ÇAN2 TERMİK A.Ş.
AND ITS' SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH INTERIM PERIOD ENDED 30.06.2026 AND LIMITED INDEPENDENT AUDITORS' REPORT

AS Nexia

LIMITED AUDIT REPORT ON REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2026

To the Board of Directors of
Çan2 Termik Anonim Şirketi

We have reviewed the accompanying condensed consolidated statement of financial position of Çan2 Termik Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and other explanatory notes for the six-month period then ended (the "interim condensed consolidated financial information"). Management of the Group is responsible for the preparation and fair presentation of this interim financial information in accordance with Turkish Accounting Standard 34 "Interim Financial Reporting" ("TAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information does not give a true and fair view, in all material respects, in accordance with Turkish Accounting Standard 34 "Interim Financial Reporting" ("TAS 34").

As Bağımsız Denetim ve YMM A.Ş.
(Member of NEXIA INTERNATIONAL)



Levent ERGÜVEN
Engagement Partner
İstanbul, 19 August 2026

CONTENTS **PAGE**

Contents	**Page**
Consolidated Statements of Financial Position	**1-3**
Consolidated Statements of Profit or Loss and Other Comprehensive Income Statements...	**4**
Statements of Changes in Shareholders' Equity	**5**
Consolidated Statements of Cash Flows	**6**

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY 7
2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS 10
3.BUSINESS COMBINATIONS 28
4. JOINT VENTURES 28
5. SEGMENT REPORTING 28
6. EXPLANATIONS OF RELATED PARTIES 29
7.TRADE RECEIVABLES AND PAYABLES 31
8.OTHER RECEIVABLES AND PAYABLES 32
8.OTHER RECEIVABLES AND PAYABLES (CONTINUED) 33
9.INVENTORIES 33
10. PRE-PAID EXPENSES AND DEFERRED INCOME 33
11. TANGIBLE FIXED ASSETS 34
12. INTANGIBLE FIXED ASSETS 35
13. EVALUATING AND RESEARCHING OF MINE RESOURCES 35
14. RIGHT OF USE ASSETS 36
15. IMPAIRMENT OF ASSETS 36
16. GOVERNMENT INCENTIVES 36
17. BORROWING COSTS 37
18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES 37
19. EMPLOYEE BENEFITS 39
20. OTHER ASSETS AND LIABILITIES 40
21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS 41
22. REVENUE 43
23. COSTS OF GOODS SOLD 43
24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES 44
25. OTHER OPERATING INCOME AND EXPENSES 44
26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES 45
27. EXPENSES CLASSIFIED BY PRINCIPAL TYPES 45
28. FINANCIAL EXPENSE AND INCOME 45
29. MONETARY LOSS AND GAIN 46
30. ANALYSIS OF OTHER COMPREHENSIVE INCOME 46
31. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) 46
32. EARNING PER SHARE 48
33. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES 48
34. FINANCIAL INSTRUMENTS 49
35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES 51
36. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION) 57
37. SUBSEQUENT EVENTS 58
38. DERIVATIVE INSTRUMENTS 58
39. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS 58
40.EXPLANATIONS TO CASH FLOW STATEMENT 59
41. EXPLANATIONS ON THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 59
42. CASH AND CASH EQUIVALENTS 60
43. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA) 60

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2026 and 31.12.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Audited Consolidated
ASSETS	**NOTES**	**30.06.2026**	**31.12.2025**
Current Assets			
Cash and cash equivalents	42	2.638.141.258	599.845.356
Trade Receivables	6-7	1.254.219.930	1.469.181.171
Trade receivables from related parties	*6*	*3.527.068*	*17.307.552*
Trade receivables from third parties	*7*	*1.250.692.862*	*1.451.873.619*
Other Receivables	6-8	210.431.470	352.197.509
Other Receivables from Related Parties	*6*	*91.184.976*	*17.625.005*
Other Receivables from Third Parties	*8*	*119.246.494*	*334.572.504*
Inventories	9	1.545.446.753	2.717.635.258
Prepaid Expenses	10	105.711.603	111.583.669
Assets Related to Current Term Tax	31	17.259.689	6.309.526
Other Current Assets	20	801.153.719	197.045.725
TOTAL CURRENT ASSETS		**6.572.364.422**	**5.453.798.214**
Non-Current Assets			
Trade receivables	6-7	46.798.696	2.130.160.616
Other trade receivables from related parties	*6*	--	--
Other trade receivables from third parties	*7*	*46.798.696*	*2.130.160.616*
Other receivables	6-8	763.174	241.903
Other receivables from related parties	*6*	--	--
Other receivables from third parties	*8*	*763.174*	*241.903*
Tangible Fixed Assets	11	26.401.759.401	26.454.952.839
Intangible Fixed assets	12	916.013.933	962.623.567
Other intangible fixed assets	*12*	*916.013.933*	*962.623.567*
Right of Use Assets	14	3.864.079	9.303.322
Prepaid Expenses	10	11.975.701	10.938.311
Deferred Tax Assets	31	448.603.594	1.361.201.493
Other Non-Current Assets	20	42.079.498	39.685.462
TOTAL NON-CURRENT ASSETS		**27.871.858.076**	**30.969.107.513**
TOTAL ASSETS		**34.444.222.498**	**36.422.905.727**

Consolidated financial statements for the period ending on 30.06.2026 have been approved by the Board of Directors Decision dated 19.08.2026 and numbered 2026/11.

The accompanying notes are an integral part of these financial statements.

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2026 and 31.12.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Audited Consolidated
LIABILITIES	**NOTES**	**30.06.2026**	**31.12.2025**
Short Term Liabilities			
Short Term Loans	34	468.500.233	658.951.904
Short Term Financial Lease Liabilities	34	27.043.759	61.811.582
Short Terms Part of Long-Term Loans	34	40.212.090	62.340.755
Other Financial Liabilities	34	8.741.141	15.522.086
Trade Payables	6-7	1.016.567.479	1.166.305.477
Trade Payables to Related Parties	*6*	*30.237.261*	*2.392.563*
Trade Payables to Third Parties	*7*	*986.330.218*	*1.163.912.914*
Employee Benefit Obligations	19	69.250.093	57.217.937
Other Payables	6-8	496.284.133	323.262.579
Other payables to related parties	*6*	*191.401.077*	*142.080.745*
Other payables to third parties	*8*	*304.883.056*	*181.181.834*
Short-term Provisions	18-19	41.526.807	39.802.948
Short-term provisions from employee benefits	*19*	*37.979.480*	*34.422.940*
Other Short-Term Provisions	*18*	*3.547.327*	*5.380.008*
Other Short-Term Liabilities	20	87.961.852	69.574.588
TOTAL SHORT-TERM LIABILITIES		**2.256.087.588**	**2.454.789.855**
Long Term Liabilities	34	--	14.463.548
Other Payables	6-8	8.634.530	19.233.017
Other Payables to Related Parties	*6*	--	--
Other Payables to Third Parties	*8*	*8.634.530*	*19.233.017*
Long Term Provisions	18-19	23.509.359	30.636.755
Long term provisions for employee benefits	*19*	*23.282.153*	*30.373.563*
Other Long-Term Provisions	*18*	*227.205*	*263.192*
Deferred Tax Liabilities	31	91.494.822	22.692.716
Other Long-Term Liabilities	20	--	4.191.060
TOTAL LONG-TERM LIABILITIES		**123.638.711**	**91.217.096**

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ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2026 and 31.12.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Audited Consolidated
EQUITY	**NOTES**	**30.06.2026**	**31.12.2025**
Equity of Parent Company		**31.726.421.342**	**32.896.727.124**
Paid-in Share Capital	21	10.000.000.000	7.000.000.000
Positive Differences From Share Capital Adjustment		6.509.115.744	6.262.643.238
Shares Discount/Premium	21	491.297.042	469.336.137
Other Accumulated Comprehensive Income and Expenses not to be Reclassified to Profit or Loss		(215.900.000)	--
Effect of Business Combinations Involving Entities or Businesses Under Common Control	*3-21*	*(215.900.000)*	--
Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss	21-38	365.552.883	477.362.369
Foreign Currency Conversion Adjustments	*21*	*701.118.914*	*932.766.502*
Hedging Gains/Losses	*38*	*(335.566.031)*	*(455.404.133)*
Accumulated Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss		*3.519.665*	*(7.476.007)*
Other Gains/Losses	*21*	*3.519.665*	*(7.476.007)*
Reserves on Retained Earnings	21	372.952.564	372.952.564
Capital Advances	21	--	1.034.641.006
Retained Earnings/Loss	21	17.098.921.891	19.299.345.744
Net Profit or Loss	32	(2.899.038.447)	(2.012.077.927)
Minority Shares	21	338.074.857	980.171.652
TOTAL EQUITY		**32.064.496.199**	**33.876.898.776**
TOTAL LIABILITIES		**34.444.222.498**	**36.422.905.727**

Consolidated financial statements for the period ending on 30.06.2026 have been approved by the Board of Directors Decision dated 19.08.2026 and numbered 2026/11.

The accompanying notes are an integral part of these financial statements.

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH INTERIM PERIOD ENDED 30.06.2026 and 30.06.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

		Current Period Limited Audited Consolidated	Previous Period Limited Audited Consolidated	Current Period Not Audited Consolidated	Previous Period Not Audited Consolidated
STATEMENT OF PROFIT/LOSS	**NOTES**	**01.01 - 30.06.2026**	**01.01 - 30.06.2025**	**01.04 - 30.06.2026**	**01.04 - 30.06.2025**
Revenue	22	3.783.563.339	3.371.018.066	1.791.916.402	2.003.517.895
Cost of Goods Sold (-)	23	(3.900.331.720)	(3.161.305.215)	(1.845.122.321)	(1.856.053.880)
GROSS PROFIT/LOSS		**(116.768.381)**	**209.712.851**	**(53.205.919)**	**147.464.015**
General administrative expenses (-)	24	(207.384.101)	(146.984.930)	(110.998.489)	(74.192.615)
Marketing expenses (-)	24	(26.012.819)	(10.390.060)	(17.851.084)	(6.458.727)
Other Income from Operating Activities	25	55.327.533	183.067.340	35.289.125	108.340.253
Other Expenses from Operating Activities (-)	25	(272.378.156)	(568.278.578)	(114.446.857)	(220.698.301)
OPERATING PROFIT/LOSS		**(567.215.924)**	**(332.873.377)**	**(261.213.224)**	**(45.545.375)**
Income from Investing Activities	26	2.039.277	27.941.560	279.364	27.941.560
Expenses from Investing Activities (-)	26	(7.033)	--	(7.033)	--
FINANCING EXPENSE BEFORE OPERATING PROFIT/LOSS		**(565.183.680)**	**(304.931.817)**	**(260.940.893)**	**(17.603.815)**
Financial Income	28	504.888.350	48.469.997	79.419.171	19.439.010
Financial Expenses (-)	28	(1.872.128.892)	(1.190.551.064)	(1.633.087.123)	(302.377.208)
Net Monetary Position Gain/Loss	29	(697.022.181)	(140.320.972)	(498.436.767)	(1.950.966.041)
PROFIT/LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS		**(2.629.446.403)**	**(1.587.333.856)**	**(2.313.045.612)**	**(2.251.508.053)**
Tax Expense/Income from Continuing Operations		**(767.218.494)**	**(891.190.376)**	**(63.533.636)**	**187.220.652**
Period Tax Income/Loss	31	(17.071)	--	6.380.632	--
Deferred Tax Income/Loss	31	(767.201.423)	(891.190.376)	(69.914.268)	187.220.652
PROFIT/LOSS FROM ONGOING OPERATIONS		**(3.396.664.897)**	**(2.478.524.232)**	**(2.376.579.248)**	**(2.064.287.401)**
PROFIT/LOSS FROM DISCONTINUED OPERATIONS		--	--	--	--
PROFIT/LOSS FOR THE PERIOD		**(3.396.664.897)**	**(2.478.524.232)**	**(2.376.579.248)**	**(2.064.287.401)**
Profit/loss distribution for the period					
Minority Shares		(497.626.450)	(70.273)	(584.951.182)	1.244.509
Parent Company Shares	21	(2.899.038.447)	(2.478.453.959)	(1.791.628.066)	(2.065.531.910)
Earnings Per Share					
Earnings per share from continuing operations	32	(0,356880)	(0,429555)	(0,220555)	(0,357989)
OTHER COMPREHENSIVE INCOME		**10.995.672**	**(1.670.339)**	**(2.522.662)**	**(929.901)**
Not to be reclassified to profit or loss		**10.995.672**	**(1.670.338)**	**(2.522.662)**	**(929.901)**
Actuarial losses and earnings calculated under employee benefits	19-30	14.660.896	(2.227.118)	(3.363.550)	(1.239.868)
Tax Effect	19-21	(3.665.224)	556.780	840.888	309.967
To be reclassified to profit or loss		**51.139.717**	**599.685.322**	**31.573.148**	**64.441.919**
Cash Flow Hedge Gains/Losses	38	68.186.289	799.580.429	42.097.530	85.922.559
Deferred Tax Income/Loss	31	(17.046.572)	(199.895.107)	(10.524.382)	(21.480.640)
OTHER COMPREHENSIVE INCOME		**62.135.389**	**598.014.983**	**29.050.486**	**63.512.018**
TOTAL COMPREHENSIVE INCOME		**(3.334.529.508)**	**(1.880.509.248)**	**(2.347.528.762)**	**(2.000.775.383)**

Consolidated financial statements for the period ending on 30.06.2026 have been approved by the Board of Directors Decision dated 19.08.2026 and numbered 2026/11.

The accompanying notes are an integral part of these financial statements.

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
DATED 30.06.2026 AND 30.06.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

		Not to be Reclassified to profit or loss accumulated other comprehensive income or expenses					Accumulated Profit							
	Paid-in Share Capital	Capital Adjustment Differences	Share Premiums / Discounts	Actuarial Loss /Gain	Effect of Business Combinations Involving Entities or Businesses Under Common Control	Foreign Currency Conversion Adjustments	Hedging Profit / (Loss	Capital Advance	Restricted Reserves	Prior Years' Total Equity Profits/(Losses)	Net Profit/Loss for the Period	Equity of Parent Company	Minority Interest	Equity
Balance on January 1, 2025	**7.000.000.000**	**6.262.643.233**	**469.336.137**	**8.007.794**	**--**	**--**	**(1.473.500.948)**	**2.272.747.646**	**372.952.564**	**21.014.749.430**	**(1.900.656.710)**	**34.026.279.146**	**107.587.766**	**34.133.866.912**
Other Comprehensive Income/Expense	--	--	--	(1.670.339)	--	--	810.264.089	--	--	--	--	808.593.750	--	808.593.750
Changes in Ownership Interests Resulting in Loss of Control of Subsidiaries			--	--	--	2.546.170.975	--	--	--	--		2.546.170.975	--	2.546.170.975
Transfers	--	--	--	--	--	--	--	--	--	(1.900.656.710)	1.900.656.710	--	--	--
Increase/Decrease Due to Other Changes	--	--	--	--	--	--	--	(324.799.515)	--	--	--	(324.799.515)	(3.744.601)	(328.544.117)
Net Profit for The Period	--	--	--	--	--	--	--	--	--	--	(2.478.453.961)	(2.478.453.961)	(70.271)	(2.478.524.233)
Balance on June 30, 2025	**7.000.000.000**	**6.262.643.233**	**469.336.137**	**6.337.455**	**--**	**2.546.170.975**	**(663.236.859)**	**1.947.948.131**	**372.952.564**	**19.114.092.720**	**(2.478.453.961)**	**34.577.790.394**	**103.772.893**	**34.681.563.289**
Balance on January 1, 2026	**7.000.000.000**	**6.262.643.238**	**469.336.137**	**(7.476.007)**	**--**	**932.766.502**	**(455.404.133)**	**1.034.641.006**	**372.952.564**	**19.299.345.742**	**(2.012.077.927)**	**32.896.727.122**	**980.171.652**	**33.876.898.774**
Other Comprehensive Income/Expense	--	--	--	10.995.675		--	119.838.102	--	--	--	--	130.833.774	--	130.833.777
Changes in Ownership Interests Resulting in Loss of Control of Subsidiaries		--	--	--	(215.900.000)	(231.647.588)	--	--	--	68.007.984	--	(379.539.603)	--	(379.539.603)
Transfers	--	--	--	--	--	--	--	--	--	(2.012.077.927)	2.012.077.927	--	--	--
Capital Increase	3.000.000.000	--	21.960.905	--	--	--	--	--	--	--	--	3.021.960.905	--	3.021.960.905
Increase/Decrease Due to Other Changes	--	246.472.506	--	--	--	--	--	(1.034.641.006)	--	(256.353.911)	--	(1.044.522.411)	(144.470.344)	(1.188.992.755)
Net Profit for The Period	--	--	--	--	--	--	--	--	--	--	(2.899.038.447)	(2.899.038.447)	(497.626.451)	(3.396.664.898)
Balance on June 30, 2026	**10.000.000.000**	**6.509.115.744**	**491.297.042**	**3.519.667**	**(215.900.000)**	**701.118.914**	**(335.566.031)**	**--**	**372.952.564**	**17.098.921.889**	**(2.899.038.447)**	**31.726.421.339**	**338.074.857**	**32.064.496.199**

The accompanying notes are an integral part of these financial statements.

ÇAN2 TERMİK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOW
AS OF 30.06.2026 AND 30.06.2025
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira at June 30, 2026, unless otherwise stated.)

