

**Batisöke Söke Çimento
Sanayii T.A.Ş. and its Subsidiary**
Consolidated financial statements for the
period between January 1 - December 31,
2025 and the independent auditors' report

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Batisöke Söke Çimento Sanayii T.A.Ş.

A. Report on the Audit of the Consolidated Financial Statements

1. Our opinion

We have audited the consolidated financial statements of Batisöke Söke Çimento Sanayii T.A.Ş. (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the period then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for the Opinion

We conducted our independent audit in accordance with the Standards on Independent Auditing (SIA), which form part of Turkish Auditing Standards accepted within the framework of the Capital Markets Board regulations and published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those Standards are further described in the Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (including Independence Standards) (the Code of Ethics) published by the POA, which is applicable for independent audits of consolidated financial statements of public interest entities, and in accordance with the ethical provisions included in the Capital Markets Board legislation and other relevant legislation regarding independent audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics and applicable legislation. We believe the independent audit evidence we obtained during the audit is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our independent audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p>Application of TAS 29 "Financial Reporting in Hyperinflationary Economies"</p> <p>The Group continues to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" as at December 31, 2025.</p> <p>In accordance with TAS 29, the consolidated financial statements and financial information for prior periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as at the reporting date.</p> <p>Considering the significant effect of TAS 29 on the Group's reported results and financial position, hyperinflation accounting has been considered as a key audit matter.</p> <p>The Group's accounting policies and related disclosures regarding the application of TAS 29 are presented in Note 2.1.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the application of TAS 29 "Financial Reporting in Hyperinflationary Economies":</p> <ul style="list-style-type: none"> - Understanding and evaluating the process regarding the application of TAS 29 and the controls designed by the Group management, - Checking whether the classification of monetary and non-monetary items made by the Group management has been performed in accordance with TAS 29, -Testing the inputs and indices used to ensure the completeness and accuracy of the calculations, -Checking the coefficients based on the general price index used in the calculations by comparing them with the coefficients derived from the Consumer Price Index in Turkey published by TURKSTAT, -Checking the financial statements and related financial information restated in accordance with TAS 29, -Evaluating the adequacy of the disclosures in the notes to the consolidated financial statements regarding the application of TAS 29.

3. Key Audit Matters (Continued)

Key Audit Matters	How the matter was addressed in the audit
<p>Accounting for Property, Plant and Equipment using Revaluation Method</p> <p>In its consolidated financial statements dated December 31, 2025, the Group measured its land and its machinery, plant and equipment at their fair values based on the results of valuation studies conducted as of the end of the current period by an independent valuation firm authorized by the CMB, and a revaluation increase amounting to TL 161,557, net of tax effect, relating to the relevant assets was recognized under other comprehensive income in the property, plant and equipment revaluation surplus accounts.</p> <p>The processes involved in accounting for such transactions in the consolidated financial statements are significant to our audit, as the valuation studies involve substantial expertise, judgment and assumptions, and are therefore considered a key audit matter.</p> <p>Detailed disclosures regarding property, plant and equipment are presented in Note 2.1 and Note 9.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the measurement of property, plant and equipment under the revaluation model:</p> <ul style="list-style-type: none"> - The valuation accreditation and licenses of the expert firm, as recognized by the Capital Markets Board (CMB), were checked. - The competence, capabilities, and objectivity of the expert firm were assessed. - The valuation reports prepared by the expert firm were read, and the valuation work was evaluated. - The consistency between the fair values reported in the valuation report and the disclosures in the notes was checked; it was assessed whether the amounts disclosed in the notes agree with the valuation reports and whether the note disclosures are adequate under TFRS. <p>As a result of the procedures performed no significant findings were identified.</p>

