | 3.663.358.442 | 81.610.614 | 551.750 | - | 4.607.371.718 | 96.725.985 | 574.840 | - |
| 11. Financial Liabilities | 1.871.369.940 | 8.797.300 | 28.954.602 | - | 2.316.384.532 | 9.064.021 | 34.000.587 | - |
| 12a. Other Monetary Liabilities | - | - | - | - | - | - | - | - |
| 12b. Other Non-Monetary Liabilities | - | - | - | - | - | - | - | - |
| **13. Total Current Liabilities (10+11+12)** | **5.534.728.382** | **90.407.914** | **29.506.352** | **-** | **6.923.756.251** | **105.790.006** | **34.575.427** | **-** |
| 14. Trade Payables | - | - | - | - | - | - | - | - |
| 15. Financial Liabilities | 1.649.542.276 | 24.513.242 | 10.913.482 | - | 1.822.920.545 | 25.762.610 | 10.884.217 | - |
| 16a. Other Monetary Liabilities | - | | - | - | - | - | - | - |
| 16b. Other Non-Monetary Liabilities | - | - | - | - | - | - | - | - |
| **17. Total Non-Current Liabilities (14+15+16)** | **1.649.542.276** | **24.513.242** | **10.913.482** | **-** | **1.822.920.545** | **25.762.610** | **10.884.217** | **-** |
| **18. Total Liabilities (13+17)** | **7.184.270.658** | **114.921.157** | **40.419.834** | **-** | **8.746.676.796** | **131.552.616** | **45.459.644** | **-** |
| **19. Off-Balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)** | - | - | - | - | - | - | - | - |
| 19a. Total Asset Amount of Hedged | - | - | - | - | - | - | - | - |
| 19b. Total Liabilities Amount of Hedged | - | | - | - | - | - | - | - |
| **20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)** | **(1.212.342.859)** | **(8.838.252)** | **(16.785.435)** | **1.000.327** | **(2.615.969.690)** | **(27.290.985)** | **(26.304.533)** | **43** |
| **21. Monetary Items Net Foreign Exchange Asset / (Liabilities) Position (1+2a+3+5+6a-10-11-12a-14-15-16a)** | **(1.212.342.859)** | **(8.838.252)** | **(16.785.435)** | **1.000.327** | **(2.615.969.690)** | **(27.290.985)** | **(26.304.533)** | **43** |
| **22. Total Fair Value of Financial Instruments Used for Foreign Exchange Hedge** | - | - | - | - | - | - | - | - |
| **23. Export** | **2.987.732.421** | **68.329.127** | **-** | **-** | **24.096.939.597** | **327.334.968** | **56.311.972** | **2.283.580** |
| **24. Import** | **1.982.816.708** | **45.715.030** | **-** | **-** | **9.956.729.300** | **211.100.850** | **-** | **-** |

The following table details the Group's foreign currency sensitivity as at 31 March 2026 and 31 December 2025 for the changes at the rate of 10%:

**Exchange rate sensitivity analysis**

**01.01.2026**
**(the CBRT - 31.03.2026)**

| | Profit/(Loss) | |
|---|---|---|
| | **Appreciation of Foreign Currency** | **Depreciation of Foreign Currency** |
| Change in USD against TL by 10% | | |
| 1- USD Net Asset/Liability | (40.924.285) | 40.924.285 |
| 2- Hedged portion of USD Risk (-) | - | - |
| **3- USD Net Effect (1+2)** | **(40.924.285)** | **40.924.285** |
| Change in EUR against TL by 10% | | |
| 4- EUR Net Asset/Liability | (86.167.479) | 86.167.479 |
| 5- Hedged portion of EUR Risk (-) | - | - |
| **6- EUR Net Effect (4+5)** | **(86.167.479)** | **86.167.479** |
| Change in GBP against TL by 10% | | |
| 7- GBP Net Asset/Liability | 5.857.477 | (5.857.477) |
| 8- Hedged portion of GBP Risk (-) | - | - |
| **9- GBP Net Effect (7+8)** | **5.857.477** | **(5.857.477)** |
| **TOTAL** | **(121.234.287)** | **121.234.287** |