	NOTES	Current Period Limited Audited Consolidated 01.01-30.06.2026	Previous Period Limited Audited Consolidated 01.01-30.06.2025
A. CASH FLOWS FROM OPEARING ACTIVITIES		**876.194.599**	**(779.428.794)**
Profit/Loss for The Period		**(2.899.038.447)**	**(2.478.453.961)**
Adjustments To Reconcile Net Profit/Loss for The Period		**872.304.653**	**616.397.932**
Adjustments related to Amortization and Depreciation Expenses	11-12-14-23-24	1.562.779.095	1.284.412.470
Adjustments for Impairment (Cancellation) of Receivables	7	9.474.955	(3.540.560)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	19.459.838	22.728.090
Adjustment Related to Litigation and/or Penalty Provisions (Cancellation)	18	(1.832.681)	(119.751)
Adjustments Regarding (Cancellation) of Provisions Set aside in accordance with Sectoral Requirements	18	(35.987)	(42.897)
Deferred Financial Expense Arising from Purchases on Credit	7-8	17.685.152	2.060.080
Unearned Financial Income Arising from Sales on Credit	7-8	(73.066.303)	(194.054.211)
Adjustments Related to Interest Expense	20	87.961.852	95.996.096
Adjustments Related to Interest Income	20	(90.666.248)	(581.342.608)
Adjustments Related to Tax Expense/Income	31	981.400.005	1.371.290.992
Adjustments for Losses (Gains) Arising from the Disposal of Associates, Joint Ventures and Financial Investments or Changes in Ownership Interests			
Adjustments for Other Items Giving Rise to Cash Flows		(215.900.000)	--
Adjustments for Fair Value Loss (Gains)	38	(111.809.486)	2.739.422.392
Minority Shares		(642.096.795)	(3.814.873)
Monetary (Loss)/Gain Adjustments		(671.048.745)	(4.116.597.289)
Changes In Business Capital		**2.891.932.722**	**1.084.297.574**
Adjustments related to inventories increase/decrease	9	1.188.798.920	161.226.687
Increase (Decrease) in Trade Receivables from Related Parties	6	13.780.484	(20.529.319)
Increase (Decrease) in Trade Receivables from Third Parties	7	2.257.382.571	(25.455.586)
Increase (Decrease) in Other Receivables from Related Parties	6	(73.559.971)	(47.448.046)
Increase (Decrease) in Other Receivables from Third Parties	8	214.804.740	(54.279.019)
Change of Other Assets	20	(526.785.945)	794.779.188
Increase (Decrease) in Trade Payables to Related Parties	6	27.844.698	29.378.988
Increase (Decrease) in Trade Payables to Third Parties	7	(104.516.394)	188.229.182
Changes of Prepaid Expenses	10	4.834.677	13.076.270
Changes of Payables within the Scope of Employee Benefits	19	(7.427.682)	58.356.167
Increase (Decrease) in Other Payables related to Activities of Related Parties	6	49.320.332	(42.242.853)
Increase (Decrease) in Other Payables related to Activities of Third Parties	8	113.102.735	(190.958.716)
Provisions on Employee Benefits	19	(3.534.870)	18.079.266
Increase (Decrease) in Deferred Income	10	--	297.231.746
Changes of Other Liabilities	20	(262.111.573)	(95.146.382)
Cash Flows from activities		**865.198.927**	**(777.758.455)**
Other gain/loss	21	10.995.672	(1.670.339)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		**(803.098.451)**	**295.279.523**
Cash Inflows Arising from the Sale of Tangible Fixed Assets	11	1.644.501	27.941.560
Cash Outflows Arising from the Purchase of Tangible Fixed Assets	11	(789.418.051)	308.558.443
Cash Outflows Arising from the Purchase of Intangible Assets	12	(20.764.142)	(39.232.538)
Cash Inflows from Right-of-Use Assets	14	5.439.242	--
Cash Outflows from Right-to-Use Assets	14	--	(1.987.943)
C. CASH FLOWS FROM FINANCING ACTIVITIES		**3.554.295.613**	**709.641.566**
Cash Inflows from the Issuance of Shares and Other Equity Instruments	21	3.021.960.905	--
Cash Inflows from Financial Lease Agreements	34	--	20.308.174
Cash Inflows from Loans	34	588.478.027	717.850.287
Cash Outflows Arising from Finance Lease Agreements	34	(34.767.823)	--
Cash Inflows for Debt Payments Arising from Rental Agreements	14	14.346.951	18.954.674
Cash Outflows Related to Loan Repayments	34	(32.651.196)	(43.137.582)
Cash Outflows Related to Debt Payments Arising from Rental Agreements	14	(3.175.842)	(4.195.808)
Cash Inflows from Other Financial Debt Payments	34	104.590	(138.181)
EFFECT OF MONETARY GAIN/(LOSS) ON CASH AND CASH EQUIVALENTS		**(1.589.095.859)**	**(261.959.156)**
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		**2.038.295.902**	**(36.466.862)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**599.845.356**	**242.582.762**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2.638.141.258**	**206.115.900**

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND CORE BUSINESS OF THE COMPANY

Çan2 Termik A.Ş.

Çan2 Termik A.Ş. ("Company", "Parent Company") was established on 27 May 2003 under the title Çan Kömür ve İnşaat A.Ş. The title of the company was changed to Çan2 Termik Anonim Şirketi after the Extraordinary General Assembly held on January 19, 2021, registered with the Istanbul Trade Registry Office on January 21, 2021. This change was published in the Turkish Trade Registry Gazette dated January 26, 2021 and numbered 10253. The company is engaged in the establishment, commissioning, leasing of a domestic coal-based electric power generation facility, electric power generation, sales of the produced electric energy and/or capacity to customers. Its center located Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

The license certificate of the Company for Çan-2 Thermal Power Plant Production Facility with an installed capacity of 340 MWm/330 MWe located in Çan district of Çanakkale province was approved by the decision of the Energy Market Regulatory Authority dated 28.01.2016 and numbered 6083-2, and on 28.01.2016 the Company's license was approved and delivered. Ministry acceptance of Çan-2 Thermal Power Plant was made on 01.08.2018.

The capital of Çan2 Termik A.Ş. as of 30.06.2026 is TRY 10.000.000.000 and the shareholding structure is as follows:

	30.06.2026	31.12.2025
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	29,29%	29,29%
Public Shares	70,71%	70,71%

Subsidiaries

Yel Enerji Elektrik Üretim Sanayi A.Ş.

Yel Enerji Elektrik Üretim Sanayi A.Ş. ("Yel Enerji") was established on 22.10.2007. Yel Enerji was established to engage in the establishment, commissioning, leasing, generation of electrical energy, and sale of the generated electrical energy and/or capacity to customers.

The mining license numbered IR:17517 in the Bayramiç District of Çanakkale Province was purchased by Yel Energy and the transfer process was completed. Its center is in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

With the Share Purchase and Sale agreement signed on 20.10.2016, Yel Enerji shareholders transferred all of their shares to Çan Kömür2 Termik A.Ş. at nominal value and Yel Enerji was included in the scope of consolidation.

As of 30.06.2026, Yel Enerji's capital is TRY 6.000.000 and its shareholding structure is as follows:

	30.06.2026	31.12.2025
Çan2 Termik A.Ş.	100%	100%

Çan 2 Trakya Kömür Maden A.Ş.

Çan2 Termik A.Ş. became a 100% shareholder of Çan 2 Trakya Kömür Maden A.Ş. ("Çan 2 Trakya") as a founding partner on 18.06.2019 and was included in the consolidation.

Çan 2 Trakya is engaged in purchasing, selling, manufacturing, assembling, and importing all kinds of natural stones and mineral ores in finished and semi-finished form. Its center is in Barbaros District, Karanfil Street, Varyap Meridian Site No: 1D, Ataşehir / Istanbul.

1.ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

The company has a royalty agreement valid until 06.01.2027 for the coal field located in Tekirdağ, Malkara, İbrice village.

The capital of Çan 2 Thrace is TRY 550.000 as of 30.06.2026 and its shareholding structure is as follows:

	30.06.2026	31.12.2025
Çan2 Termik A.Ş.	100%	100%

Denarius Pumping Services LLC

Çan2 Termik A.Ş. became a 65% shareholder in Denarius Pumping Services LLC ("Denarius Pumping") on 03.04.2024 and company was included in the consolidation.

Denarius Pumping is engaged in investment projects.

Denarius Pumping's shareholder structure as of 30.06.2026 is as follows:

	30.06.2026	31.12.2025
Çan2 Termik A.Ş.	65%	65%
İntekno Eğitim Kurumları A.Ş.	10%	--
Nelson Mata Trillo	25%	--

Denarius Pumping Services de Venezuela CA

Since it is a subsidiary of Denarius Pumping Services LLC as of the share purchase date, Çan2 Termik A.Ş. has a 65% indirect control of Denarius Venezuela and has been included in the consolidation.

Denarius Venezuela is engaged in investment projects.

Denarius Pumping's partnership structure as of 30.06.2026 is as follows:

	30.06.2026	31.12.2025
Denarius Pumping Services LLC	100%	100%

Denarius Holding Group, Inc.

Çan2 Termik A.Ş. holds a 65% ownership interest in Denarius Holding Group, Inc., which is classified as a subsidiary of Çan2 Termik A.Ş. and is included among the Company's subsidiaries and associates.

Denarius Pumping's shareholder structure as of 30.06.2026 is as follows:

	30.06.2026
Çan2 Termik A.Ş.	65%
İntekno Eğitim Kurumları A.Ş.	35%

1.ORGANIZATION AND CORE BUSINESS OF THE COMPANY (CONTINUED)

Minerosol Group, CA

Denarius Holding Group, Inc. is the 100% shareholder of Minerosol Group C.A. The Company was incorporated on 18 January 2024. The principal activities of the Company comprise real estate management and acquisition, monetary investments, investment projects involving intangible movable assets and all types of movable securities, as well as other lawful commercial activities related to the Company's principal objective, without being limited to those specified herein.

The Company is headquartered in Venezuela.

As of June 30,2026, the share capital of Minerosol Group C.A. amounts to VES 389,000 (three hundred eighty-nine thousand Venezuelan bolívars).

The Company's shareholding structure is as follows:

	30.06.2026	31.12.2025
Denarius Holding Group, Inc	%100	--
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	--	%75,5
Ali Galip İlter	--	%15
Albatros Proje Yatırım A.Ş.	--	%9,5

CKY Madencilik Sanayi ve Ticaret Anonim Şirketi:

CKY Madencilik was incorporated on 8 August 2022 to engage in the purchase, sale, manufacturing, processing, installation, import and export of all kinds of natural stones, mineral ores, and finished and semi-finished mining products, and was included in the scope of consolidation on 30 January 2026.

	30.06.2026	31.12.2025
Yel Enerji Elektrik Üretim Sanayi A.Ş	100%	--

Information on EMRA licenses held by the parent company and its subsidiaries as of June 30, 2026 is as follows;

Owner	License Type	License Number	Effective Date	Duration
ÇAN2 TERMİK	Production	EÜ/6083-2/03428	28.01.2016	17 Years

Information on the licenses of the parent company and its subsidiaries as of June 30, 2026 is as follows;

License Owner	License Group	License Type	License No	Effective Date	Due Date
YEL ENERJİ	IV. Group	Operating	17517	10.01.2024	05.01.2035
YEL ENERJİ	IV. Group	Operating	80272	25.01.2019	25.01.2029

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

Applied Accounting Standards

The accompanying interim consolidated financial statements are in accordance with the provisions of the Capital Markets Board ("CMB") "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II-14.1 published in the Official Gazette dated 13.06.2013 and numbered 28676. It has been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS"), which was put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). TFRSs; It includes Standards and Interpretations published by KGK under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TMS Interpretations and TFRS Interpretations.

The consolidated financial statements have been presented in accordance with the TFRS Taxonomy developed based on the financial statement formats specified in the "Financial Statement Examples and User Guide" published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) in the Official Gazette dated 7 June 2019 and numbered 30794.

Current and Reporting Currency

The Group keeps and prepares its legal books and statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), the accounting principles determined by the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. The functional currency of the Group is Turkish Lira ("TL"). These interim consolidated financial statements are presented in TL, which is the functional currency of the Group.

As of 30.06.2026, announced buying rate of USD by the Central Bank of Republic of Turkey is 46,5747 TRY (31.12.2025: 42,8457 TRY), buying rate of EURO is 53,0866 TRY (31.12.2025: 50,2859 TRY), buying rate of GBP is 61,5332 TRY (31.12.2025: 57,5123 TRY). As of the date of 30.06.2026 announced buying rate of USD by the Central Bank of Republic of Turkey is 46,6586 TRY (31.12.2025: 42,9229 TRY), buying rate of EURO is 53,1823 TRY (31.12.2025: 50,3765 TRY), buying rate of GBP is 61,8541 TRY (31.12.2025: 57,8122 TRY).

Adjusting financial tables in hyperinflation periods

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023, businesses applying TFRS will be subject to inflation in accordance with TAS 29 Financial Reporting Standard in High Inflation Economies, starting from their financial statements for the annual reporting period ending on or after 31 December 2023. IAS 29 applies to the financial statements, including consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with the said standard, financial statements prepared based on the currency of a high-inflation economy are prepared in the purchasing power of this currency at the balance sheet date. For comparison purposes in prior period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of December 31, 2023, on the basis of purchasing power as of December 31, 2024.

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 implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying The rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of June 30, 2026, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient
30.06.2026	4.138	1
31.12.2025	3.514	1,1776
30.06.2025	3.132	1,3211

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Base of Consolidation

Consolidation is prepared in structure of Çan2 Termik A.Ş. which is parent company. Consolidated financial statements have been prepared in accordance with TAS 27 Turkish Accounting Standard for Consolidated and Separate Financial Statements.

Consolidated financial reports contain all subsidiaries of the parent company.

- It eliminates participation amount at each subsidiary and percentage amount of main partnership which are equivalent to amount in equities of each subsidiary.
- It determines amount of minority percentage in consolidated profit and loss of period and amount of minority percentage determines separately from amount of main subsidiary from amount of net actives of consolidated main subsidiary. The amount of minority percentage from net actives contains; calculated minority percentages in merge date in accordance with TFRS 3; minority percentage from all transactions made after merge date.
- All expenses, income, transactions, and balances incurred of group are eliminated.
- Subsidiary income, expenses and dividends including all balances and transactions are eliminated. Profits and loss which are added to inventory or cost of current and non-current assets due to transactions in subsidiaries are eliminated. Loss in group can show an impairment which should be in account in assets section of consolidated financial reports. The differences which rise during elimination of loss and profits which resulted by transactions in group apply in accordance with TAS 12 "Income Taxes" standard.
- Necessary adjustments are made during preparation of consolidated financial statements when one of subsidiaries needs to use different accounting principles for similar transactions or events.
- The consolidated financial reports of the partnership and subsidiaries are prepared at the same time with financial statements. Accounting policies are accepted for consolidated financial reports, same transactions, and transactions in same condition.
- All income and expenses of a subsidiary take in account consolidated financial reports after acquisition date according to TFRS 3 and this situation continues till the date of partnership lose its control power on subsidiary. When subsidiary sold; the difference between the income resulted by this transaction and the book value of subsidiary will be shown as loss or profit in consolidated comprehensive income statement. About this transaction if there is a currency translation loss or profits which are related directly to equity consider in accordance with "TAS 21 Currency Change Effects".
- Minority interest can be shown at equities section in consolidated statement of financial position separately from equities amount of partnership. The Group's loss or profit amount for minority interest should be shown also separately on financial statements.

Comparative Information and Restatement of Prior Period Financial Statements

The Group has prepared the consolidated statement of financial position dated June 30, 2026 with the consolidated financial position statement prepared as of 31 December 2025; Consolidated comprehensive income statement for the period 1 January – 30 June 2026, consolidated statement of comprehensive income prepared as of January 1 - June 30, 2025, statement of cash flows; The consolidated statement of changes in shareholders' equity, dated 1 January - 30 June 2026, was prepared in comparison with the consolidated statement of changes in shareholders' equity, dated 1 January – 30 June 2025. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Changes in Accounting Policies

If adjustments on accounting policies are applied retroactive, the group should adjust the previous opening balance in the report. The group should provide comparative data which is presented in accordance with the new accounting policies in terms of current years. Changes in accounting policy need to application for previous periods and also for current period or if group cannot determine the change effect of the financial statements as in cumulative, it wouldn't make any application for previous periods.

b. Changes and Errors in Accounting Estimates

If the effects of the change in accounting estimates create changes in asset, foreign resource or equity items, the book values of the relevant asset, foreign resource or equity item must be corrected at the time of the change. Projecting the impact of a change in accounting forecasting into the financial statements going forward means that the forecast applies to transactions, events, and conditions after the date of the change. Previous period errors are corrected through retroactive rearrangement, except where period-specific or cumulative effects related to the error cannot be calculated.

In the preparation of the consolidated interim financial statements, the Group management is required to make estimates and assumptions that will affect the asset and liability amounts, which determine the possible liabilities and commitments as of the balance sheet date and the amounts of income and expenses as of the reporting period. The results may differ from predictions and assumptions. These estimates and assumptions are regularly reviewed, necessary corrections are made and reflected in the operating results of the relevant period.

Significant Accounting Evaluations, Estimates and Assumptions

The preparation of financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities reported as of the statement of financial position date, disclosure of contingent assets and liabilities, and the amounts of income and expenses reported during the accounting period. Although these estimates and assumptions are based on the best information of the Group management regarding the current events and transactions, actual results may differ from the assumptions.

In the next financial reporting period, estimates and assumptions that may cause significant changes in the book value of assets and liabilities are stated below:

Inventories: Inventories are examined physically and how long they are in the past, and provisions are made for inventory items that are estimated to be unavailable.

Provisions for employee benefits: Severance pay liability is determined by actuarial calculations based on some assumptions including discount rates, future salary increases and employee turnover rates. Since these plans are long term, these assumptions contain significant uncertainties.