3. Key Audit Matters (Continued)

Key Audit Matters	How the matter was addressed in the audit
Recoverability of Deferred Tax Assets	
<p>As stated in Note 22, the Group carries a deferred tax asset amounting to TL 743,882 in its consolidated statement of financial position dated December 31, 2025. The recoverable amount of the calculated deferred tax assets has been estimated through projections prepared by the Group management based on assumptions under the current circumstances.</p> <p>As these projections depend on management's estimates and the deferred tax assets recognized in the statement of profit or loss dated December 31, 2025 are significant in amount, the recoverability of these assets is considered a key audit matter.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the recoverability of deferred tax assets:</p> <ul style="list-style-type: none"> - Analyses were performed to understand the temporary differences that form the basis for the deferred tax assets. - Projections for future periods were obtained from the Group's management, and the appropriateness of the key assumptions included in these projections was evaluated in meetings held with senior management, with the involvement of our tax specialists. - The alignment of the financial indicators included in the projections, which significantly affect taxable profit, with the Group management's plans was analyzed. - In addition, the adequacy of the disclosures included in the consolidated financial statements and the notes was evaluated within the scope of TFRS.

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Group management is responsible for the preparation of the consolidated financial statements in accordance with TFRS, for their fair presentation, and for such internal control as it determines is necessary to enable the consolidated financial statements to be prepared free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. The Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as independent auditors are as follows:

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance provided as a result of an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board and the BDS is a high level of assurance, but it does not guarantee that a material misstatement that exists will always be detected. Misstatements may arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As required by an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board and the BDS, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
- Evaluate internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

5. The Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements (Continued)

- The appropriateness of the accounting policies used by management and the reasonableness of accounting estimates made by management, and the related disclosures are evaluated.
- Based on the audit evidence obtained, a conclusion is reached as to whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and as to whether management's use of the going concern basis of accounting is appropriate. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- The overall presentation, structure, and content of the consolidated financial statements, including the disclosures, are evaluated, and we assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- In order to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group, as a basis for our opinion on the Group financial statements, the group audit is planned and performed. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the Group audit. We are solely responsible for our audit opinion.

In addition to other matters, we communicate to those charged with governance the planned scope and timing of the independent audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We have informed those charged with governance that we have complied with the ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may be thought to bear on our independence and, where applicable, the related safeguards and actions taken to eliminate threats.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the independent audit of the consolidated financial statements of the current period, i.e., the key audit matters. In circumstances where the applicable legislation does not permit public disclosure of the matter, or in extremely rare circumstances where we reasonably expect that the adverse consequences of communicating the matter would outweigh the public interest benefits of such communication, we may decide not to communicate the matter in our independent auditor's report.

B. Other Liabilities Arising from Legislation

1. In accordance to paragraph four of Article 402 of the Turkish Commercial Code No. 6102 (TCC), no significant matters have come to our attention indicating that the Company's bookkeeping practices for the accounting period from January 1 to December 31, 2025 were not in compliance with the law and the provisions of the Company's articles of association relating to financial reporting.
2. Pursuant to paragraph four of Article 402 of the Turkish Commercial Code No. 6102 (TCC), the Board of Directors has provided the explanations requested by us within the scope of the audit and has furnished the documents requested.
3. The Auditor's Report on the Early Detection of Risk System and Committee, prepared pursuant to paragraph four of Article 398 of the Turkish Commercial Code (TCC), was submitted to the Company's Board of Directors on February 20, 2026.

Finansal Eksen Bağımsız Denetim ve Danışmanlık A.Ş.
Exclusive Member of GGI Global Alliance AG



Ufuk Doğruer
Engagement Partner

İstanbul, February 20, 2026

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

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Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary**As of December 31, 2025, consolidated statement of financial position****(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)**