**Exchange rate sensitivity analysis**

**01.01.2025**
**(the CBRT - 31.12.2025)**

| | Profit/(Loss) | |
|---|---|---|
| | **Appreciation of Foreign Currency** | **Depreciation of Foreign Currency** |
| Change in USD against TL by 10% | | |
| 1- USD Net Asset/Liability | (96.283.414) | 96.283.414 |
| 2- Hedged portion of USD Risk (-) | - | - |
| **3- USD Net Effect (1+2)** | **(96.283.414)** | **96.283.414** |
| Change in EUR against TL by 10% | | |
| 4- EUR Net Asset/Liability | (96.632.859) | 96.632.859 |
| 5- Hedged portion of EUR Risk (-) | - | - |
| **6- EUR Net Effect (4+5)** | **(96.632.859)** | **96.632.859** |
| Change in GBP against TL by 10% | | |
| 7- GBP Net Asset/Liability | 190 | (190) |
| 8- Hedged portion of GBP Risk (-) | - | - |
| **9- GBP Net Effect (7+8)** | **190** | **(190)** |
| **TOTAL** | **(192.916.083)** | **192.916.083** |

Interest rate risk

The Group is exposed interest rate risk arising from the rate changes on interest-bearing liabilities and assets. The Group manages this risk by balancing the repricing terms of interest-bearing assets and liabilities with fixed and floating interest such as time deposits (Note 6) and short-long term nature of borrowings (Note 8).

| **Interest position** | **31.03.2026** | **31.12.2025** |
|---|---|---|
| ***Fixed-interest rate financial instruments*** | | |
| Financial assets | 2.038.959.522 | 2.388.946.507 |
| Financial liabilities | 8.122.967.266 | 7.658.274.497 |
| ***Floating-interest rate financial instruments*** | | |
| Financial assets | 992.267.071 | 971.893.281 |

Equity securities and other related risks related financial instruments

The Group has no any securities and similar financial assets sensitive to changes in fair value.

Credit risk management

Holding financial instruments also carries the risk of the other party not meeting the requirements of the agreement. The Group's collection risk mainly arises from its trade receivables. Trade receivables are evaluated by taking into consideration the Group's accounting policies and procedures and accordingly, trade receivables are allocated in the consolidated statement of financial position less provision for doubtful receivables in the consolidated statement of financial position **(Note 10)**.

As of 31 March 2026 and 31 December 2025, the exposure of consolidated financial asset to credit risk is as follows:

**CREDIT RISK DETAILS IN RESPECT OF FINANCIAL INTRUMENT TYPES**

| | Receivables | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trade receivables | | Other receivables | | | | |
| **31.03.2026** | **Related party** | **Other** | **Related party** | **Other** | **Notes** | **Bank deposits** | **Notes** |
| **Maximum exposure to credit risk as of reporting date (A+B+C+D+E)** | **-** | **3.627.929.025** | **110.797.478** | **353.872.302** | **10-11** | **4.420.425.086** | **6** |
| *- Maximum risk secured with guarantees and collaterals* | - | *283.064.026* | - | - | **10-11** | - | |
| **A. Net book value of neither past due nor impaired financial assets** | - | 3.627.929.025 | 110.797.478 | 353.872.302 | **10-11** | 4.420.425.086 | **6** |
| **B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets** | **-** | **-** | **-** | **-** | **10-11** | | **6** |
| **C. Net book value of past due but not impaired financial assets** | **-** | **-** | **-** | **-** | **10-11** | | |
| *- Secured with guarantees and collaterals* | - | - | - | - | **10-11** | | **6** |
| **D. Net book value of impaired assets** | **-** | **-** | **-** | **-** | **10-11** | | |
| - Past due (gross book value) | - | *28.478.711* | - | - | **10-11** | | **6** |
| *- Impairment (-)* | - | *(28.478.711)* | - | - | **10-11** | | **6** |
| *- Secured with guarantees and collaterals* | - | - | - | - | **10-11** | | **6** |