Determination of fair values: Certain estimates are made in the use of observable and unobservable market information used in determining the fair value.

Useful lives of tangible and intangible fixed assets: The Group management makes important assumptions in the determination of the useful lives of tangible and intangible fixed assets, in line with the experience of its technical team and forward-looking marketing and management strategies for special costs.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Facility, machinery, and devices are reflected in the financial statements with their fair values determined in the valuation studies performed by an independent professional and real estate appraisal company licensed by the Capital Markets Board ("CMB"). The frequency of revaluation studies is determined in a way to ensure that the book values of the revalued tangible fixed assets do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies depends on the change in the fair values of tangible fixed asset items. In cases where the fair value of a revalued asset is significantly different from its book value, the revaluation study should be repeated, and this study is performed for the entire asset class in which the revalued asset is located as of the same date. On the other hand, it is not deemed necessary to repeat the revaluation studies for tangible fixed assets whose fair value changes are insignificant. As of the current period, there is no need for a re-valuation study.

The economic depreciation period of the Çan-2 Thermal Power Plant is based on the determinations made by the technical departments regarding the economic life of the plant during the commissioning period.

Deferred tax assets and liabilities: Deferred tax assets are recorded when it is highly likely to benefit from temporary differences and unused previous year financial losses by earning taxable profit in the future. While determining the amount of deferred tax assets to be recorded, it is necessary to make important estimates and evaluations regarding the taxable profits that may occur in the future.

Borrowing costs: The Group has added the borrowing costs of the loans used to finance the construction of power plants to the cost of the power plant, which is considered as qualifying assets.

c. Going Concern

The group prepared the consolidated financial statements in the interim period based on going concern.

d. Netting/Deduction

Financial assets and liabilities are presented net if the required legal right is already present, the presence of intention is to pay the related assets and liabilities in accordance with the net fair value, or if the acquisition of assets and the fulfillment of obligations are intentional simultaneously.

e. Comparative Information and Restatement of Prior Period Financial Statements

The Group's consolidated financial statements are prepared with comparative information for the prior period in order to enable the identification of trends in its financial position and performance. Comparative information is reclassified, when necessary, to ensure consistency with the presentation of the current period's consolidated financial statements, and material differences are disclosed.

f. Changes in Financial Reporting Standards

New and Revised Turkish Financial Reporting Standards

Changes published as of 30 June 2026 but not yet effective and not early adopted:

Amendments to TFRS 9 and TFRS 7 regarding the classification and measurement of financial instruments;

Effective for annual reporting periods beginning on or after 1 January 2026 (early adoption is permitted). These amendments:

- clarify the requirements regarding the timing of the recognition and derecognition of certain financial assets and liabilities, together with a new exception for certain financial liabilities settled through an electronic cash transfer system;
- provide further guidance and clarification on assessing whether a financial asset meets the criterion that its contractual cash flows are solely payments of principal and interest;
- add new disclosure requirements for certain instruments with contractual terms that could change cash flows (such as certain instruments with features linked to the achievement of environmental, social and governance (ESG) targets); and
- update the disclosures relating to equity instruments measured at fair value through other comprehensive income.

Annual Improvements to TFRS – 11th Amendment; effective for annual reporting periods beginning on or after 1 January 2026 (early adoption is permitted). Annual improvements are limited to amendments that clarify wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or inconsistencies between requirements in the Accounting Standards. The list of amended Accounting Standards for 2024 and the related guidance includes:

- TFRS 1 First-time Adoption of Turkish Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and the Guidance on implementing IFRS 7 accompanying the Standard;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements; and
- TMS 7 Statement of Cash Flows.

Amendments to TFRS 9 and TFRS 7 relating to contracts referencing nature-dependent electricity;

Effective for annual reporting periods beginning on or after 1 January 2026 (early adoption is permitted). These amendments change the 'own use' and hedge accounting requirements of TFRS 9 and introduce targeted disclosure requirements in TFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (such as weather). These contracts are defined as "contracts referencing nature-dependent electricity".

Standards, amendments and interpretations published as of 30 June 2026 but not yet effective:

TFRS 17, 'Insurance Contracts'; effective for annual reporting periods beginning on or after 1 January 2023. This Standard replaces TFRS 4, which currently permits a wide variety of practices. TFRS 17 will fundamentally change the accounting of all entities issuing insurance contracts and investment contracts with discretionary participation features.

Amendments to TMS 21 – Translation of a foreign operation into a hyperinflationary presentation currency; effective for annual reporting periods beginning on or after 1 January 2027 (early adoption is permitted). These narrow-scope amendments set out the translation procedures to be applied for entities whose presentation currency is the currency of a hyperinflationary economy. An entity applies these amendments when:

- an entity whose functional currency is the currency of a non-hyperinflationary economy translates its financial position and results of operations into the currency of a hyperinflationary economy; or
- a foreign operation whose functional currency is the currency of a non-hyperinflationary economy translates its financial position and results of operations into the currency of a hyperinflationary economy.

The amendments are intended to improve the usefulness of the resulting information in a cost-effective manner and reduce diversity in practice.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

TFRS 18 Presentation and Disclosure in Financial Statements; effective for annual reporting periods beginning on or after 1 January 2027 (early adoption is permitted). This Standard is the new Standard on the presentation and disclosure of financial statements, focusing on updates to the statement of profit or loss. The key new concepts introduced by TFRS 18 related to:

- the structure of the statement of profit or loss
- disclosures required in the financial statements for certain profit or loss performance measures reported outside the entity's financial statements (i.e. management-defined performance measures); and enhanced principles for aggregation and disaggregation that generally apply to the primary financial statements and notes.

"In order to comply with paragraph 30 of TMS 8, the following matters are expected to be included in the notes to the financial statements for the reporting period ended March 2026:

- the nature of the amendments,
- the fact that application of TFRS 18 is mandatory for annual reporting periods beginning on or after 1 January 2027,
- the planned date of initial application; and
- one of the following:
- known or reasonably estimable information that will help assess the possible effects of applying the Standard on the entity's financial statements in the period in which TFRS 18 is first applied; or
- where these effects are not known or reasonably estimable, a statement to that effect.

In order to comply with paragraph 30 of TMS 8, entities should consider the following principles when preparing disclosures regarding the adoption of TFRS 18:

a. Disclosures are expected to become increasingly detailed as entities' implementation process progresses towards 2027

The level of detail an entity includes in its disclosures will depend on the level of progress in its activities for first-time application, including work relating to internal control processes. As of the financial year ended 30 June 2026, entities that have not yet made significant progress in the implementation process may simply state that they are actively assessing the possible effects of TFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

b. Considering the presentation of quantitative information where appropriate and reliable

It may be appropriate to disclose preliminary draft amounts, provided that the entity has an appropriate and reliable basis for making such disclosures and provides clear disclosures that the information is provisional in nature. For example, an entity may quantify the effects on subtotals in the statement of profit or loss. If the quantitative effects cannot be reasonably estimated, this should be disclosed. Entities may disclose known effects that can be reasonably expressed quantitatively; however, disclosures within the scope of TFRS 18, such as the reconciliation of Management Performance Measures (MPM), are not expected to be presented early before the effective date.

c. Considering consistency with other public communications

Where management has made public statements regarding expected effects, for example in an investor presentation, the disclosures included in the financial statements under TMS 8 must be consistent with those communications. Disclosures should be based not only on information available as of the end of the reporting period, but also on information available up to the date the financial statements are issued.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

● **TFRS 19 Subsidiaries without Public Accountability: Disclosures**; effective for annual reporting periods beginning on or after 1 January 2027 (early adoption is permitted). The new Standard and amendments are applied together with other TFRSs. An eligible subsidiary applies the requirements in the other TFRS Accounting Standards, except for the disclosure requirements, together with the reduced disclosure requirements in TFRS 19. The reduced disclosure requirements of TFRS 19 balance the information needs of users of the financial statements of eligible subsidiaries with cost savings for financial statement preparers. TFRS 19 is a Standard that may be applied voluntarily by eligible subsidiaries. A subsidiary meets the relevant criteria when:

- it does not have public accountability obligation; and
- it has a parent or intermediate parent that produces consolidated financial statements available for public use and compliant with TFRS Accounting Standards.

● **Amendments to TFRS 19 Subsidiaries without Public Accountability: Disclosures**; effective for annual reporting periods beginning on or after 1 January 2027 (early adoption is permitted). When developing the reduced disclosure requirements in TFRS 19, the IASB considered the disclosure requirements in the other TFRS Accounting Standards as at 28 February 2021. When TFRS 19 was issued, it did not include reduced versions of any disclosure requirements added or amended after that date. Subsequently, the IASB issued these amendments to provide relief to eligible subsidiaries by reducing disclosure requirements arising from Standards and amendments issued between February 2021 and May 2024, in particular:

- TFRS 18 Presentation and Disclosure in Financial Statements;
- Amendments relating to Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7);
- International Tax Reform — Pillar Two Model Rules (amendments to TMS 12);
- Lack of Exchangeability (amendments to TMS 21); and
- Amendments relating to the Classification and Measurement of Financial Instruments (amendments to TFRS 9 and TFRS 7).

● **IFRS 20 Regulatory Assets and Regulatory Liabilities**; effective for annual reporting periods beginning on or after 1 January 2029 (early adoption is permitted). This Standard is a new Standard for entities subject to certain types of price regulation. Its objective is to enable investors to better understand the effects of such regulation on expectations regarding the entity's financial performance, financial position and future cash flows.

f) Summary of Important Accounting Policies

Cash and Cash Equivalents

Cash represents cash on hand and demand deposits, while cash equivalents represent short-term, highly liquid investments that are readily convertible to a specified amount of cash and subject to an insignificant risk of changes in value.

Cash equivalents are assets held to meet short-term cash commitments and not for investment or other purposes (Note: 53).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Related Parties

The group will consider as a related party if one the conditions below are met.

a) If the party directly or indirectly with one or more agent:
   i) Controls the enterprise, controlled by enterprise or is present under the same control with the enterprise (including parent companies, subsidiaries and subsidiaries at the same line of business);
   ii) Has share which allows it to have big impact on the company; or
   iii) Has associated control on the company.
b) If the party is an affiliate of the company;
c) If the party is an business partnership where the group is a party;
d) If the party is a member of the key personnel in the group or Company's main partnership;
e) If the party is a close family member of any person mentioned in the a or d parts;
f) If the party is an enterprise which is controlled, partnered or under important effect or any person mentioned in d) or e) parts has right to vote in important decisions of the party;
g) The party must be a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity that is a related party of the reporting entity.

Financial assets

Financial assets are recorded with their appropriate value and expenses directly related to purchase except financial assets reflected to profit or loss of the appropriate value difference and recorded on their appropriate value. In the case of purchase or selling of financial assets which are bound to a contract that has a condition on deliverance date of financial instruments set by the market are recorded at the date of transaction or deducted from records. Financial assets are classified as "financial assets reflected to profit or loss of the realizable value difference", "financial assets kept in hand till its maturity", "marketable financial assets" and credits and receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading. When a financial asset is acquired for short-term disposal, it is classified in this category. The mentioned financial assets constituting derivative products that are not determined as an effective protection tool against financial risk are also classified as financial assets whose fair value difference is reflected to profit or loss.

Financial assets measured at amortized cost

Financial asset is classified as a financial asset measured at amortized cost if the terms of the contract for the financial asset, which aims to collect the contractual cash flows of the financial asset, lead to cash flows that include only the principal and interest payments arising from the principal balance at certain dates. It is valued at its discounted cost using the effective interest rate method and provision is made for impairment, if any. Interest income from securities held to maturity is recognized as interest income in the period profit / loss.

Financial assets at fair value through other comprehensive income

In cases where the contractual terms of the financial asset aiming at collecting the contractual cash flows of the financial asset and selling the financial asset, and in addition, the terms of the contract for the financial asset lead to cash flows that include only principal and interest payments arising from the principal balance at certain dates, the financial asset is the fair value difference reflected in other comprehensive income classified as.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Fair value difference subsequent valuation of financial assets reflected in other comprehensive income is made at their fair value. However, if their fair value cannot be determined reliably, are measured at amortized cost using the internal rate of return method for those with a fixed term; a fixed term fair value are measured using pricing models or discounted cash flow techniques for non. The difference of the fair value of financial assets arising from changes in fair value reflected in other comprehensive income and amortized cost and fair value of securities computed by expressing the difference between the effective interest method, unrealized profits or losses in equity items "in value of financial assets increase / decrease Fund" under the account are shown. Fair value difference if financial assets reflected in other comprehensive income are disposed of, the value generated in equity accounts as a result of fair value application is reflected in profit/loss for the period.

Registration and derecognition of financial assets

The Group reflects the financial assets or liabilities in its consolidated balance sheet if it is a party to the related financial instrument contracts. The Group derecognizes all or part of a financial asset only when it loses control over the rights arising from the contract to which the said assets are subject. The Group derecognizes financial liabilities only if the liability defined in the contract is discharged, canceled or expired.

Impairment / expected loss provision in financial assets

At each reporting date, it is assessed whether there has been a significant increase in the credit risk of an impaired financial instrument since it was first recognized in the consolidated financial statements. While making this assessment, the change in the default risk of the financial instrument is considered. The expected loss allowance estimate is objective, probability-weighted, and includes supportable information about estimates of past events, current conditions, and future economic conditions.

For all financial assets, except for trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment is directly deducted from the carrying amount of the relevant financial asset. In case the trade receivable cannot be collected, the amount in question is deducted from the provision account and written off. Changes in the provision account *are recognized in profit or loss for the period. Except for equity instruments at fair value through other comprehensive income, if the impairment loss is reduced in a subsequent period and the decrease can be attributed to an event that occurred after the impairment loss was recognized, the previously recognized impairment loss would never have been recognized at the date the impairment loss would be reversed. It is canceled in the consolidated income statement so that it does not exceed the amortized cost amount that it will reach.

The increase in the fair value of equity instruments at fair value through consolidated other comprehensive income is recognized directly in equity.

Trade Receivables

Trade receivables resulting from the provision of products or services to the buyer are accounted for at the amortized value of the receivables, which are recorded at the original invoice value, to be obtained in the following periods using the effective interest method. Short-term receivables with no specified interest rate are shown at the invoice amount unless the effect of the original effective interest rate is significant.

A "simplified approach" is applied within the scope of impairment calculations for trade receivables (with a maturity of less than 1 year) that are accounted at amortized cost in the consolidated financial statements and do not contain a significant financing component. With this approach, allowances for losses on trade receivables are measured at an amount equal to "lifetime expected credit losses", in cases where trade receivables are not impaired for specific reasons (other than realized impairment losses).

Following the provision for impairment, if all or part of the amount of the impaired receivable is collected, the collected amount is deducted from the provision for impairment and recorded in other income from main activities.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments with maturities of 3 or less than 3 months from the date of purchase, immediately convertible into cash, and without significant risk of change in value.

Financial Liabilities

A financial liability is measured at fair value at initial recognition. During the initial recognition of financial liabilities whose fair value difference is not recognized in profit or loss, the transaction costs directly attributable to the underwriting of the related financial liability are added to the said fair value. Financial liabilities are accounted for at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate in the following periods.

Inventories

Inventories are valued based on the weighted average cost method by considering the cost or the net realizable value, whichever is the lowest. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories covers all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition. When net realizable value of inventories is less than their cost, inventories will be valued according to their realizable value and the difference will be record as an item in comprehensive income statement.

In cases where impairment of inventories is no longer valid or net realizable value is increased, impairment of inventories which was recorded as loss in previous comprehensive income statement will be a provision no longer required. The amount of provision no longer required is limited with the amount of provision which was allocated in previous periods. (Note: 9)

Tangible Fixed Assets

The Group has adopted the "Revaluation model" starting from 30.09.2018, based on the reasonable values determined in the valuation studies performed by an independent valuation company accredited to the CMB for the asset value of the thermal power plant in accordance with TAS 16 "Tangible Fixed Assets" standard.

Income Approach was used to determine the fair value of Çan2 Thermal Power Plant owned by Çan2 Termik A.Ş. The choice of this approach was driven by the fact that the asset's ability to generate income is a crucial factor influencing value, and reasonable estimates of the amount and timing of future income associated with the subject asset. Revaluations are made regularly in a way that does not cause the amount to be determined by using the fair value as of the end of the reporting period to differ materially from the carrying value. The frequency of revaluations depends on the changes in the fair values of the items of property, plant and equipment subject to revaluation.

If the fair value of the revalued asset differs significantly from its carrying value, the asset is revalued. Some items of property, plant and equipment whose fair values show significant changes are revalued annually. Items of property, plant and equipment that do not have significant changes in their fair values are subject to revaluation every three or five years.

Increases in tangible fixed assets because of revaluation are recorded after netting the deferred tax effect to the revaluation fund account in the equity group of the balance sheet. The difference between depreciation and amortization calculated over the carrying value of the revalued assets (depreciation charged to the profit or loss statement) and the depreciation and amortization calculated over the acquisition cost of these assets is transferred

from the revaluation reserve to the accumulated profit/loss after the deferred tax effect is netted each year. . The same applies to tangible fixed assets as well.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The lands are not depreciated because their economic useful lives are indefinite. The estimated useful lives of these assets are as follows:

	Years
Thermal power plant	30
Aboveground and underground layouts	8-50
Buildings	50
Machinery, plant and devices	4-15
Vehicle tools and equipment	5
Furniture and fixtures	3-15
Special costs	lease term (days) or lifetime, whichever is less

The profit or loss resulting from the disposal of tangible fixed assets is determined by comparing the adjusted amounts with the collected amounts and is reflected in the relevant income and expense accounts in the current period.