		Current Period	Previous Period
		Audited	Audited
	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	3	55.121	42.582
Trade receivables			
- Trade receivables from related parties	5, 24	239.485	119.938
- Trade receivables from third parties	5	936.644	974.493
Other receivables			
- Other receivables from related parties	6, 24	8.469	10.195
- Other receivables from third parties	6	194	144
Inventories	7	910.091	953.339
Prepaid expenses	8	94.338	59.675
Current income tax assets	22	1.466	948
Other current assets	13	251.639	283.670
Total current assets		2.497.447	2.444.984
Non-current assets			
Other receivables			
- Other receivables from third parties	6	2.800	901
Property, plant, and equipment	9	13.715.043	13.811.464
Right-of-use assets	10	6.059	9.113
Intangible assets	10	2.449	2.920
Prepaid expenses	8	32.507	-
Deferred tax assets	22	743.882	448.867
Total non-current assets		14.502.740	14.273.265
Total assets		17.000.187	16.718.249

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

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

**As of December 31, 2025, consolidated statement of financial position
(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based
on the purchasing power of the Turkish Lira as of December 31, 2025.)**

		Current Period	Previous Period
		Audited	Audited
	Note	December 31, 2025	December 31, 2024
Liabilities			
Current liabilities			
Short term borrowings	4	299.380	551.601
Current portion of long-term borrowings	4	628.387	458.902
Lease liabilities	4	1.317	1.668
Trade payables			
- Trade payables to related parties	5, 24	155.698	210.195
- Trade payables to third parties	5	986.025	581.751
Liabilities for employee benefits	12	23.869	19.816
Other payables			
- Other payables to related parties	6, 24	-	2.466.976
- Other payables to third parties	6	21.905	12.788
Deferred income	8	5.048	33.563
Short term provisions			
- Other short term provisions		1.727	3.262
Other short term liabilities	13	32.303	29.794
Total current liabilities		2.155.659	4.370.316
Non-current liabilities			
Long term financial liabilities	4	2.083.697	2.252.563
Other financial liabilities	4	4.203	7.225
Long term provisions			
- Provisions for long term employee benefits	12	87.439	78.732
- Other long term provisions	11	41.708	41.896
Deferred tax liabilities	22	-	-
Total non-current liabilities		2.217.047	2.380.416
Total liabilities		4.372.706	6.750.732
Equity			
Share capital	14	1.600.000	1.600.000
Adjustment to share capital	14	7.874.917	7.874.917
Capital Advance	14	2.617.010	-
Repurchased shares (-)		(2.756)	(2.756)
Share premiums (discounts)	14	17.545	17.545
Accumulated other comprehensive income (expenses) not to be reclassified to profit or loss			
- Property, plant and equipment revaluation surplus	14	1.567.982	1.406.425
- Remeasurement gains (losses) on defined benefit plans	14	(69.777)	(72.947)
Restricted Reserves Appropriated from Profit		499.363	490.752
Retained earnings (loss)		(1.356.422)	(1.674.625)
Net (loss)/profit for the period		(120.381)	328.206
Total equity		12.627.481	9.967.517
Total liabilities and equity		17.000.187	16.718.249

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

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

For the period January 1 – December 31, 2025, Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
Statement of profit or loss	Note	January 1 – December 31, 2025	January 1 – December 31, 2024
Revenue	15	5.814.769	5.592.126
Cost of sales	15	(5.412.098)	(5.356.699)
Gross profit from commercial activities		402.671	235.427
Gross profit		402.671	235.427
General administrative expenses	16	(253.375)	(189.046)
Marketing, selling and distribution expenses	16	(497.806)	(609.659)
Other income from operating activities	18	121.917	191.742
Other expenses from operating activities	18	(115.746)	(191.544)
Operating profit (loss)		(342.339)	(563.080)
Expense from investing activities	19	(1.917)	-
Operating profit (loss) before financing income (expense)		(344.256)	(563.080)
Financing income	20	16.194	33.018
Financing expenses	21	(1.041.764)	(1.959.768)
Net monetary gain (loss)	25	884.613	2.227.818
Profit (loss) before tax from continuing operations		(485.213)	(262.012)
Tax income from continuing operations			
Deferred tax income	22	364.832	590.218
Profit (loss) for the period from continuing operations		(120.381)	328.206
Distribution of profit (loss) for the period			
Equity holders of the parent		(120.381)	328.206
Non-controlling interests		-	-
Earnings/Loss per share	23	(0,0752)	(0,2051)
Other comprehensive income (expense) section			
Items that will not be reclassified to profit or loss			
- Property, plant and equipment revaluation increases (decreases)	9	230.323	536.664
- Property, plant and equipment revaluation increases (decreases), tax effect	22	(68.766)	(105.374)
- Remeasurement gains (losses) on defined benefit plans	12	4.221	32.003
- Remeasurement gains (losses) on defined benefit plans, tax effect	22	(1.051)	(8.001)
Other comprehensive income		164.727	455.292
Total comprehensive income		44.346	783.498
Equity holders of the parent		44.346	783.498
Non-controlling interests		-	-