| | Receivables | | | | | | |
|---|---|---|---|---|---|---|---|
| | Trade receivables | | Other receivables | | | | |
| **31.12.2025** | **Related party** | **Other** | **Related party** | **Other** | **Notes** | **Bank deposits** | **Notes** |
| **Maximum exposure to credit risk as of reporting date (A+B+C+D+E)** | **-** | **4.305.174.745** | **120.661.571** | **209.182.977** | **10-11** | **4.725.792.430** | **6** |
| *- Maximum risk secured with guarantees and collaterals* | - | *585.773.374* | - | - | **10-11** | - | |
| **A. Net book value of neither past due nor impaired financial assets** | - | 4.305.174.745 | 120.661.571 | 209.182.977 | **10-11** | 4.725.792.430 | **6** |
| **B. Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets** | **-** | **-** | **-** | **-** | **10-11** | | **6** |
| **C. Net book value of past due but not impaired financial assets** | **-** | **-** | **-** | **-** | **10-11** | | |
| *- Secured with guarantees and collaterals* | - | - | - | - | **10-11** | | **6** |
| **D. Net book value of impaired assets** | **-** | **-** | **-** | **-** | **10-11** | | |
| - Past due (gross book value) | - | *28.007.695* | - | - | **10-11** | | **6** |
| *- Impairment (-)* | - | *(28.007.695)* | - | - | **10-11** | | **6** |
| *- Secured with guarantees and collaterals* | - | - | - | - | **10-11** | | **6** |

**Liqudity risk management**

The Group tries to manage the liquidity risk by maintaining the continuation of sufficient funds and loan reserves by means of matching the financial instruments and terms of liabilities by following the cash flow regularly.

**Liquidity risk statements**

Liquidity risk is the risk that a Group will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Group provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

Undiscounted contractual cash flows of the derivative and non-derivative consolidated financial liabilities in TL as of 31 March 2026 and 31 December 2025 are as follows:

**31.03.2026**

| **Contractual maturities** | **Carrying value** | **Total contractual cash outflows** | **Demand or up to 3 months** | **4-12 months** | **1-5 years** |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | **12.865.347.130** | **10.910.015.168** | **7.097.886.416** | **3.300.562.020** | **511.566.732** |
| *Bank borrowings* | 8.122.967.266 | 6.148.290.972 | 2.575.207.745 | 3.278.659.953 | 294.423.274 |
| *Finance lease liabilities* | 1.978.595 | 1.980.392 | 1.980.392 | - | - |
| *Lease liabilities* | 227.459.595 | 246.802.130 | 7.756.605 | 21.902.067 | 217.143.458 |
| *Trade payables* | 4.228.701.599 | 4.228.701.599 | 4.228.701.599 | - | - |
| *Other payables* | 284.240.075 | 284.240.075 | *284.240.075* | - | - |

**31.12.2025**

| **Contractual maturities** | **Carrying value** | **Total contractual cash outflows** | **Demand or up to 3 months** | **4-12 months** | **1-5 years** |
|---|---|---|---|---|---|
| **Non-derivative financial liabilities** | **13.022.276.974** | **13.006.929.597** | **6.768.641.677** | **3.875.463.242** | **2.362.824.678** |
| *Bank borrowings* | 7.658.274.497 | 7.614.845.173 | 1.646.933.634 | 3.850.273.405 | 2.117.638.134 |
| *Finance lease liabilities* | 8.435.210 | 8.470.088 | 6.365.546 | 2.104.542 | - |
| *Lease liabilities* | 248.059.255 | 276.106.324 | 7.834.485 | 23.085.295 | 245.186.544 |
| *Trade payables* | 4.895.079.566 | 4.895.079.566 | 4.895.079.566 | - | - |
| *Other payables* | 212.428.446 | 212.428.446 | 212.428.446 | - | - |

**Fair value**

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists. Foreign currency denominated receivables and payables are translated with the exchange rates prevailing as of the date of the consolidated financial statements.

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

**Financial assets**

The carrying values of cash and cash equivalents including cash on hand and demand deposits, accrued interests and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

**Financial liabilities**

The fair values of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The fair values of the bank borrowings after discount are considered to be approximate to their corresponding carrying values. Bank borrowings are expressed with discounted cost and transaction costs are added to the initial cost of the loan. The fair values of the loans after discount are considered to be approximate to their corresponding carrying values. In addition, it is considered that the fair values of the trade payables are approximate to their respective carrying value due to their short-term nature.

**NOTE 39 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)**

**Fair value hedge of foreign currency risk**

The Group uses hedge accounts on its statement of financial position by borrowing in the same currency against the foreign currency denominated risks arising from the foreign currency sales amounts to be realized in the subsequent periods within the scope of the agreements.