Maintenance and repair expenses of tangible fixed assets are normally recorded as expense. However, in exceptional cases, if the maintenance and repair results in an expansion or significant improvement in assets, these costs can be capitalized and depreciated over the remaining useful life of the associated tangible asset (Note 11).

Intangible Assets

Intangible assets include acquired rights, information systems, computer software and development activities. They are recorded at acquisition cost and amortised on a straight-line basis over their estimated useful lives after the date of acquisition.

"Assessment of research expenses and development costs within the scope of paragraphs 52 to 67 of TMS 38 "Intangible Assets"

Planned activities undertaken to obtain new technological knowledge or findings are defined as research, and research expenses incurred at this stage are recognised as an expense when incurred.

The application of research findings or other knowledge to a plan designed to produce new or substantially improved products, processes, systems or services is defined as development and is recognised in the financial statements as intangible assets arising from development when all of the following conditions are met.

Internally generated intangible assets arising from development activities (or the development phase of an internal project) are recognised only when all of the following conditions are met;

- it is technically feasible to complete the intangible asset so that it will be available for use or sale
- there is an intention to complete, use or sell the intangible asset
- the intangible asset is capable of being used or sold, and it is clear how the asset will generate probable future economic benefits
- there are adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it
- the expenditure attributable to the intangible asset during its development can be reliably measured

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

The amount of an internally generated intangible asset is the total amount of expenditure incurred from the date when the intangible asset first meets the above recognition criteria. When internally generated intangible assets cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are presented, like separately acquired intangible assets, at cost less accumulated amortisation and accumulated impairment losses.

The Company acquires certain parts of some intangible assets within the scope of paragraphs 27 to 32 of TMS 38. In this context, it capitalises costs obtained separately from external sources and directly attributable to the asset. In particular, costs incurred within the scope of paragraph 28 of TMS 38 are capitalised.

The estimated useful lives of the subject intangible assets are as follows:

	Years
Rights	3-49
Computer programs	3
Preparation and Development Activities	License or Royalty Contract Duration

In case of decrease in value, the book value of intangible assets can be discounted to its recovered value. Recovered value is the value that whichever is higher between useful value and net selling price. (Note:12)

Leases

The Group as Lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group recognises a right-of-use asset and the related lease liability for all leases for which it is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets.

For these leases, where there is no other systematic basis that better reflects the timing pattern in which economic benefits from the leased assets are consumed, the Group recognises lease payments as an operating expense on a straight-line basis over the lease term.

At initial recognition, lease liabilities are recognised at the present value of lease payments not paid at the commencement date of the contract, discounted using the lease rate. If this rate is not readily determinable, the Group uses its own incremental borrowing rate.

Lease payments included in the measurement of the lease liability consist of:

- the amount arising from fixed lease payments (substantively fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date of the lease;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options when the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of a lease termination option.

The lease liability is presented as a separate line item in the consolidated statements of financial position.
Lease liabilities are subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- the lease term changes or there is a change in the assessment of an option to purchase the underlying asset, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- there is a change in lease payments due to changes in an index or rate, or a change in the expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the original discount rate (a revised discount rate is used if the change in lease payments results from a change in a variable interest rate).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the revised lease payments are discounted using a revised discount rate and the lease liability is remeasured.

The Group has not made such a change during the periods presented in the consolidated financial statements.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date of the lease and other direct initial costs. These assets are subsequently measured at cost less accumulated depreciation and impairment losses.

When the Group incurs costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with TMS 36. These costs are included in the related right-of-use asset unless they are incurred for the production of inventories.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. When ownership of the underlying asset is transferred under the lease or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins on the commencement date of the lease.

The Group as Lessor

As a lessor, the Group enters into lease agreements relating to some of its investment properties.

Leases in which the Group is the lessor are classified as either finance leases or operating leases. A contract is classified as a finance lease when substantially all the risks and rewards incidental to ownership are transferred to the lessee under the terms of the lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance lease or an operating lease in relation to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the relevant lease term. Initial direct costs incurred in arranging and negotiating an operating lease are included in the cost of the leased asset and amortised on a straight-line basis over the lease term.

Finance lease receivables from lessees are recognised as receivables at an amount equal to the Group's net investment in the leases.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Cash Flow Hedges

At the date of the derivative contract, the Group determines the transactions that provide hedging against changes in the cash flows of a registered asset or liability or transactions that can be associated with a certain risk and that are likely to occur, resulting from a certain risk and that may affect profit or loss as cash flow hedge.

The Group presents the gains and losses related to the effective hedging transaction under "hedging gains (losses)" in equity. The ineffective portion is defined as profit or loss in the profit for the period. In the event that the hedged commitment or possible future transaction becomes an asset or liability, the gains or losses related to these transactions, which are recognized as equity items, are taken from these items and included in the acquisition cost or book value of the said asset or liability. Otherwise, the amounts recognized under equity items are transferred to the income statement in the period in which the hedged possible future transaction affects the income statement and reflected as profit or loss.

In the event that the hedging instrument is sold, expires or fails to meet the hedge accounting requirements even though it is for hedging purposes, or in one of the situations where the promised or probable future transaction is not expected to occur, it is separately in equity until the promised or probable future transaction occurs. continues to be classified. When the promised or probable future transaction is realized, it is recorded in the income statement or if it is anticipated that it will not be realized, the accumulated gains or losses related to the transaction are reflected in the consolidated financial statements as profit or loss (Note 37).

Facilitating applications

Short-term lease agreements with a rental period of 12 months or less, and agreements regarding information technology equipment rentals (predominantly printers, laptop computers, mobile phones, etc.) determined by the Group as low value, are considered within the scope of the exception recognized by TFRS 16 Leases Standard. Payments related to contracts continue to be recognized as expenses in the period they are incurred (Note 14).

Investment Properties

Rather than sell goods and services for use in the production and administrative purposes at normal course of business, lands and buildings which are held in hand to obtain lease or capital gains or to obtain both, can be classified as Investment Properties and they can be recorded as values which comes after deduction of accumulated depreciation from cost according to its cost method except lands. The cost of construction, which construct by the company, of property for investment purposes determine on cost at the date of completion of rehabilitation and construction work. Asset at this date becomes a property for investment purposes and cause of that it transfers to properties account section.

Borrowing Costs

Group reflects borrowing costs as financing cost during credit period in its comprehensive income statement. Financing cost which is sourced from credits is recorded to comprehensive income statement when they occur.

Energy producing plants can be evaluated as a specialty asset depending on conditions. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset can be capitalized as a part of specialty asset's cost by firms. Firms can book the other borrowing costs as an expense in their occurred period.

Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset is added to cost of the asset. This kind of borrowing costs is capitalized as a part of specialty asset's cost for a dependable measure and for a possible situation that it can make an economic contribution to company. Acquiring, constructing, or borrowing costs that can be directly related to producing of a specialty asset are borrowing costs that will not appear in case that there will be no expense done related to specialty asset.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

If a company is get into debt in order to acquire a specialty asset, the borrowing cost amount that will be capitalized will be determined by deducting income that is gained via temporary exploiting aforesaid funds from borrowing cost of the aforesaid borrowing in the related period.

In the case of a company uses a part of the funds that it is get into debt for general purposes in order to finance a qualifying asset; the borrowing cost amount that can be capitalized; is determined via using capitalizing rate that will be applied to expenses that related asset. This capitalizing rate is the weighted average of all existing borrowing of the related period to borrowing costs, except the borrowings that is done for acquiring the qualifying asset. The borrowing cost amount that is capitalized for a period, cannot exceed consisted of the borrowing cost in related period.

When all necessary proceedings virtually is completed for asset's intended usage and getting ready for sale, the capitalizing of borrowing costs will end. In the situation of a qualifying asset is completed in parts and every part can be used while other parts Continue to construct; When all necessary proceedings virtually is completed for certain part's intended usage and getting ready for sale, the capitalizing of borrowing costs of the related part will end.

Within the scope of TAS-23 "Borrowing Costs" standard, the group includes the principal currency difference amounts of the loans used to finance the construction of the Specialty Assets; Assuming that the loan was used in TRY, the TRY base interest rate at the date of use of the loans is taken and the exchange differences corresponding to the TRY interest cost are added to the capitalization amount of the assets considered as qualifying assets. In the calculation made, the base interest rate is based on the representative interest rate on the date of the signed and renewed contracts in the current period for all investment loans used if the same loans are used in TRY under the same conditions (Note 17).

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are accounted in cases where Group has a legal or structural liability arising from the past that exists as of the date of the financial statement, the outflow of economic resources to fulfill the obligation is highly likely, and a reliable estimation of the amount of liability can be made.

In cases where there is more than one similar obligation, the possibility of the outflow of economic resources that may be necessary for economic benefit is evaluated taking into account all obligations of the same nature. Even if the probability of economic resources outflow for any of the obligation is not probably high, provision should be set. There is no provision set for future operational losses. In cases where the effect of the time value of the money is significant, the provision amount may be set as present value.

Contingent Liabilities and Assets

Possible assets and liabilities arising from past events and whose occurrence depends on the occurrence or non-occurrence of one or more events that are not wholly within the Group's control in the future are considered contingent assets and liabilities.

The Group does not recognise contingent assets and liabilities in its accounting records. Contingent liabilities are disclosed in the notes to the financial statements unless the possibility of an outflow of economic benefits is remote, while contingent assets are disclosed in the notes only when an inflow of economic benefits is virtually certain.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Employee Benefits:

Defined Benefit Plan

Provisions for severance benefit reflect upon to actuarial work according to TAS 19 "employee benefit".

The employment termination liability refers to the value of the estimated total value of the group's potential future liabilities as of the date of the financial statement, which will arise from the retirement of the Group's personnel in accordance with the Turkish Labor Law or the termination of the employment contract for the reasons specified by the relevant law.

The group calculates severance benefit by predicting discounted net value of deserved benefits or based on the information from group's experience about fire personnel or quit of the personnel and reflects to its financial statements.

Defined Contribution Proportions

Group has to pay social insurance premium to Social Insurance Intuition. There will be no other liability if the group Continues to pay the premiums. These premiums reflect to personnel expenses in its accrual periods.

Revenue

Revenue is measured at the fair value of the receivable amount collected or to be collected. Estimated customer returns, discounts and provisions are deducted from this amount.

Sales Revenue

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred to the buyer all significant risks and rewards of ownership,
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity, and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is the fair value of the amount received or receivable upon delivery of electricity.

Revenue is recognised on an accrual basis in the period in which it is earned, based on amounts to be invoiced. Net sales are presented at the amount of invoiced electricity deliveries after deducting sales commissions and sales taxes. Revenue from transmission charges is presented net of the related costs in the financial statements.

Effects of Changes in Foreign Exchange Rates

Foreign currency transactions during the period are translated into Turkish Lira at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the end of the period. Foreign exchange gains or losses arising from the valuation of foreign currency-denominated monetary assets and liabilities are recognised in the statement of profit or loss.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Taxes Calculated on Corporate Income and Deferred Tax

As Turkish Tax Legislation does not permit the parent company and its subsidiary to prepare a consolidated tax return, tax provisions have been calculated separately on an entity-by-entity basis, as also reflected in the consolidated financial statements.

Income tax expense consists of current tax expense and deferred tax expense.

Current tax

The current year tax liability is calculated on the taxable portion of the profit for the period. Taxable profit differs from the profit presented in the statement of profit or loss because it excludes items that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax liability is calculated using the tax rate enacted or substantively enacted as of the reporting period.

Deferred Tax

Deferred tax liabilities or assets are determined by calculating the tax effects, using the enacted tax rates, of temporary differences between the amounts of assets and liabilities presented in the financial statements and the amounts taken into account in calculating the statutory tax base, based on the balance sheet method.

Deferred tax liabilities are recognised for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognised to the extent that it is highly probable that the differences can be utilised by generating taxable profit in the future. The aforementioned assets and liabilities are not recognised if they arise from a temporary difference relating to a transaction that does not affect accounting or taxable profit/(loss), goodwill, or the initial recognition of other assets or liabilities (other than in business combinations).

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are recognised to the extent that it is highly probable that the differences can be utilised by generating sufficient taxable profit in the foreseeable future and that the related differences are probable to reverse in the future.

The carrying amount of a deferred tax asset is reviewed at each reporting period. The carrying amount of a deferred tax asset is reduced to the extent that it is not probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates (tax regulations) expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates that are enacted or substantively enacted as of the reporting date. In measuring deferred tax assets and liabilities, the tax consequences of the methods the Group expects, as of the reporting period, to use to recover the carrying amount of its assets or settle its liabilities are taken into account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, or when such assets and liabilities relate to income taxes levied by the same tax authority, or when the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current tax and deferred tax for the period, other than those relating to items recognised directly in equity as a credit or debit (in which case the related deferred tax is also recognised directly in equity) or arising from the initial recognition of business combinations, are recognised as an expense or income in the statement of profit or loss. In business combinations, the tax effect is taken into account in determining goodwill or in determining the portion of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree obtained by the acquirer that exceeds the acquisition cost.

Earnings / Loss Per Share

Earnings per share presented at the bottom of the consolidated Comprehensive Income Statement are calculated by dividing the net profit for the period to the number of shares. In case of increasing capital from sources in group in period, when calculating weighted average of number of shares, the value found after that is accepted also to use as valid at the beginning of period. TMS 33 also refers to this matter is as follows. Ordinary shares can be issued without any changing at sources or current ordinary shares can be reduced. For Example:

(a) Activation or give ordinary shares (sometimes, ordinary share can be given as dividend too)
(b) Include bonus issued in another issued transaction; for example, include new rights about bonus issued in issued transaction for current shareholders)
(c) Share split and
(d) Reverse share split (consolidation of shares)

Ordinary shares issued to current shareholders without any additional payment in the event of activation or bonus issue or share split. Because of this current ordinary share increase without any increase in resource. Before mentioned transaction number of current ordinary shares adjust according to proportional change in case of mentioned transaction realized at the beginning of the earliest period presented.

Events After the Reporting Period

Subsequent events cover all events between authorization dates for publishing statement of financial position and statement of financial position date even if they are related to an announcement related to profits or if they occur after publishing financial information to public.

In case of occurring, events which are necessary to make adjustments after statement of financial position date, group adjusts the amounts in financial statements in an appropriate way to this situation. Subjects which are not necessary to make adjustment occurred after statement of financial position date is explained in explanatory notes of financial statements if they will affect economic decision of financial statements user.

Statement of Cash Flow

In cash flow statement group reports cash flows in period based on classification as operating, investing, and financing activities. Cash flows sourced from operating activities shows cash flows sourced from Group's activities. Cash flow related to investing activities shows cash flows that group use at present time or they gain from investing activities such as intangible asset investing and financial investing. Cash flow related to financing activities shows the resources used by group and back payment of these resources for financing activities. Cash and cash equivalents are consisted of cash and bank deposit, investment with certain amount at 3 months term or less than 3 months, short term with high liquidity.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

Determination of Fair Value

Several accounting policies and disclosures of the group require determination of fair value of both financial and non-financial assets. Assumptions are used to determine fair value and relevant additional information is presented in the notes specific to asset or liability.

According to levels, the valuation methods are listed as follows.

Level 1: Recorded prices (unadjusted) in active market for identical assets and liability

Level 2: Directly (through prices) observable data and indirectly (derived from prices) observable data for assets or liabilities and except recorded prices in Level 1

Level 3: Data is not based on observable market data relevant with assets and liabilities (unobservable data)

3.BUSINESS COMBINATIONS

None. (31.12.2025: None)

4. JOINT VENTURES

None. (31.12.2025: None)

5. SEGMENT REPORTING

	30.06.2026				
	TURKEY	USA/ VENEZUELA	TOTAL	EFFECT OF ELİMİNATION	CONSOLIDATED TOTAL
Current assets	6.661.373.785	1.219.093.611	7.880.467.396	(1.308.102.972)	6.572.364.422
Financial assets	27.546.642.653	776.256.985	28.322.899.639	(451.041.562)	27.871.858.076
Total assets	**34.208.016.438**	**1.995.350.596**	**36.203.367.034**	**(1.759.144.534)**	**34.444.222.498**
Short term liabilities	2.595.004.307	319.266.252	2.914.270.559	(658.182.969)	2.256.087.588
Long term liabilities	114.507.554	9.131.157	123.638.711	-	123.638.711
Total liabilities	**2.709.511.862**	**328.397.409**	**3.037.909.271**	**(658.182.969)**	**2.379.726.299**
Equity	**31.498.504.576**	**1.666.953.188**	**33.165.457.764**	**(1.100.961.564)**	**32.064.496.199**