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

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

Consolidated Statement of Changes in Equity for the period January 1–December 31, 2025

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

							Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss		Accumulated profits / losses				
	Share Capital	Capital adjustment differences	Capital advance	Re-purchased shares	Share premium	Property, plant and equipment revaluation increases / decreases	Remeasurement gains (losses) on defined benefit plans	Restricted reserves	Retained earnings (losses)	Profit (loss) for the period	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance as of January 1, 2024 (beginning of period)	400.000	7.090.351	-	(2.139)	5.436	975.135	(96.949)	490.752	(3.323.686)	1.649.061	7.187.961	-	7.187.961
Transfers	-	-	-	-	-	-	-	-	1.649.061	(1.649.061)	-	-	-
Total comprehensive income	-	-	-	-	-	431.290	24.002	-	-	328.206	783.498	-	783.498
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	328.206	328.206	-	328.206
- Other comprehensive income (loss)	-	-	-	-	-	431.290	24.002	-	-	-	455.292	-	455.292
Capital increase	1.200.000	784.566	-	(617)	12.109	-	-	-	-	-	1.996.058	-	1.996.058
Balance as of December 31, 2024 (end of period)	1.600.000	7.874.917	-	(2.756)	17.545	1.406.425	(72.947)	490.752	(1.674.625)	328.206	9.967.517	-	9.967.517
Balance as of January 1, 2025 (beginning of period)	1.600.000	7.874.917	-	(2.756)	17.545	1.406.425	(72.947)	490.752	(1.674.625)	328.206	9.967.517	-	9.967.517
Transfers	-	-	-	-	-	-	-	-	328.206	(328.206)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	161.557	3.170	-	-	(120.381)	44.346	-	44.346
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(120.381)	(120.381)	-	(120.381)
- Other comprehensive income (loss)	-	-	-	-	-	161.557	3.170	-	-	-	164.727	-	164.727
Capital advance	-	-	2.617.010	-	-	-	-	-	-	-	2.617.010	-	2.617.010
Acquisition of a subsidiary	-	-	-	-	-	-	-	8.611	(10.003)	-	(1.392)	-	(1.392)
Balance as of December 31, 2025 (end of period)	1.600.000	7.874.917	2.617.010	(2.756)	17.545	1.567.982	(69.777)	499.363	(1.356.422)	(120.381)	12.627.481	-	12.627.481