In this context, repayments of foreign currency denominated borrowings, which are subject to hedge accounting and determined as hedging instrument, are made with foreign currency sales cash flows that are realized on closing dates and determined as hedged item within the scope of hedge accounting.

In accordance with the currency risk management strategy determined by the Group management, unrealized firm commitment applies hedge accounting to hedge the currency risk component of the fair value risk and hedge the cash flow risk of the highly probable forecast transaction currency risk component and is formed on the hedged item and the hedging instrument. The Group aims to present a precise statement of profit or loss by netting the foreign exchange rate fluctuations that have not yet been realized and by following the currency fluctuations of bank borrowings, which are defined as hedge instruments, under the consolidated statement of other comprehensive income.

In accordance with the hedge accounting strategy established by the Group management, the Group tries to maintain a 100% hedge ratio and a hedge effectiveness between 70% and 130%. As of 31 March 2026, hedge ratio and hedge effectiveness have been calculated as 109% and 95%, respectively.

| ***TL*** | **31.03.2026** |
|---|---|
| The amount of the hedged item's risk component recognised in the assets under statement of financial position (firm commitment) | - |
| ***USD*** | **31.03.2026** |
| The present value of the hedged item (current) | 121.417.516 |
| The present value of the hedged item (non-current) | 25.478.568 |
| The present value of the hedging instrument (current) | 113.078.642 |
| The present value of the hedging instrument (non-current) | 23.346.920 |
| ***EUR*** | **31.03.2026** |
| The present value of the hedged item (current) | 26.515.841 |
| The present value of the hedged item (non-current) | 8.594.352 |
| The present value of the hedging instrument (current) | 24.735.282 |
| The present value of the hedging instrument (non-current) | 8.032.458 |
| ***TL*** | **31.03.2026** |
| The cumulative exchange difference on hedged item (current) | 584.968.898 |
| The cumulative exchange difference on hedged item (non-current) | 291.490.348 |
| The cumulative exchange difference on hedging instrument (current) | (553.738.589) |
| The cumulative exchange difference on hedging instrument (non-current) | (280.073.137) |
| **Hedge effectiveness ratio** | **95%** |
| Exchange rate difference amount in inactive markets maintained within a band in the statement of profit or loss | (4.894.791) |
| ***Hedge ratio*** | |
| The total amount of future expected cash flows of the hedged item (Cash flow hedge) | 9.289.049.501 |
| The total amount of future expected cash flows of the instrument used for hedging purposes (Cash flow hedge) | 8.514.416.094 |
| **Hedge ratio, net** | **109%** |

Financial instruments and financial risk management

The Group is exposed to variety of financial risks due to its operations. These risks include credit risk, market risk (foreign exchange risk, interest rate risk at fair value, price risk) credit risk, cash flow interest rate risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative instruments and forward contracts to hedge risk exposures.

**Fair value of financial instruments**

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Group determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair value of each financial instrument for which it is practicable to estimate fair value.

**Monetary assets**

The carrying values of financial assets including cash and cash equivalents are carried at cost which is considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values.

**Monetary liabilities**

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists

Estimated fair values of financial instruments have been determined by the Group by using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data. Accordingly, estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

Financial assets

The fair values of financial assets carried at cost including cash and cash equivalents and other financial assets are considered to approximate their respective carrying values due to their short-term nature and insignificant credit risk.

Debt and equity securities are carried at fair value in accordance with the market prices, if one exists.

The classification of the Group's consolidated financial assets and liabilities at fair value is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities: The fair value of financial assets and financial liabilities are determined with reference to quoted market prices.

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

Level 3: Inputs for the asset or liability that are not based on observable market data.

## NOTE 40 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021 are as follows:

| Account Name | 01.01.2026 31.03.2026 | 01.01.2025 31.12.2025 |
|---|---|---|
| Audit fee for the reporting period | 7.264.000 | 6.024.800 |
| Tax consulting fee | 2.160.225 | 1.100.420 |
| **TOTAL** | **9.424.225** | **7.125.220** |

## NOTE 41 - EVENTS AFTER THE REPORTING PERIOD

None.

## NOTE 42 - THE OTHER MATTERS WHICH SUBSTANTIALLY AFFECT THE CONSOLIDATED FINANCIAL STATEMENTS OR ARE REQUIRED TO BE DESCRIBED IN TERMS OF MAKING THE CONSOLIDATED FINANCIAL STATEMENTS CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.