	01.01.2026 - 30.06.2026				
Profit Or Loss Statement	TURKEY	USA/VENEZUELA	TOTAL	EFFECT OF ELİMİNATION	CONSOLIDATED TOTAL
Revenue	4.094.505.186	43.450.609	4.137.955.795	(354.392.456)	3.783.563.339
Cost Of Sales (-)	(4.222.832.383)	(31.891.793)	(4.254.724.176)	354.392.456	(3.900.331.720)
Gross Profit/Loss	**(128.327.197)**	**11.558.816**	**(116.768.381)**	**--**	**(116.768.381)**
General Administrative Expenses(-)	(187.656.782)	(19.727.320)	(207.384.101)	--	(207.384.101)
Marketing Expenses(-)	(26.012.819)	--	(26.012.819)	--	(26.012.819)
Other Income From Operational Facility	55.327.533	--	55.327.533	--	55.327.533
Other Expense From Operational Facility(-)	(270.790.405)	(1.587.732)	(272.378.136)	(20)	(272.378.156)
Operational profit/loss	**(557.459.669)**	**(9.756.235)**	**(567.215.904)**	**(20)**	**(567.215.924)**
Investment facility income	2.039.277	--	2.039.277	--	2.039.277
Investment facility expenses (-)	--	(7.033)	(7.033)	--	(7.033)
Operating Profit/Loss Before Finance Expense	**(555.420.392)**	**(9.763.268)**	**(565.183.660)**	**(20)**	**(565.183.680)**
Financial Income	644.065.840	50.295.599	694.361.440	(189.473.090)	504.888.350
Financial Expense (-)	(608.921.987)	(1.452.679.995)	(2.061.601.982)	189.473.090	(1.872.128.892)
Net Monetary Position Gain/Loss	(697.022.181)	--	(697.022.181)	--	(697.022.181)
Profit And Loss From Continuing Operations Before Tax	**(1.217.298.720)**	**(1.412.147.664)**	**(2.629.446.383)**	**(20)**	**(2.629.446.404)**
Profit And Loss From Continuing Operations Tax İncome/Loss	**(767.218.494)**	**--**	**(767.218.494)**	**--**	**(767.218.494)**
Current Tax Income/Loss	(17.071)		(17.071)	--	(17.071)
Deferred Tax Income/Loss	(767.201.423)		(767.201.423)	--	(767.201.423)
Profit And Loss From Continuing Operations	**(1.984.517.214)**	**(1.412.147.664)**	**(3.396.664.877)**	**(20)**	**(3.396.664.897)**
Profit And Loss From Discontinuing Operations	**--**	**--**	**--**	**--**	**--**
Period Profit /Loss	**(1.984.517.214)**	**(1.412.147.664)**	**(3.396.664.877)**	**(20)**	**(3.396.664.897)**

5. SEGMENT REPORTING (CONTINUED)

	31.12.2025				
	Republic of Turkey	**USA / Venezuela**	**Total**	**Elimination Effect**	**Consolidated Total**
Current Assets	5.491.803.428	944.030.757	6.435.834.185	(982.035.970)	5.453.798.214
Fixed Assets	28.170.450.589	3.009.479.175	31.179.929.764	(210.822.250)	30.969.107.513
Total assets	**33.662.254.016**	**3.953.509.932**	**37.615.763.949**	**(1.192.858.221)**	**36.422.905.727**
Short-Term Liabilities	2.460.878.799	210.568.556	2.671.447.355	(216.657.499)	2.454.789.855
Long-term Liabilities	81.450.635	9.766.461	91.217.096	--	91.217.096
Total Liabilities	**2.542.329.434**	**220.335.017**	**2.762.664.451**	**(216.657.499)**	**2.546.006.951**
Equity	**31.119.924.582**	**3.733.174.911**	**34.853.099.494**	**(976.200.717)**	**33.876.898.776**

	01.01.2025 - 30.06.2025				
Profit Or Loss Statement	**Turkey**	**Usa/Venezuela**	**Total**	**Effect Of Elimination**	**Consolidated Total**
Revenue	3.335.932.426	52.707.460	3.388.639.885	(17.621.819)	3.371.018.066
Cost Of Sales (-)	(3.136.815.219)	(42.111.815)	(3.178.927.034)	17.621.819	(3.161.305.215)
Gross Profit/Loss	**199.117.206**	**10.595.645**	**209.712.851**	**--**	**209.712.851**
General Administrative Expenses( )	(123.879.131)	(23.105.799)	(146.984.930)	--	(146.984.930)
Marketing Expenses(-)	(10.390.060)	--	(10.390.060)	--	(10.390.060)
Other Income From Operational Facility	183.067.340	--	183.067.340	--	183.067.340
Other Expense From Operational Facility( )	(565.832.333)	(2.446.219)	(568.278.552)	(26)	(568.278.578)
Operational profit/loss	**(317.916.977)**	**(14.956.374)**	**(332.873.351)**	**(26)**	**(332.873.377)**
Investment facility income	27.941.560	--	27.941.560	--	27.941.560
Investment facility expenses (-)	--	--	-	--	--
Operating Profit/Loss Before Finance Expense	**(289.975.417)**	**(14.956.374)**	**(304.931.791)**	**(26)**	**(304.931.817)**
Financial Income	77.066.155	14.755.598	91.821.753	(43.351.756)	48.469.997
Financial Expense (-)	(1.233.902.820)	--	(1.233.902.820)	43.351.756	(1.190.551.064)
Net Monetary Position Gain/Loss	(154.302.016)	--	(154.302.016)	13.981.044	(140.320.972)
Profit And Loss From Continuing Operations Before Tax	**(1.601.114.097)**	**(200.776)**	**(1.601.314.874)**	**13.981.018**	**(1.587.333.856)**
Profit And Loss From Continuing Operations Tax İncome/Loss	**(891.190.376)**	**--**	**(891.190.376)**	**--**	**(891.190.376)**
Deferred Tax İncome/Loss	(891.190.376)	--	(891.190.376)	--	(891.190.376)
Profit And Loss From Continuing Operations	**(2.492.304.473)**	**(200.776)**	**(2.492.505.250)**	**13.981.018**	**(2.478.524.232)**
Profit And Loss From Discontinuing Operations					
Period Profit /Loss	**(2.492.304.473)**	**(200.776)**	**(2.492.505.250)**	**13.981.018**	**(2.478.524.232)**

6. EXPLANATIONS OF RELATED PARTIES

i) Balances of the Company with its' related parties as of June 30, 2026 and December 31, 2025:

a) Trade receivables from related parties:

	30.06.2026	**31.12.2025**
Voytron Enerji Elektrik Perakende Satış A.Ş.	1.959.338	--
Suda Stratejik Metal Dış Ticaret A.Ş.	1.567.730	23.918.637
TOTAL	**3.527.068**	**23.918.637**
Deduction: Unaccrued financial expenses	--	**(6.611.085)**
TOTAL	**3.527.068**	**17.307.552**

6. EXPLANATIONS OF RELATED PARTIES (CONTINUED)

b) Other receivables from related parties:

	30.06.2026	31.12.2025
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	54.391.356	--
Intekno Eğitim Kurumları A.Ş.	38.795.917	--
Abdulkadir Bahattin Özal	14.290.065	15.525.204
Ali Kemal Kazancı	6.578.925	5.805.305
Suda Maden A.Ş.	4.858.615	--
Yasin İnşaat Tur.Gıda Taah. Ve Tic. A.Ş	2.594.519	4.905
Süleyman Sarı	160.750	189.307
Burak Altay	118.046	139.017
Bb Enerji Yatırım San.Tic.A.Ş.	16.630	--
Ys Madencilik Sanayi Ve Tic. Ltd. Şti	--	3.452
TOTAL	**121.804.823**	**21.667.190**
Deduction: Unaccrued financial expenses	*(30.619.847)*	*(4.042.185)*
TOTAL	**91.184.976**	**17.625.005**

c) Other payables to related parties:

	30.06.2026	31.12.2025
Odaş Elektrik Üretim Sanayi Ticaret A.Ş.	251.389.927	196.353.598
Kısrakdere - Ys Batı Anadolu Maden A.Ş.	7.024.581	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	165.025	--
TOTAL	**258.579.533**	**196.353.598**
Deduction: Unaccrued financial incomes	*(67.178.456)*	*(54.272.853)*
TOTAL	**191.401.077**	**142.080.745**

d) Trade payables to related parties:

	30.06.2026	31.12.2025
Suda Stratejik Metal Dış Ticaret A.Ş.	41.463.604	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	823.646	2.389.947
Kısrakdere - Ys Batı Anadolu Maden A.Ş.	--	3.379
TOTAL	**42.287.250**	**2.393.326**
Deduction: Unaccrued financial incomes	*(12.049.989)*	*(763)*
TOTAL	**30.237.261**	**2.392.563**

ii) Significant sales to and purchases from related parties:

a) Sales to related parties

	01 January -30 June 2026	01 January -30 June 2025	01 April -30 June 2026	01 April -30 June 2025
Suda Stratejik Metal Dış Ticaret A.Ş.	43.505.281	56.522.137	20.693.725	44.882.280
Abdulkadir Bahattin Özal	1.106.861	--	1.106.861	--
Voytron Enerji Elektrik Perakende Satış A.Ş.	836.118	2.652.339	--	1.411.673
TOTAL	**45.448.260**	**59.174.476**	**21.800.586**	**46.293.952**

c) Purchases from related parties

	01 January -30 June 2026	01 January -30 June 2025	01 April -30 June 2026	01 April -30 June 2025
Voytron Enerji Elektrik Perakende Satış A.Ş.	6.158.556	12.147.626	2.753.175	6.015.485
Suda Stratejik Metal Dış Ticaret A.Ş.	1.193.090	--	--	--
TOTAL	**7.351.646**	**12.147.626**	**2.753.175**	**6.015.485**

6. EXPLANATIONS OF RELATED PARTIES (CONTINUED)

Fees and similar benefits provided to the top management for the accounting period ending on 30.06.2026 are as follows:

a) **Short-term benefits provided to employees:** The total amount of wages and similar benefits provided to the members of the Board of Directors and senior managers in the first six months of the 2026 accounting period is TRY 56.835.299. (For the year of 2025, it is TRY 90.303.188)
b) **Post-employment benefits:** Severance pay is paid to the personnel who deserve the rights granted by law. No payment is made other than the rights arising from the Labor Law.
c) **Other long-term benefits:** None.
d) **Benefits due to Dismissal**: None.
e) **Share-based payments:** None.

7.TRADE RECEIVABLES AND PAYABLES

Trade Receivables

The details of the Group's trade receivables as of 30.06.2026 and 31.12.2025 are as follows:

Short Term Trade receivables

	June 30, 2026	**December 31, 2025**
Customer Current Accounts	1.262.532.796	1.493.259.975
- Receivables from related parties	*3.527.068*	*23.918.637*
- Other receivables (*)	*1.259.005.728*	*1.469.341.338*
Notes Receivables	9.372.285	11.178.592
Doubtful Receivables	13.162.439	3.687.484
Provision of Doubtful Receivables (-)	(13.162.439)	(3.687.484)
	1.271.905.081	**1.504.438.567**
Deduction: Unaccrued financial expenses	*(17.685.151)*	*(35.257.396)*
- Receivables from related parties	--	*(6.611.084)*
- Other receivables	*(17.685.151)*	(28.646.312)
TOTAL	**1.254.219.930**	**1.469.181.171**

Long-Term Other Receivables

	June 30, 2026	**December 31, 2025**
Customer Current Accounts	--	2.130.160.616
- Receivables from related parties	--	--
- Other receivables	--	*2.130.160.616*
Notes Receivables	89.440.000	--
	89.440.000	**2.130.160.616**
Deduction: Unaccrued financial expenses	(42.641.304)	--
TOTAL	**46.798.696**	**2.130.160.616**

(*) The receivable from Denarius Pumping Services LLC due from PDVSA (Petróleos de Venezuela, S.A.), the Venezuelan state-owned oil company, amounting to USD 35.870.622, comprising USD 24.800.063 in principal and USD 11.070.559 in interest and evidenced by promissory notes, was sold in the secondary market for a consideration of USD 6.569.802.

7. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

Trade Payables

	June 30, 2026	December 31, 2025
Supplier Current Accounts	1.101.683.770	1.249.357.823
- Due to related parties	*42.287.250*	*2.393.327*
- Other supplier payables	*1.059.396.520*	*1.246.964.496*
	1.101.683.770	**1.249.357.823**
Deduction: Unaccrued financial income	*(85.116.291)*	*(83.052.346)*
-Trade Payables to Related Parties	*(12.049.988)*	*(765)*
- Trade Payables to Third Parties	*(73.066.303)*	*(83.051.581)*
TOTAL	**1.016.567.479**	**1.166.305.477**

8.OTHER RECEIVABLES AND PAYABLES

Short-term Other Receivables

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

	June 30, 2026	December 31, 2025
Other receivables from related parties	121.804.823	21.667.190
Other receivables	11.327.061	265.685.372
Deposits and guarantees given	107.919.433	68.887.133
TOTAL	**241.051.317**	**356.239.695**
Deduction: Unaccrued finance expenses	*(30.619.847)*	*(4.042.186)*
-Other receivables from related parties	*(30.619.847)*	*(4.042.186)*
-Other receivables	--	--
TOTAL	**210.431.470**	**352.197.509**

Long-term Other Receivables

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

	30.06.2026	31.12.2025
Deposits and guarantees given	763.174	241.903
TOTAL	**763.174**	**241.903**

Short-term Other Payables

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

	June 30, 2026	December 31, 2025
Due to related parties	258.579.533	196.353.598
Other payables	90.934.014	38.278.516
Taxes and funds payables	88.018.242	52.293.239
Deposits and Guarantees Received	89.051.199	63.568.952
Received advances	18.147.559	3.150.637
Tax or Other Deferred Liabilities	18.496.289	23.655.565
Other Liabilities	235.753	234.925
	563.462.589	**377.535.432**
Deduction: Unaccrued finance income	*(67.178.456)*	*(54.272.853)*
- Due to related parties	*(67.178.456)*	*(54.272.853)*
- Other payables	--	--
TOTAL	**496.284.133**	**323.262.579**

8.OTHER RECEIVABLES AND PAYABLES (CONTINUED)

Details of taxes and funds payables are as follows:

	30.06.2026	31.12.2025
Value Added Tax	55.637.856	6.358.172
Wage Income Tax Deduction	30.907.923	36.615.347
Other Tax Liabilities	1.472.463	9.319.720
TOTAL	**88.018.242**	**52.293.239**

Long-term Other Payables

The details of the Group's other long-term payables are as follows:

	30.06.2026	31.12.2025
Various other debts	8.634.530	9.278.640
Deferred or Installed Payables to Public	--	9.954.377
TOTAL	**8.634.530**	**19.233.017**

9.INVENTORIES

	June 30, 2026	December 31, 2025
Raw materials and supplies	21.138.505	1.866.063
Semi-finished goods	446.264.870	1.529.515.293
Finished goods	707.435.025	1.012.703.398
Other inventories	370.608.353	173.550.504
TOTAL	**1.545.446.753**	**2.717.635.258**

The balance of the raw material amount consist of fuel oil purchases, semi-finished product stocks consist of raw coal purchases, product stocks consist of powdered coal and limestone purchases, and other stocks consist of auxiliary production materials and other operating materials and spare parts.

10. PRE-PAID EXPENSES AND DEFERRED INCOME

Short-term Pre-paid Expenses

The details of short-term prepaid expenses are as follows:

	June 30, 2026	December 31, 2025
Expenses related to the coming months	43.611.770	91.247.605
Advances given to suppliers	62.099.833	20.336.064
TOTAL	**105.711.603**	**111.583.669**

Long-term Pre-paid Expenses

The details of long-term prepaid expenses are as follows:

	June 30, 2026	December 31, 2025
Expenses related to the future years(*)	11.975.701	10.938.311
TOTAL	**11.975.701**	**10.938.311**

(*) The amount relates to restructured tax liabilities and royalties payable in future periods.

Short-term Deferred Income

None. (31.12.2025 : None.)

11. TANGIBLE FIXED ASSETS

The movement of tangible fixed assets within the accounting period of 01.01.-30.06.2026 is as follows:

	01.01.2026	Addition	Disposals	Transfer	Translation Diffirences	30.06.2026
Costs						
Lands	1.234.253.307	5.602.917	--	--	--	1.239.856.224
Buildings	454.439.907	--	(67.727.175)	--	33.180.444	419.893.176
Plant, machinery and equipment	29.933.694.478	587.940.102	(48.650.332)	6.261	31.675.409	30.504.665.917
Vehicles	269.966.112	--	(8.019.993)	--	267.612	262.213.731
Furniture and fixtures	176.318.646	5.979.186	--	--	--	182.297.832
Construction in progress	6.261	--	--	(6.261)	--	--
Research expenses	1.427.043	440.846	--	--	--	1.867.889
Total	**32.070.105.753**	**599.963.052**	**(124.397.499)**	**--**	**65.123.465**	**32.610.794.770**
Accumulated Depreciation						
Buildings	(839.905)	(105.784)	--	--	--	(945.689)
Plant, machinery and equipment	(5.404.625.403)	(568.706.216)	6.706.602	--	--	(5.966.625.017)
Vehicles	(97.906.872)	(21.729.492)	744.042	--	--	(118.892.322)
Furniture and fixtures	(111.780.734)	(10.612.724)	13.106	--	(191.990)	(122.572.342)
Total	**(5.615.152.914)**	**(601.154.215)**	**7.463.750**	**--**	**(191.990)**	**(6.209.035.369)**
Net Book Value	**26.454.952.839**	**(1.191.163)**	**(116.933.750)**	**--**	**64.931.475**	**26.401.759.401**

The movement of tangible fixed assets within the 01.01.-31.12.2025 accounting period is as follows:

	01.01.2025	Addition	Disposals	Transfer	Translation Differences	31.12.2025
Costs						
Lands	875.609.334	80.223.012	--	--	--	1.234.253.307
Buildings	372.783.702	1.425.349	--	--	79.275.329	454.439.907
Plant, machinery and equipment	21.551.104.244	1.055.768.972	(622.951)	549.958.144	40.689.994	29.933.694.478
Vehicles	268.267.048	74.300.983	(40.904.595)	--	639.383	269.966.112
Furniture and fixtures	125.856.826	11.130.857	(135.412)	--	--	176.318.646
Construction in progress	549.958.144	6.261	--	(549.958.144)	--	6.261
Research expenses	1.090.242	--	--	--	--	1.427.043
Total	**23.744.669.539**	**1.222.855.434**	**(41.662.958)**	**--**	**120.604.705**	**32.070.105.753**
Accumulated Depreciation						
Buildings	(551.397)	(22.182)	--	--	--	(839.905)
Plant, machinery and equipment	(3.259.661.033)	(306.739.234)	161.840	--	--	(5.404.625.403)
Vehicles	(118.421.164)	(26.572.618)	24.243.608	--	--	(97.906.872)
Furniture and fixtures	(70.727.276)	(6.341.201)	15.347	--	(288.869)	(111.780.734)
Total	**(3.449.360.871)**	**(339.675.235)**	**24.420.794**	**--**	**(288.869)**	**(5.615.152.914)**
Net Book Value	**20.295.308.669**	**883.180.199**	**(17.242.163)**	**--**	**120.315.836**	**26.454.952.839**