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

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

Consolidated Statement of Cash Flows for the period January 1–December 31, 2025

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
	Note	January 1 – December 31, 2025	January 1 – December 31, 2024
A. Cash flows from operating activities		808.307	457.627
Net profit (loss) for period			
Net profit for the period from continued operations (I)		(120.381)	328.206
Adjustments related to the reconciliation of net profit (loss) for the period (II)		673.960	431.184
Adjustments for depreciation and amortization expenses	9, 10	769.468	681.426
Adjustments related to impairment (reversal)			
- Adjustments related to inventory impairment (reversal)	7	-	15.714
Adjustments for provisions			
- Adjustments related to provisions (reversal) for employee benefits	12	8.707	35.160
- Adjustments related to provisions (reversal) for lawsuits and/or penalties		38	1.766
- Adjustments related to other provisions (reversals)	11	3.065	14.377
Adjustments related to interest income and expenses			
- Adjustments related to interest income	20	(9.965)	(9.741)
- Adjustments related to interest expenses	21	450.005	1.065.156
- Unearned finance income arising from forward sales	18	-	(35.101)
- Deferred finance expense arising from forward purchases	18	-	12.487
Adjustments related to unrealized foreign exchange translation differences		646.610	871.959
Adjustments related to losses (gains) arising from the disposal of property, plant and equipment	19	1.917	-
Adjustments for tax income/expense	22	(295.009)	(590.218)
Adjustments related to monetary loss / (gain)		(900.876)	(1.631.801)
Changes in working capital (III)		260.577	(297.874)
Adjustments related to decrease (increase) in trade receivables		(81.698)	162.168
Adjustments related to decrease (increase) in other receivables related to operations			
- Decrease (increase) in other receivables from related parties related to operations		1.728	373
- Decrease (increase) in other receivables from third parties related to operations		(1.949)	7.369
Adjustments for (increase)/decrease in inventories		43.248	225.881
Decrease (increase) prepaid expenses		(67.170)	30.127
Changes in deferred income		(28.516)	(204.129)
Adjustments related to increase (decrease) in trade payables		349.777	(498.341)
Increase (decrease) in liabilities under employee benefits		4.054	(4.733)
Adjustments related to increase (decrease) in other payables related to operations			
- Increase (decrease) in other payables to third parties related to operations		9.117	280
Adjustments related to other increase (decrease) in working capital			
- Decrease (increase) in other assets related to operations		31.986	(24.301)
- Increase (decrease) in other liabilities related to operations		-	7.432
Cash flows generated from operations (I+II+III)		814.156	461.516
Payments made within the scope of provisions for employee benefits	12	(5.332)	(3.389)
Tax refunds (payments)	22	(517)	(500)
B. Cash flows from investing activities		(480.264)	(103.270)
Cash inflows from the sale of property, plant and equipment and intangible assets			
- Cash inflows from the sale of property, plant and equipment		6.092	-
Cash outflows from the acquisition of property, plant and equipment and intangible assets			
- Cash outflows from the acquisition of property, plant and equipment	9	(442.884)	(108.473)
- Cash outflows from the acquisition of intangible assets	10	(43.472)	(71)
Cash advances and loans granted	8	-	5.274
C. Cash flows from financing activities		(307.443)	(341.095)
Cash inflows from borrowings			
- Cash inflows from loans	4	1.337.003	997.804
Cash outflows related to debt repayments			
- Cash outflows related to loan repayments	4	(1.196.366)	(2.957.406)
Cash outflows relating to lease liabilities (-)		(5.774)	(3.124)
Increase (decrease) in other borrowings from related parties		150.033	1.778.040
Interest received	20	9.965	9.741
Interest paid	4	(602.304)	(576.233)
Capital increase		-	398.591
Cash inflows from share issuance		-	11.492
D. Effect of monetary gain (loss) on cash and cash equivalents		(10.050)	(12.245)
E. Effect of exchange rate changes on cash and cash equivalents		1.989	1.725
Net increase (decrease) in cash and cash equivalents (A+B+C+D+E)		12.539	2.742
F. Cash and cash equivalents at the beginning of the period	3	42.582	39.840
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	3	55.121	42.582

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

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

1. The Group's organization and nature of operations

Batisöke Söke Çimento Sanayii T.A.Ş. ("Group") was established in accordance with the Turkish Trade Law in 1955 in Aydın, Turkey.