12. INTANGIBLE FIXED ASSETS

As of 30.06.2026, the details of the Group's intangible assets are as follows:

	01.01.2026	Addition	Disposals	Transfer	30.06.2026
Cost					
Rights	151.005.203	3.734.399	--	--	154.739.602
Other Intangible Assets	9.599.705	268.095	--	--	9.867.800
Preparation and Development Expenses	1.209.758.919	659.194	--	--	1.210.418.114
Total	**1.370.363.827**	**4.661.688**	**--**	**--**	**1.375.025.516**
Accumulated Amortization					
Rights	(61.938.090)	(9.789.756)	--	--	(71.727.846)
Other Intangible Assets	(8.626.567)	(755.280)	--	--	(9.381.847)
Preparation and Development Expenses	(337.175.603)	(40.726.286)	--	--	(377.901.890)
Total	**(407.740.260)**	**(51.271.322)**	**--**	**--**	**(459.011.582)**
Net Book Value	**962.623.567**	**(46.609.634)**	**--**	**--**	**916.013.933**

12. INTANGIBLE FIXED ASSETS (CONTINUED)

As of 31.12.2025, the details of the Group's intangible assets are as follows:

	01.01.2025	Addition	Disposals	Transfer	31.12.2025
Cost					
Rights	127.185.843	23.819.360	--	--	151.005.203
Other Intangible Assets	8.421.259	1.178.445	--	--	9.599.705
Preparation and Development Expenses	1.133.747.482	76.011.438	--	--	1.209.758.919
Total	**1.269.354.584**	**101.009.243**	**--**	**--**	**1.370.363.827**
Accumulated Amortization					
Rights	(56.066.275)	(5.871.815)	--	--	(61.938.090)
Other İntangible Assets	(7.403.508)	(1.223.059)	--	--	(8.626.567)
Preparation and Development Expenses	(251.699.021)	(85.476.582)	--	--	(337.175.603)
Total	**(315.168.804)**	**(92.571.456)**	**--**	**--**	**(407.740.260)**
Net Book Value	**954.185.780**	**8.437.787**	**--**	**--**	**962.623.567**

13. EVALUATING AND RESEARCHING OF MINE RESOURCES

The preparation and development expenditures are capitalized in accordance with the Standard for the Exploration and Evaluation of Mineral Resources and the accounting policy implemented by the Group, and the amortization calculation for the Preparation and Development Expenses is initiated when the amortization process is in the position and condition required for the intangible asset to be ready for use, that is, to operate as intended by the management.

14. RIGHT OF USE ASSETS

As of 30.06.2026, the details of the Group's right-of-use assets are as follows:

	01.01.2026	Additions	Disposals	Transfer	30.06.2026
Cost – Vehicles					
Right of Use Asset	25.918.806	--	(3.909.890)	--	22.008.915
Total	**25.918.806**	**--**	**(3.909.890)**	**--**	**22.008.915**
Accumulated Depreciation - Vehicles					
Right of Use Asset	(16.615.484)	(4.035.824)	2.506.471	--	(18.144.837)
Total	**(16.615.484)**	**(4.035.824)**	**2.506.471**	**--**	**(18.144.837)**
Net Book Value	**9.303.322**	**--**		**--**	**3.864.079**

As of 31.12.2025, the details of the Group's right-of-use assets are as follows:

	01.01.2025	Addition	Disposals	Transfer	31.12.2025
Cost – Vehicles					
Right of Use Asset	22.060.457	3.858.348	--	--	25.918.806
Total	**22.060.457**	**3.858.348**	**--**	**--**	**25.918.806**
Accumulated Depreciation - Vehicle					
Right of Use Asset	(9.547.798)	(7.067.686)	--	--	(16.615.484)
Total	**(9.547.798)**	**(7.067.686)**	**--**	**--**	**(16.615.484)**
Net Book Value	**12.512.659**		**--**	**--**	**9.303.322**

The Group has consolidated its leasing debts, which represent the operational lease payments which are obliged to pay rent. Details of the group's accounting in accordance with the TFRS 16 Leases standard are described in Note 2.

15. IMPAIRMENT OF ASSETS

As of 30.06.2026 and 31.12.2025, the Group has a decrease in its trade receivables and the impairment amounts are shown in the relevant financial statement items (Note 7).

16. GOVERNMENT INCENTIVES

Çan2 Termik A.Ş. has Investment Incentive Certificate is 06.02.2015 dated and 117824 numbered, prepared by Ministry of Economy of the Republic of Turkey and General Directorate of Foreign Capital and Incentives Implementation. Mentioned certificate was revised by new numbered 18.09.2017 and C117824 dated. Aforesaid investment is power plant based on domestic coal (Çan 2 Thermic Plant) with 340 MW installed capacity and incentive certificate is arranged according to EMRA's ÖN/5117-5/03070 associate license number and dated 10.07.2014.

Investment Incentive Certificate is given for the full new investment carried out in Çanakkale (2nd region) and covers the period between 13.08.2014-12.02.2019. With the certificate, employer's share of insurance premiums support, interest support, tax discount rate support, VAT exception and exemption from customs duty incentives are benefited.

Total amount of the investment is TRY 801.789.866 based on incentive certificate. The closure of the Investment Incentive Certificate was completed pursuant to the letter of the Ministry of Industry and Technology dated 10 August 2020 and numbered 401.06, and the completion visa was granted.

16. GOVERNMENT INCENTIVES (CONTINUED)

In addition, an investment incentive certificate with document number 510216 and ID 1013731, dated 08.04.2020, issued by the Ministry of Industry and Technology of the Republic of Turkey. The support class is Regional-Priority Investment and the support elements are VAT Exemption, Interest Support, Tax Reduction, Employer's Insurance Premium Share and Investment Place Allocation. The investment subject to the certificate is a domestic coal-based electricity generation power plant (Çan 2 Thermal Power Plant) with an installed capacity of 340 MW, and the incentive certificate was issued in accordance with EMRA's Generation License dated 28.01.2016 and numbered UE/6083-2/03428(Note 31).

17. BORROWING COSTS

None. (None: December 31, 2025).

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other Short-Term Provisions

	30.06.2026	31.12.2025
Lawsuit Provisions	3.547.327	5.380.008
Total	**3.547.327**	**5.380.008**

Lawsuits Against the Company

As of 30.06.2026, according to the information obtained from the Group's legal counsel, there are various commercial lawsuits filed against the Group. Provision has been accounted for these lawsuits and their expenses.

As of 30.06.2026, the Group has allocated a provision for litigation expenses the high probability of losing the related lawsuits due to personnel reemployment lawsuits.

The details of provision for litigation expenses related to the lawsuits filed against the Group are as follows;

	01 January – 30 June, 2026	01 January – 31 December,2025
Opening Balance	5.380.008	2.938.634
Additional Provisions/Cancellation	(1.832.681)	2.441.374
Total	**3.547.327**	**5.380.008**

Favorable Lawsuits

As of the report date, there are various lawsuits initiated by the Group.

As tated in the Company's special situation statements dated 14.01.2023, 11.04.2023 and 17.06.2023; following the letter dated 13.01.2023 received from EMRA, a lawsuit was filed before the Ankara 10th Administrative Court against EMRA and EPİAŞ for the annulment of the administrative act. In this lawsuit, a decision was rendered in Company's favor for the annulment of the relevant administrative act. Subsequently, however, the 8th Administrative Chamber of the Ankara Regional Administrative Court issued a decision to suspend the execution of the first instance court's ruling.

Subsequently, with the decision of the 8th Administrative Chamber of the Ankara Regional Administrative Court, the favorable ruling of the Ankara 10th Administrative Court was overturned, and our lawsuit was dismissed. Our Company has appealed this decision by filing an application for reversal of the ruling of the 8th Administrative Chamber of the Ankara Regional Administrative Court. The case is currently pending before the 13th Chamber of the Council of State and remains under review.

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Other Long-Term Provisions

	30.06.2026	31.12.2025
Other Payables and Provisions	227.205	263.192
TOTAL	**227.205**	**263.192**

TFRS 6 stated: When a company assume the investigation and evaluation of mine resources, it reflects removal and restoration liabilities resulting in given period at financial statement according to TAS 37 - Provisions, Contingent Liabilities and Contingent Assets standard. Accordingly, in the evaluation made by the project manager and the technical team; Mining activities in Çanakkale Province Çan District Yayaköy License No:17448 field will be operated as closed operation and open operation. Extension projects covering this scope have been submitted to the General Directorate of Mining Affairs ("Migem") for approval. After the open operation, it will be switched to closed operation. There will be no stripping work on the surface during the closed operation periods.

Within the scope of the Çan 2 thermal power plant, the area to be picked up in the open operation will be used as an ash storage area as stated in the EIA report. After completing the economic life of the site, it will be arranged with a subsequent location study and afforestation will be abandoned. The estimated cost for terraces and trees will be around TRY 300.000.

Stripping work will be carried out on an area of approximately 150 declares. Due to the extension project, there are 100 trees per acre. Due to the soil structure of the region, the cost of relocation of about an acre is calculated around TRY 2,000 in this way. the total cost for 150 acres was calculated as 150 x TRY 2.000 = TRY 300.000 . This study will be carried out after the open pit mine has completed its economic life and will be realized at the end of 20 years.

Provision for Mine Restoration

	30.06.2026	31.12.2025
Balance at the Beginning of the Period	263.192	333.412
Additional Provision/ Payment (-)	(35.987)	(70.220)
End-of-Term Balance	**227.205**	**263.192**

As of 30.06.2026, the total cost of TRY 300.000 discounted to present value is TRY 227.205.

Guarantees

The guarantees given by the Group are as follows:

	COLLATERAL PLEDGE MORTGAGES	30.06.2026	31.12.2025
A)	The total amount of the collateral pledged mortgages given on behalf of the legal entity	679.027.663	608.383.148
B)	Partnerships included in full consolidation	57.999.754	68.303.426
C)	Total amount of collateral pledged mortgages given by other 3rd parties for the purpose of carrying out ordinary commercial activities	--	--
D)	Total Amount of Other Total Pledged Mortgages Given	--	--
i)	*The total amount of collateral pledged mortgages issued in favor of the main partner*	--	--
ii)	*Other Corporate companies that are not covered by articles B and C the total amount of collateral pledged mortgages issued in favor of*	--	--
		--	--
iii)	*Third Parties, which is not covered by Article C. the total amount of collateral pledged mortgages issued in favor of persons*	--	--
	TOTAL	**737.027.417**	**676.686.574**

18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

The guarantees and promissory notes received by the Group are as follows.

	30.06.2026	31.12.2025
Letters of guarantee received	1.070.000	3.692.040
	1.070.000	**3.692.040**

19. EMPLOYEE BENEFITS

a. Short-Term

Liabilities within the Scope of Employee Benefits

	30 Jun 2026	31 December 2025
Debts to Personnel	47.930.532	34.590.215
Social Security Deductions Payable	21.319.561	22.627.722
TOTAL	**69.250.093**	**57.217.937**

The balance of the payables to the personnel is accrued on the payroll as of the relevant dates and the social security of the employer and the employee to be paid until the end of the month, declared on the twenty-third of the following month. consists of premium debts.

Annual Leave Provision

The movement of the annual leave provision account between 30.06.2026 and 31.12.2025 is presented below:

	30.06.2026	31.12.2025
Annual Leave Provision	37.979.480	34.422.940
TOTAL	**37.979.480**	**34.422.940**

Liabilities within the Scope of Employee Benefits(Continued)

b. Long-Term

Provisions for Severance Pay

In accordance with the current labor law, companies are obliged to pay a certain amount of severance pay to personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior. The compensation to be paid is equal to one month's salary for each year of service and this amount has been limited to TRY 64.948,77 (31.12.2025:TRY 53.919,68) as of 30.06.2026.

In order to calculate the Group's liabilities in accordance with TAS 29 (Employee Benefits), a calculation made with actuarial assumptions is required. The Group has calculated the provision for severance pay, using the "Projection Method" in accordance with TAS 29, based on the Group's experience in completing the personnel service period and entitlement to severance pay in previous years and reflected it in the financial statements.

Severance pay provision is set aside by calculating the present value of the probable obligation to be paid in case of retirement of the employees. Accordingly, the actuarial assumptions used to calculate the liability as of 30.06.2026 and 31.12.2025 are as follows:

19.EMPLOYEE BENEFITS(CONTINUED)

	30.06.2026	31.12.2025
Discount Rate	29,32%	29,32%
The Estimated Rate of Increase	24,95%	24,95%
Net Discount Rate	3,50%	3,50%

The movement of the severance pay provision account between 30.06.2026 and 31.12.2025 is presented below:

Provision for Severance Pay

	30 June 2026	31 December 2025
Turnover		
Additional Provision / Payment	23.282.153	30.373.563
Balance	**23.282.153**	**30.373.563**

	30 June 2026	31 December 2025
Turnover	30.373.563	13.862.933
Payment	11.491.982	8.108.890
Interest Cost	3.615.554	2.117.781
Current Service Cost	(4.396.989)	(6.649.598)
Actuarial Profit/Loss	(14.660.896)	20.645.068
Inflation Effect	(3.141.062)	(7.711.511)
Balance	**23.282.153**	**30.373.563**

20. OTHER ASSETS AND LIABILITIES

Other Current Assets

As of 30.06.2026 and 31.12.2025, Other Current Assets are as follows:

	30 June 2026	31 December 2025
Other Current Assets	579.735.600	61.111.279
Advances Given to Suppliers	111.875.099	70.108.107
Income accruals	90.666.248	31.635.402
Deferred VAT	14.434.068	30.905.404
Advances Given to Personnel	2.429.627	1.099.038
Job Advances	2.013.077	2.186.495
TOTAL	**801.153.719**	**197.045.725**

(*) The majority of the balance included under Other Miscellaneous Current Assets relates to the Venezuela operations.

The details of income accruals are as follows:

	30 June 2026	31 December 2025
Electricity sales revenue accruals	90.666.248	31.635.402
TOTAL	**90.666.248**	**31.635.402**

Other Short-Term Liabilities

	30.06.2026	31.12.2025
Expense Accruals	87.961.852	69.574.588
TOTAL	**87.961.852**	**69.574.588**

20. OTHER ASSETS AND LIABILITIES (CONTINUED)

The details of Expense Accruals are as follows:

	30.06.2026	31.12.2025
Electricity purchase expense accruals	71.739.328	49.085.117
Interest and restructuring accruals	7.929.179	10.293.482
Other expense accruals	7.168.918	617.597
Interest Accruals	1.124.427	9.578.392
TOTAL	**87.961.852**	**69.574.588**

As of 30.06.2026 and 31.12.2025, the details of Other Non-Current Assets are as follows:

Other Non-Current Assets

	30 June 2026	31 December 2025
Advances Given (*)	42.079.498	39.665.683
Other Miscellaneous Non-Current Assets	--	19.779
TOTAL	**42.079.498**	**39.685.462**

(*) Advances given consist of advances given to contractors and suppliers for investment materials and service procurement for Çan-2 Thermal Power Plant in previous periods.

Other Long-Term Liabilities

	30.06.2026	31.12.2025
Expense Accruals (*)	--	4.191.060
TOTAL	**--**	**4.191.060**

(*) The Insurance and Tax liabilities of the Group consist of the interest of the monthly restructured installments.

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Paid-in Capital

The Group's paid-in capital structure as of 30.06.2026 and 31.12.2025 is as follows:

	30.06.2026		31.12.2025	
Shareholders	**Amount**	**Rate**	**Amount**	**Rate**
Odaş Elektrik Üretim San. Tic. A.Ş.	2.928.546.224	29,29%	2.799.982.403	40,00%
The Public Shares	7.071.453.776	70,71%	4.200.017.597	60,00%
TOTAL	**7.000.000.000**	**100%**	**7.000.000.000**	**100%**
Capital Adjustment Positive Differences (*)	6.509.115.744		6.262.643.238	
Total Paid-in Capital	**16.509.115.744**		**13.262.643.238**	

(*) Capital adjustment differences represent the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to capital and their pre-adjustment amounts. Capital adjustment differences have no use other than being added to capital.

As of 30 June 2026, the Company's share capital is divided into 10.000.000.000 shares, each with a nominal value of TRY 1 (one).

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

Premiums/Discounts Related to Shares

	30 June 2026	31 December 2025
Share Issue Premiums	491.297.042	469.336.137
TOTAL	**491.297.042**	**469.336.137**

Cash Hedge Gains/Losses

	30 June 2026	31 December 2025
Hedging Gains and Losses	335.566.031	455.404.133
TOTAL	**335.566.031**	**455.404.133**

Actuarial Loss/Gain Fund

The movements of the actuarial loss/gain fund are as follows:

	30.06.2026	31.12.2025
Balance at the Beginning of the Period	(7.476.007)	8.007.794
Actuarial Gains/(Losses)	14.660.896	(20.645.068)
Deferred Tax Effect	(3.665.224)	5.161.267
End-of-Term Balance	**3.519.665**	**(7.476.007)**

Reserves On Retained Earnings

	30.06.2026	31.12.2025
Legal Reserves	372.952.564	372.952.564
Total	**372.952.564**	**372.952.564**

Capital advances

	30.06.2026	31.12.2025
Capital advances	--	1.034.641.006
Total	**--**	**1.034.641.006**

The explanation regarding the Group's equity accounts adjusted in accordance with TMS 29, prepared based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows:

Equity	PP Index	CP Index	Differences To Be Followed in Retained Earnings/Losses
Positive Capital Adjustment Differences	11.931.491.236	16.509.115.744	(4.577.624.508)
Share Premiums/Discounts	788.768.538	491.297.042	297.471.496
Restricted Reserves	215.047.227	372.952.564	(157.905.338)

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

Shares of the Parent Company

In the six-month period ending on 30.06.2026, the Group has earned a period loss of TRY 2.899.038.447 (31.12.2025: TRY 2.012.077.927).

Previous Year Profit/Loss

The accumulated profit/losses other than the net profit for the period have been netted off and shown in this item.

Previous Years Profit / Losses	30 June 2026	31 December 2025
Profit/Loss for the Previous Years	19.299.345.744	21.014.749.432
Share Ratio in Subsidiaries Not Resulting in Loss of Control Val. Related Increase/Decrease	68.007.984	9.238.513
Increase/Decrease due to Other Changes	(256.353.910)	176.014.511
Transfers	--	--
Profit/Loss for the Period	(2.012.077.927)	(1.900.656.712)
TOTAL	**17.098.921.891**	**19.299.345.744**

Non-Controlling Interests

	30.06.2026	31.12.2025
Capital	8.678.387	176.600
Previous Year's Profit/(Loss)	827.022.921	146.599.032
Period Profit/(Loss)	(497.626.451)	833.396.020
TOTAL	**338.074.857**	**980.171.652**

22. REVENUE

The detail of sales is as follows;

	01 January - 30 June 2026	01 January - 30 June 2025	01 April - 30 June 2026	01 April - 30 June 2025
Energy Sales Revenues	3.708.948.931	3.372.028.435	1.755.903.522	2.005.745.665
Other Revenues	76.933.858	3.913.951	36.132.390	2.670.824
Returns from Sales	(2.319.450)	(4.924.320)	(119.510)	(4.898.594)
TOTAL	**3.783.563.339**	**3.371.018.066**	**1.791.916.402**	**2.003.517.895**

23. COSTS OF GOODS SOLD

The details of the cost of sales for the periods 01.01.-30.06.2026 and 01.01.-30.06.2025 are as follows:

	01 January - 30 June 2026	01 January - 30 June 2025	01 April - 30 June 2026	01 April - 30 June 2025
Raw Material Cost	1.663.224.826	1.383.580.313	695.573.287	910.122.468
Depreciation and Amortization	925.225.291	364.439.978	498.886.229	202.910.438
TEİAŞ/EPİAŞ/Energy Cost	557.468.452	676.093.106	213.852.570	313.191.567
Personnel expense share	385.400.250	426.055.851	197.202.054	280.740.242
Cost of Finished Goods Sold from Production	151.798.770	61.708.653	102.280.108	39.169.777
Other Expenses	85.756.171	107.440.408	56.055.798	46.759.973
Maintenance and Repair Expense	71.977.598	104.219.031	51.791.470	43.695.009
Insurance expenses	38.787.767	22.138.287	18.832.722	11.907.871
Rental Expenses	14.107.855	10.909.339	7.259.173	4.882.408
Consultancy Expenses	6.584.740	4.720.249	3.388.910	2.674.127
TOTAL	**3.900.331.720**	**3.161.305.215**	**1.845.122.321**	**1.856.053.880**

24. GENERAL OPERATING EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

Marketing, Sales and Distribution Expenses

	01 January - 30 June 2026	01 January - 30 June 2025	01 April - 30 June 2026	01 April - 30 June 2025
Marketing, Sales and Distribution Expenses	26.012.819	10.390.060	17.851.084	6.458.727
TOTAL	**26.012.819**	**10.390.060**	**17.851.084**	**6.458.727**

General Administrative Expenses

The details of general administrative expenses for the periods 01.01.-30.06.2026 and 01.01.-30.06.2025 according to their qualifications are as follows:

	01 January - 30 June 2026	01 January - 30 June 2025	01 April - 30 June 2026	01 April- 30 June 2025
Personnel Expenses	89.897.690	46.609.199	51.282.472	26.290.718
Other Expenses	59.900.462	30.653.467	29.544.928	14.916.461
Depreciation Expense	41.913.337	57.322.619	21.587.113	26.597.832
Consultancy Expenses	10.440.773	6.719.076	6.271.798	3.246.755
Rental Expenses	3.554.950	5.453.970	2.100.354	2.982.779
Tax Return and Contract Stamp Duty Tax	1.676.889	226.599	211.824	158.070
TOTAL	**207.384.101**	**146.984.930**	**110.998.489**	**74.192.615**

25. OTHER OPERATING INCOME AND EXPENSES

Other Operational Income

	January 01 – June 30 , 2026	January 01 - June 30 , 2025	April 01 – June 30 , 2026	April 01 - June 30 , 2025
Other Extraordinary Income	20.236.679	1.703.310	19.793.907	113.540
Exchange rate income	15.133.357	96.217.983	8.780.571	25.235.503
Rediscounted Interest Income	14.032.180	82.592.365	6.535.449	80.764.916
Provisions that are no longer relevant	5.268.652	2.026.113	-223.394	2.022.652
Prior Year Revenues and Profits	656.665	527.569	402.592	203.642
TOTAL	**55.327.533**	**183.067.340**	**35.289.125**	**108.340.253**

Other Operational Expense

	January 01 - June 30 , 2026	January 01 - June 30 , 2025	April 01 - June 30 , 2026	April 01 - June 30 , 2025
Idle Part Expenses and Losses(*)	213.486.760	453.609.510	108.217.244	175.652.324
Other Extraordinary Expenses and Losses	24.807.421	52.307.829	11.410.767	22.550.320
Exchange Losses	14.261.811	57.229.775	8.408.727	23.802.407
Rediscount Expense	11.314.505	1.637.990	(17.749.691)	(3.221.594)
Prior Period Expenses and Losses	5.526.735	531.759	1.724.495	95.733
Other Ordinary Expenses and Losses	2.980.926	2.643.146	2.435.314	1.833.377
Provision Expenses	--	318.569	--	(4.268)
TOTAL	**272.378.156**	**568.278.578**	**114.446.857**	**220.698.301**

26. EXPENDITURES AND REVENUES FROM INVESTING ACTIVITIES

Revenues from investment activities for the periods 1 January - 30 June 2026 and 1 January - 30 June 2025 are as follows;

	January 01 – June 30 2026	January 01 – June 30 2025	April 01 - June 30 , 2026	April 01 - June 30 , 2025
Investing Activity Revenue	2.039.277	27.941.560	279.364	27.941.560
Investment Activity Expenses	(7.033)	--	(7.033)	--
TOTAL	**2.032.244**	**27.941.560**	**272.331**	**27.941.560**

27. EXPENSES CLASSIFIED BY PRINCIPAL TYPES

Personnel expenses	January 01 - June 30 2026	January 01 - June 30 2025	April 01 - June 30 , 2026	April 01 - June 30, 2025
Cost of sales	385.400.250	426.055.851	197.202.054	280.740.242
General Operating Expenses	89.897.690	46.609.199	51.282.472	26.290.718
TOTAL	**475.297.940**	**472.665.050**	**248.484.526**	**307.030.960**

Insurance expenses	January 01 - June 30 2026	January 01 - June 30 2025	April 01 - June 30 , 2026	April 01 - June 30, 2025
Cost of Sales	38.787.767	22.138.287	18.832.722	11.907.871
TOTAL	**38.787.767**	**22.138.287**	**18.832.722**	**11.907.871**

Consultancy expenses	January 01 - June 30 2026	January 01 - June 30 2025	April 01 - June 30 , 2026	April 01 - June 30, 2025
Cost of Sales	6.584.740	4.720.249	3.388.910	2.674.127
General Administration Expenses	10.440.773	6.719.076	6.271.798	3.246.755
TOTAL	**17.025.513**	**11.439.324**	**9.660.708**	**5.920.882**

28. FINANCIAL EXPENSE AND INCOME

Financial Income

	January 01 - June 30 2026	January 01 – June 30 2025	April 01 - June 30 , 2026	April 01 - June 30 , 2025
Profit on Sale of Marketable Securities	273.735.223	3.007	189.676.732	2.971
Interest income	139.709.591	24.788.673	54.887.379	13.593.194
Foreign Exchange Profits	52.557.208	18.758.748	(200.725.615)	10.781.475
Rediscount interest income	38.886.328	4.919.569	35.580.675	(4.938.630)
TOTAL	**504.888.350**	**48.469.997**	**79.419.171**	**19.439.010**

Financial Expenses

	January 01 - June 30 2026	January 01 – June 30 2025	April 01 - June 30 , 2026	April 01 - June 30 , 2025
Loses on Sale of Marketable Securities	1.452.375.257	--	1.452.375.257	--
Interest and commission expense	303.614.758	277.233.133	144.800.686	177.446.781
Foreign exchange losses	83.860.828	909.446.021	55.345.404	126.806.907
Rediscount Interest Expense	32.278.049	3.871.910	(19.434.224)	(1.876.480)
TOTAL	**1.872.128.892**	**1.190.551.064**	**1.633.087.123**	**302.377.208**

29. MONETARY LOSS AND GAIN

Non-Monetary Items **Statement of Financial Position**	**30.06.2026**
Inventories	16.610.416
Investments Valued by Equity Method	30.591.338
Tangible Fixed Assets	3.408.107.578
Other Intangible Assets	126.978.291
Capital Adjustment Differences	(2.277.603.406)
Share Premiums/Discounts	(72.631.278)
Restricted Reserves	(56.260.445)
Retained Earnings/Losses	(2.372.771.135)
Other Gains/Losses	108.936
Profit or Loss Statement	
Revenue	(208.268.378)
Cost of Sales	590.802.071
General Administrative Expenses	24.705.753
Marketing Expenses	847.506
Other Operating Income	(2.033.321)
Other Operating Expenses	88.086.440
Investment Income	(86.669)
Financial Income	(15.278.915)
Financial Expenses	21.073.037
TOTAL	**(697.022.181)**

30. ANALYSIS OF OTHER COMPREHENSIVE INCOME

The Group's other comprehensive income / (expense) breakdown as of January 01 – June 30 2026 and January 01 – June 30 2025 is as follows:

Not reclassified on gain/(loss)	**January 01 – June 30 2026**	**January 01 – June 30 2025**	**April 01 - June 30 , 2026**	**April 01 - June 30 , 2025**
Actuarial gains/(loss)	14.660.896	(2.227.119)	(3.363.551)	(1.239.868)
Deferred tax revenue/(expense)	(3.665.224)	556.780	840.888	309.967
TOTAL	**10.995.672**	**(1.670.338)**	**(2.522.662)**	**(929.901)**

31. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Tax income / expenses in the income statement for the period between January 01 - June 30, 2026 and January 01- June 30, 2025 are summarized below:

	January 01 – June 30 2026	**January 01 – June 30 2025**	**April 01 - June 30 , 2026**	**April 01 - June 30 , 2025**
Period Tax Expense	(17.071)	--	6.380.632	--
Deferred tax income/ expense	*(767.201.423)*	*(891.190.376)*	*(69.914.268)*	*187.220.652*
Deferred tax reflected in Equity(*)	*(20.711.796)*	*(199.338.327)*	*(9.683.494)*	*(21.170.673)*
TOTAL	**(787.930.290)**	**(1.090.528.704)**	**(73.217.131)**	**166.049.979**

Current Tax

According to the Corporate Tax Law No. 5520, the tax rate in Turkey is %25 for 2026.

31. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Tax Profit for the Period Tax Provisions, Net

None. (31.12.2025, None)

Assets Related to Current Period

	30.06.2026	31.12.2025
Prepaid Taxes and Funds	17.259.689	6.309.526
TOTAL	**17.259.689**	**6.309.526**

Deferred Tax

Company calculates deferred tax assets and liabilities with recorded values in statement of financial position items by considering difference effects which occurs as a result of evaluation for values in statement of financial position items and Tax Procedure Law.

These temporary differences generally resulting from the recognition of income and expenses in different reporting periods according to the CMB Communiqué and tax laws. 25% tax rate will be applied for corporate earnings in 2024 and onwards.

The Turkish tax legislation does not allow the parent company to prepare a tax return based on the consolidated financial statements of its subsidiaries and affiliates. Therefore, the deferred tax positions of companies with deferred tax assets and companies with deferred tax liabilities have not been netted off and have been disclosed separately.

The deferred assets and deferred tax liabilities in the consolidated financial statements are reflected as of June 30, 2026 - December 31, 2025 in the following manner:

	30.06.2026	31.12.2025
Deferred Tax Assets	448.603.594	1.361.201.493
Deferred Tax Liabilities	(91.494.822)	(22.692.716)
TOTAL	**357.108.772**	**1.338.508.777**

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) provided at 30 June 2026 and 31 December 2025 using the enacted tax rates is as follows:

	Accumulated Temporary Differences		Deferred Tax Assets / (Liabilities)	
Deferred Tax Assets / Liabilities	**30.06.2026**	**31.12.2025**	**30.06.2026**	**31.12.2025**
Other Deferred Tax Asset/Liabilities	(13.433.477)	12.464.619	(3.358.369)	3.116.155
Rediscount	(97.635.134)	136.061.852	(24.408.783)	34.015.463
Inventories	(212.576.683)	(226.783.818)	(53.144.171)	(56.695.955)
Other Payables and Expense Provisions	143.175.832	213.159.583	35.793.958	53.289.896
Tangible and Intangible Assets Depreciation	(10.482.880.433)	(7.752.347.738)	(2.620.720.108)	(1.938.086.935)
Severance Pay and Leave Provision	57.214.496	63.112.670	14.303.624	15.778.167
Reduced Corporate Tax from Investment (*)	--	--	2.896.787.277	3.075.290.608
Cash Flow Hedging Gains/Losses	--	--	111.855.344	151.801.378
TOTAL	**(10.606.135.397)**	**(7.554.332.832)**	**357.108.772**	**1.338.508.777**

(*) The Group's completed investment is located in Region II, but in the Special Conditions section of the Invenstment Certificate, it is stated in Article 5 that the investment subject to the document will benefit from Region 5 supports since it is among the priority investments. Accordingly, the Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%.

31. TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

As of June 30, 2026, the remaining indexed investment allowance amount is TL 2.765.068.187. In addition, an investment incentive certificate dated 08.04.2020 with document number 510216 and ID number 1013731 was issued by the Ministry of Industry and Technology of the Republic of Turkey.

In addition, there is an investment discount within the scope of the investment incentive certificate dated 08.04.2020. The Investment Contribution Rate is 40% and the Discounted Corporate Tax Rate is 80%. Accordingly, a reduced corporate tax application will be available for the income obtained from the investment of TRY 131.719.090, which is 40% of the total investment of TRY 329.297.725.

32. EARNING PER SHARE

	January 01 – June 30 2026	**January 01 – June 30 2025**	**April 01 - June 30, 2026**	**April 01 - June 30, 2025**
Net profit /(loss)	*(2.899.038.447)*	*(2.478.453.959)*	*(1.791.628.066)*	*(2.065.531.910)*
Weighted average number of ordinary share	*8.123.287.671*	*5.769.821.394*	*8.123.287.671*	*5.769.821.394*
Profit/(loss) per share with nominal value of 1 TRY	**(0,356880)**	**(0,429555)**	**(0,220555)**	**(0,357989)**

33. FINANCIAL REPORTING IN HYPERINFLATION ECONOMIES

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, businesses applying TFRS have started to apply inflation accounting in accordance with TAS 29 Financial Reporting Standard in Hyperinflationary Economies starting from their financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of businesses whose functional currency is the currency of a hyperinflationary economy.

In accordance with the standard in question, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date. In the previous period financial statements, comparative information is expressed in terms of the current measurement unit at the end of the reporting period for comparison purposes. Therefore, the Group has presented its consolidated financial statements as of December 31, 2022 based on the purchasing power principle as of December 31, 2023.

Pursuant to the CMB's decision dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for accounting periods ending as of December 31, 2023. The rearrangements made pursuant to TAS 29 were made using the correction coefficient obtained from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TurkStat"). As of June 30, 2026, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient
30.06.2026	4.138	1
31.12.2025	3.514	1,1776
30.06.2025	3.132	1,3211

34. FINANCIAL INSTRUMENTS

Short-Term Financial Liabilities

As of 30.06.2026 and 31.12.2025, short-term financial liabilities are as follows:

Short-Term Financial Liabilities

	June 30, 2026	December 31, 2025
Bank Loans	468.500.233	658.951.904
Financial Leasing Debts	27.483.369	64.647.332
Deferred Leasing Costs (-)	(439.610)	(2.835.750)
Installments of Principal and Interest of Loans	40.212.090	62.340.755
Other Financial Debts	8.741.141	15.522.086
Short-Term Financial Liabilities - Net	**544.497.223**	**798.626.327**

Long-Term Financial Liabilities

	June 30, 2026	December 31, 2025
Bank loans	--	14.463.548
Financial Leasing Debts	--	--
Deferred Financial Leasing Debts (-)	--	--
Long-Term Financial Liabilities - Net	**--**	**14.463.548**

Other Financial Debts	**June 30, 2026**	**December 31, 2025**
Other Financial Debts	8.741.141	15.522.086
TOTAL	**8.741.141**	**15.522.086**

Long Term Loan Liabilities	**June 30, 2026**	**December 31, 2025**
2027	--	14.463.548
TOTAL	**--**	**14.463.548**

Long-Term Loans Liabilities	**June 30, 2026**	**December 31, 2025**
1-2 Years	--	14.463.548
2-3 Years	--	--
3-4 Years	--	--
4-5 Years	--	--
5 Years and Longer	--	--
Total	**--**	**14.463.548**

34. FINANCIAL INSTRUMENTS (CONTINUED)

	Annual interest rate %		Exchange Value		TRY	
	June 30, 2026	**December 31, 2025**	**June 30, 2026**	**December 31, 2025**	**June 30,2026**	**December 31, 2025**
TRY Loans	40,5%-54,56%	36%-56,5%	--	--	468.500.233	658.951.904
Short-term Loans					**468.500.233**	**658.951.904**
TRY Loans	40,5%-54,56%	36%-56,5%	--	--	40.212.090	62.340.755
Short-term payments and interests of loans					**40.212.090**	**62.340.755**
Total short-term loans			**--**	**--**	**508.712.323**	**721.292.659**
TRY Loans	40,5%-54,56%	36%-56,5%	--	--	--	14.463.548
Total long-term loans					**--**	**14.463.548**

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

The credit risks exposed as of 30.06.2026 by types of financial instruments are shown in the table below.

30.06.2026	Receivables				Bank Deposits	Derivatives	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
As at Reporting Date Maximum Amount of Credit Risk Exposed (A+B+C+D+E) *	**3.527.068**	**1.297.491.558**	**91.184.976**	**120.009.668**	**555.562.779**	**--**	**216.054.429**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	3.527.068	1.297.491.558	91.184.976	120.009.668	**555.562.779**	--	216.054.429
B. Conditions renegotiated, otherwise to be classified as past due or impaired	--	--	--	--	--	--	--
C. Past due but not impaired	--	--	--	--	--	--	--
D. Net book value of Impaired assets	--	13.162.439	--	--	--	--	--
-Past due (gross book value)	--	(13.162.439)	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
- Undue (gross book value)	--	--	--	--	--	--	--
-Impairment (-)	--	--	--	--	--	--	--
- Part covered by guarantees	--	--	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--	--	--

In determining the amount, the increase in credit reliability such as guarantees received are not considered.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The credit risks exposed as of 31.12.2025 as of the types of financial instruments are shown in the table below.

31.12.2025	Receivables				Deposits in Banks	Other Liquid Assets	Other
	Trade Receivables		Other Receivables				
	Related Party	Third Party	Related Party	Third Party			
As at reporting date maximum amount of credit risk exposed (A+B+C+D+E)	**17.307.552**	**3.582.034.235**	**17.625.005**	**334.814.407**	**599.818.658**	**--**	**130.109.854**
- Maximum amount of risk exposed - Part of the risk covered by guarantees	--	--	--	--	--	--	--
A. Net value of financial assets neither due nor impaired	17.307.552	3.582.034.235	17.625.005	334.814.407	**599.818.658**	--	130.109.854
B. Book value of financial assets whose conditions are renegotiated, otherwise, will be classified as past due or impaired	--	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--	--
D. Net book value of assets impaired	--	3.687.484	--	--	--	--	--
- Past due (gross book value)	--	(3.687.484)	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--	--

In determining the amount, the increase in credit reliability such as guarantees received are not considered.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The main responsibility related to liquidity risk management belongs to the Board of Directors. The board of Directors has established an appropriate liquidity risk management for the short-, medium- and long-term funding and liquidity requirements of the Group's Management. The Group manages liquidity risk by regularly monitoring estimated and actual cash flows and ensuring the continuation of sufficient funds and borrowing reserves by matching the maturities of financial assets and liabilities.

In this context, care is taken to ensure that the maturities of receivables and payables are compatible, in order to maintain short-term liquidity, net working capital management targets are set and efforts are made to keep the balance sheet ratios at certain levels.

In medium- and long-term liquidity management, the Group's cash flow forecasts are made based on financial markets and industry dynamics, the cash flow cycle is monitored and tested according to various scenarios.

It shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discount and based on the earliest dates required to be paid. When receivables or payables are not fixed, the amount disclosed is determined using the interest rate derived from the yield curves at the date of the report.

Market Risk

Market risk is changes in interest rates, exchange rates or the value of securities that will negatively affect the Group.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

FOREIGN CURRENCY POSITION				
	30.06.2026			
	TRY Equivalent (Functional money unit of labor)	USD	EUR	GBP
1. Trade Receivables	830.465.835	17.560.692	237.007	
2a. Monetary Financial Assets (Cash, Bank accounts included)	262.701.434	5.633.403	6.167	
2b. Non-Monetary Financial Assets	123.691.238	2.150.477	443.302	
3. Other	--	--	--	
4. Current Assets (1+2+3)	**1.216.858.507**	**25.344.572**	**686.476**	
5. Trade Receivables	--	--	--	
6a. Monetary Financial Assets	--	--	--	
6b. Non-Monetary Financial Assets	--	--	--	
7. Other	--	--	--	
8. 8. Non-Current Assets (5+6+7)	**--**	**--**	**--**	**--**
5. Trade Receivables	--	--	--	--
9. Total Assets (4+8)	**1.216.858.507**	**25.344.572**	**686.476**	**--**
10. Trade Payables	(158.583.104)	(1.752.496)	(1.444.036)	(274)
11. Financial Liabilities	(26.916.274)	(24.127)	(484.946)	--
12a. Monetary Other Liabilities	--	--	--	
12b. Non-Monetary Other Liabilities	--	--	--	
13. Short Term Liabilities (10+11+12)	**(185.499.378)**	**(1.776.623)**	**(1.928.982)**	**(274)**
14. Trade Payables	--	--	--	
15. Financial Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**(185.499.378)**	**(1.776.623)**	**(1.928.982)**	**(274)**
19. Net Off-Balance Sheet Derivative Instruments Asset/(Liability) Position (19a-19b)	--	--	--	
19a. Total Amount of Assets Hedged	--	--	--	
19b. Total Amount of Hedged Liabilities	--	--	--	
20. Net Foreign Asset/ (Liability) Position (9-18+19))	**1.031.359.129**	**23.567.949**	**(1.242.506)**	**(274)**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	907.667.891	21.417.472	(1.685.809)	(274)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--	
23. Export	4.737.055	105.340	--	
24. Import	**--**	**--**	**--**	

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

FOREIGN CURRENCY POSITION				
	31.12.2025			
	TRY Equivalent (Functional money unit of labor)	USD	EUR	GBP
1. Trade Receivables	860.066.024	19.745.988	279.111	--
2a. . Monetary Financial Assets (Cash, Bank accounts included)	5.889.873	116.763	17.636	4
2b. Non-Monetary Financial Assets	89.226.355	989.033	931.683	--
3. Other	--	--	--	--
4. Current Assets (1+2+3)	**955.182.252**	**20.851.785**	**1.228.431**	**4**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	**2.130.160.616**	**42.217.136**	**--**	**--**
5. Trade Receivables	2.130.160.616	42.217.136	**--**	**--**
9. Total Assets (4+8)	**3.085.342.869**	**63.068.921**	**1.228.431**	**4**
10. Trade Payables	(278.883.934)	(2.575.276)	(3.341.749)	--
11. Financial Liabilities	(52.508.092)	--	(1.042.313)	--
12a. Monetary Other Liabilities	--	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--	--
13. Short Term Liabilities (10+11+12)	**(331.392.026)**	**(2.575.276)**	**(4.384.062)**	**--**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
17. Long Term Liabilities (14+15+16)	**--**	**--**	**--**	**--**
18. Total Liabilities (13+17)	**(331.392.026)**	**(2.575.276)**	**(4.384.062)**	**--**
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--	--
19a. Total Amount of Assets Hedged	--	--	--	--
19b. Total Amount of Hedged Liabilities	--	--	--	--
20. Net Foreign Asset/ (Liability) Position (9-18+19)	**2.753.950.843**	**60.493.644**	**(3.155.631)**	**4**
21. Net Foreign Currency Asset/ (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	534.563.871	17.287.475	(4.087.315)	4
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--	--
23. Export	55.905.180	1.399.509	--	--
24. Import	**--**	**--**	**--**	**--**

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Sensitivity Analysis of Foreign Exchange Position

Sensitivity Analysis of Foreign Exchange Position				
30.06.2026				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	219.534.032	(219.534.032)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**219.534.032**	**(219.534.032)**	**--**	**--**
Change in 10% of the EURO against TRY;				
4 - Net asset / liability of EUR	(13.192.089)	13.192.089	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(13.192.089)**	**13.192.089**	**--**	**--**
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	(3.367)	3.367	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9- Net Effect of GBP (7+8)	**(3.367)**	**3.367**	**--**	**--**

Sensitivity Analysis of Foreign Exchange Position				
31.12.2025				
	Profit / Loss		**Equity**	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change in 20% of the U.S. Dollar against TRY;				
1 - Net asset / liability of USD	518.378.507	(518.378.507)	--	--
2 - Amount hedged for USD risk (-)	--	--	--	--
3- Net Effect of U.S. Dollar (1+2)	**518.378.507**	**(518.378.507)**	**--**	**--**
Change in 20% of the EURO against TRY;				
4 - Net asset / liability of EUR	(31.736.754)	31.736.754	--	--
5 - Amount hedged for EUR risk (-)	--	--	--	--
6- Net Effect of EURO (4+5)	**(31.736.754)**	**31.736.754**	**--**	**--**
Change in 20% of the GBP against TRY;				
7- Other foreign currency net asset / liability	43	(43)	--	--
8- Part of hedged protected from other currency risk (-)	--	--	--	--
9 -Net Effect of GBP (7+8)	**43**	**(43)**	**--**	**--**

36. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATION AND PROTECTION OF FINANCIAL HEDGE ACCOUNTING EXPLANATION)

Fair Value

Fair value is defined as price between willing parties who are into making a sale or purchase.

Financial assets and liabilities in foreign currency are converted to market prices at statement of financial position date. Methods and assumptions below are used to predict fair value of each financial instrument in case when it is possible to determine fair value of these instruments.

Financial Assets

The fair value of certain financial assets carried at cost, including cash at banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values. The carrying values of the trade receivables net of provisions for uncollectible receivables are considered to

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

The fair value of financial assets and liabilities are determined as follows:

First Level: Financial assets and liabilities are appreciated from stock price traded in active market for similar assets and liabilities.

Second Level: Financial assets and liabilities are appreciated from inputs used determining observable price in the market as direct or indirect with the exception of the price is stated in first level.

Third Level: Financial assets and liabilities are appreciated from inputs based on unobservable data in the market in determining the fair value of an asset or liability.

The Group's management believes that the recorded values of financial instruments reflects their fair values.

Derivative Financial Instruments (Futures Agreements)

The Group engage to agreements on derivative transactions in the foreign exchange markets.(Note 38)

Financial Liabilities

Values of monetary liabilities and trade payables are considered close to their fair value because of short term nature. Bank loans are stated with their discounted cost and transaction cost will be added to initial cost of loans. Book value of loans is considered close to its fair value because of updates in changed market conditions and interest rates. Book value of trade payables is considered as close to its fair value cause of being short termed.

37. SUBSEQUENT EVENTS

None.

38. DERIVATIVE INSTRUMENTS

CASH FLOW HEDGE ACCOUNTING FOR HIGH PROBABILITY ESTIMATED TRADING CURRENCY RISK

The Company management has discontinued the hedge accounting applied in accordance with TFRS 9 as of July 1, 2023 due to the expiration of foreign currency loan liabilities designated as hedging instruments within the scope of cash flow hedge accounting for the highly probable forecast transaction foreign currency risk component.

In this context, as of June 30, 2023, reclassification of the cash flow hedge reserve accumulated in other comprehensive income to the income statement in accordance with IFRS 9 has started in connection with the cash flows of the hedged item at the date the hedge accounting is terminated.

As of June 30, 2026, the amount reclassified from the cash flow hedge reserve amount under the Other Comprehensive Income Statement to the income statement within the scope of hedge accounting closure transactions is net 51.139.716 Turkish Lira.

39. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

40.EXPLANATIONS TO CASH FLOW STATEMENT

Movements in the cash flow statement that do not create cash inflows and outflows are as follows as of the years:

	NOTES	Current Period Limited Audited Consolidated 01.01-30.06.2026	Prior Period Limited Audited Consolidated 01.01-30.06.2025
A. CASH FLOWS FROM OPEARING ACTIVITIES		**876.194.599**	**(779.428.794)**
Profit/Loss For The Period		**(2.899.038.447)**	**(2.478.453.961)**
Adjustments To Reconcile Net Profit/Loss For The Period		**872.304.653**	**616.397.932**
Adjustments for depreciation and amortization expenses	11-12-14-23- 24	1.562.779.095	1.284.412.470
Adjustments Related to Impairment (Reversal) of Receivables	7	9.474.955	(3.540.560)
Adjustments Related to Employees Benefits Provision (Cancellation)	19	19.459.838	22.728.090
Provisions Related to Litigation and / or Provisions (Cancellation) Provisions Relating to Provisions (Cancellation)	18	(1.832.681)	(119.751)
Adjustments on Provisions (Cancellation) on the Sectoral Requirements Framework	18	(35.987)	(42.897)
Deferred Financial Income Arising from Purchases on Credit	7-8	17.685.152	2.060.080
Deferred Financial Income Arising from Sales on Credit	7-8	(73.066.303)	(194.054.211)
Adjustments Regarding Interest Expenses	20	87.961.852	95.996.096
Adjustments Related to Interest Income	20	(90.666.248)	(581.342.608)
Adjustments Regarding Tax Expenses/Income	31	981.400.005	1.371.290.992
Adjustments for Losses (Gains) Arising from the Disposal of Investments in Associates, Joint Ventures and Financial Investments or Changes in Their Ownership Interests			
Adjustments for Other Items Causing Cash Flows		*(215.900.000)*	--
Adjustments for Fair Value Losses (Gains)	38	(111.809.486)	2.739.422.392
Minority interest		(642.096.795)	(3.814.873)
Adjustments for Monetary (Loss)/Gain		(671.048.745)	(4.116.597.289)
Changes In Business Capital		**2.891.932.722**	**1.084.297.574**
Adjustments Regarding Increase/Decrease in Inventories	9	1.188.798.920	161.226.687
Increase/Decrease in Trade Receivables from Related Parties	6	13.780.484	(20.529.319)
Increase/Decrease in Trade Receivables from Unrelated Parties	7	2.257.382.571	(25.455.586)
Decrease (Increase) in Other Receivables from Related Parties	6	(73.559.971)	(47.448.046)
Decrease (Increase) in Other Receivables from Unrelated Parties	8	214.804.740	(54.279.019)
Change in Other Assets	20	(526.785.945)	794.779.188
Increase (Decrease) in Trade Payables to Related Parties	6	27.844.698	29.378.988
Increase (Decrease) in Trade Payables to Non-Related Parties	7	(104.516.394)	188.229.182
Change in Prepaid Expenses	10	4.834.677	13.076.270
Change in Payables Under Employee Benefits	19	(7.427.682)	58.356.167
Increase (Decrease) in Other Payables Related to Operations to Related Parties	6	49.320.332	(42.242.853)
Increase (Decrease) in Other Payables Related to Operations to Non-Related Parties	8	113.102.735	(190.958.716)
Provisions for Employee Benefits	19	(3.534.870)	18.079.266
Increase (Decrease) in Deferred Revenues	10	--	297.231.746
Change in Other Obligations	20	(262.111.573)	(95.146.382)
Cash Flows from Operations		**865.198.927**	**(777.758.455)**
Other Loss/Gain	21	10.995.672	(1.670.339)

41. EXPLANATIONS ON THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

The details of the Group's shareholders' equity as of 30.06.2026 and 31.12.2025 are disclosed in Note 21.

42. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

	June 30, 2026	December 31, 2025
Cash	4.005	--
Bank	555.562.779	599.818.658
-Demand deposit	*264.998.416*	*8.857.620*
-Time deposit	*290.564.363*	*590.961.038*
Other current assets	2.082.574.474	26.698
TOTAL	**2.638.141.258**	**599.845.356**

As of 30.06.2026 there is no blocked deposits of the Group (31.12.2025: None).

The information about the Group's term account for the periods 30.06.2026 and 31.12.2025 is as follows:

Currency Time Deposits	Maturity	Interest rate	30.06.2026 TRY
TRY	1.07.2026	41,00%	279.192.799
TRY	1.07.2026	39,00%	3.270.000
TRY	1.07.2026	39,50%	2.164.638
TRY	1.07.2026	41,00%	2.000.000
TRY	1.07.2026	39,88%	1.013.365
TRY	1.07.2026	39,00%	959.629
TRY	1.07.2026	39,88%	913.289
TRY	1.07.2026	39,50%	550.000
TRY	1.07.2026	36,00%	500.642
			290.564.362

Currency Time Deposits	Maturity	Interest rate	31.12.2025 TRY
TRY	02.01.2026	37,00%	252.959.281
TRY	02.01.2026	37,00%	117.765.028
TRY	02.01.2026	36,50%	97.038.383
TRY	02.01.2026	38,50%	74.846.446
TRY	02.01.2026	36,25%	39.674.098
TRY	02.01.2026	38,50%	6.712.607
TRY	02.01.2026	37,84%	924.176
TRY	02.01.2026	37,84%	1.025.444
TRY	06.02.2026	30,00%	15.575
			590.961.038

43. INTEREST, TAX, PROFIT BEFORE DEPRECIATION (EBITDA)

This financial data, that is calculated as an income before finance, tax and depreciation is an indication of measured income without taking notice of finance, tax, expenses that are not required cash outflows, depreciation and redemption expenses of the company. This financial data also specified in the financial statements by some investors due to use in the measurement of the company's ability to repay the loans and/or additional loan. However, EBITDA should not be considered independently from financial statements. Also, EBITDA should not evaluate as an alternative to net income(loss), net cash flow derived from operating, investing and financing activities, financial data obtained from investing and financial activities or prepared according to IAS / IFRS, or other inputs obtained from financial instruments such as, business operating performance. This financial information should be evaluated together with other financial inputs that are contained in the statement of cash flow.