The Group's headquarters is located at Ankara Caddesi No: 335, Bornova, İzmir. The Company performs its production activities at Atatürk Mahallesi Aydın Caddesi No: 234, Söke, Aydın. Also, the Company has a grinding and packaging facility at Çavdır, Burdur.

The Group is registered under the Capital Markets Board ("CMB") and since 2000 its stocks are traded in Borsa İstanbul Anonim Şirketi ("Borsa İstanbul"). The immediate parent and ultimate controlling party of the Group is Batıçim Batı Anadolu Çimento Sanayii A.Ş. ("Batıçim") with 74,62% share. The capital structure of the Company is explained in Note 14.

The Group's shareholder structure is as below:

Shareholders	December 31, 2025		December 31, 2024	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Batıçim Batı Anadolu Çimento Sanayii A.Ş.	74,62	1.193.976	74,62	1.193.976
Other	25,38	406.024	25,38	406.024
Nominal capital		1.600.000		1.600.000

As of December 31, 2025, the information related to the Group's subsidiaries is as follows:

Subsidiaries	Stock Exchange Market	Main Business Activities
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("ASH Plus")	-	Production and sale of ash

The principal activities of the Company and its subsidiary described in detail above (together, the "Group") are the production and sale of clinker and cement, and the production and sale of fly ash, and the Group had 364 employees as of December 31, 2025 (December 31, 2024: 356).

2. Presentation of the consolidated financial statements

2.1 Basis of presentation

The Company and its subsidiary keep and prepare their statutory books and statutory financial statements in accordance with the accounting principles prescribed by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Communiqué Serial II, No. 14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué"), published in the Official Gazette dated June 13, 2013 and numbered 28676 by the Capital Markets Board ("CMB"), and, pursuant to Article 5 of the Communiqué, are based on the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA").

Companies that report in accordance with the CMB legislation apply the Turkish Accounting Standards / Turkish Financial Reporting Standards and the related appendices and interpretations ("TAS/TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") pursuant to Article 5 of the Communiqué.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

The Group's consolidated financial statements are prepared on the historical cost basis, except for land/plots and machinery, equipment and fixtures, which are accounted for at fair value using the revaluation model in accordance with TAS 16. In determining historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

Functional and presentation currency

The Group's financial position and results of operations have been expressed in TL, which is the Group's functional currency and the presentation currency for the financial statements

Restatement of financial statements during the hyperinflationary periods

The consolidated financial statements and the corresponding amounts for previous periods have been restated for changes in the general purchasing power of the functional currency and, as a result, have been expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies."

TAS 29 applies to the financial statements, including the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. Where a hyperinflationary economy exists, TAS 29 requires the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power over the last three years has exceeded 100% based on the Consumer Price Index ("CPI"), entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" in reporting periods ending on or after December 31, 2023.

Within the scope of the Announcement on the Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation, published by the POA on November 23, 2023, it has been stated that the financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after December 31, 2023 should be presented after being adjusted for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

However, pursuant to the decision of the CMB dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting / Financial Reporting Standards have been required to apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ended as of December 31, 2023.

Within this framework, the financial statements as of December 31, 2025 have been presented after being adjusted for the effects of inflation within the scope of the accounting principles set out in TAS 29.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

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

Date	Index	Correction coefficient	Three-year cumulative inflation rates
December 31, 2025	3.513,87	1,00000	%211
December 31, 2024	2.684,55	1,30892	%291
December 31, 2023	1.859,38	1,88981	%268

The main lines of TAS 29 indexation transactions are as follows:

- All items other than those expressed in terms of the current purchasing power as of the reporting date are indexed using the relevant adjustment coefficients. Amounts relating to prior years have also been indexed in the same manner.
- Monetary assets and liabilities are not indexed, since they are expressed in terms of the current purchasing power as of the statement of financial position date. Monetary items are items to be received or paid in cash or cash equivalents.
- Fixed assets, investments in associates and similar assets are indexed over their historical cost, provided that they do not exceed their market values. Depreciation has also been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices in the periods in which such amounts were included in the Group or arose within the Group.
- All items in the statement of profit or loss are indexed using coefficients calculated over the periods in which the income and expense accounts were first reflected in the consolidated financial statements, except for those items in the statement of profit or loss that are affected by the indexing of non-monetary items included in the consolidated statement of financial position and that have an effect on the statement of profit or loss..
- Gains or losses arising from general inflation in the net monetary position represent the difference resulting from the adjustments made to non-monetary assets, equity items, and statement of profit or loss accounts. These gains or losses in the net monetary position are included in profit or loss.
- The effect of inflation on the Group's net monetary asset position in the current period has been recognized in the statement of profit or loss under net monetary position gains/(losses) (Note 25).

The effects of the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" are summarized below:

Restatement of the Statement of Financial Position

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

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

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

Restatement of the Statement of Profit or Loss

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

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

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

Restatement of Statement of Cash Flows

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

Non-monetary items acquired or assumed before January 1, 2005, the date on which the Turkish lira ceased to be defined as the currency of a hyperinflationary economy, as well as equity contributed to or arising within the entity before that date, have been adjusted for the change in the CPI from January 1, 2005 to December 31, 2025.

In addition, in the reporting period in which TAS 29 is applied for the first time, the provisions of the Standard are applied assuming that the economy has always been hyperinflationary. Accordingly, the opening balance sheet dated January 1, 2022, representing the beginning of the earliest comparative period, has been adjusted for inflation in order to serve as the basis for subsequent reporting periods. The inflation-adjusted amount of the retained earnings/losses item in the statement of financial position as of January 1, 2022 has been derived from the balance required after the inflation adjustment of the other items in that statement.

Going concern:

The financial statements have been prepared on a going concern basis, under the assumption that the Group will derive benefits from its assets and fulfil its obligations within one year following the reporting date and in the ordinary course of its operations.

Approval of the consolidated financial statements:

The consolidated financial statements have been approved by the Board of Directors and authorized for issue on February 20, 2026. The General Assembly has the authority to amend the consolidated financial statements.

Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Group and the entities controlled by the Group and its subsidiaries. Control is achieved when the Group satisfies all of the following conditions:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

If a situation or event arises that may cause a change in at least one of the criteria listed above, the Group reassesses whether it has control over its investment.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control over it. The income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

Each item of profit or loss and other comprehensive income is attributed to the equity holders of the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments have been made to the financial statements of subsidiaries regarding accounting policies in order to align them with the accounting policies followed by the Group. All intra-group assets and liabilities, equity, income and expenses, and cash flows relating to transactions between Group companies are eliminated on consolidation.

As of December 31, 2025, and 2024, the details of the Group's subsidiaries are as follows:

Subsidiary	Establishment and operation location	December 31, 2025		December 31, 2024	
		Direct proportional ownership	Indirect proportional ownership	Direct proportional ownership	Indirect proportional ownership
ASH Plus (*)	Manisa, Turkey	%100	%100	%0	%0

(*) All shares of ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş., a subsidiary of Batıçim Batı Anadolu Çimento Sanayii A.Ş., the parent company of the Company, were acquired by the Company on November 5, 2025. As the financial size of the acquired business is immaterial, no separate note has been presented in relation to this transaction.

2.2 Changes in accounting and reporting standards

New and revised standards and interpretations

In the preparation of the consolidated financial statements for the accounting period ended December 31, 2025, the accounting policies applied are consistent with those applied in the financial statements prepared as of December 31, 2024, except for the new and amended TFRS and TFRS interpretations effective as of January 1, 2025, which are summarized below.

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2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

TAS 21 (Amendments) Lack of Exchangeability

In May 2024, the POA issued amendments to TAS 21. The amendments specify how to assess whether a currency is exchangeable and how to determine the applicable exchange rate when a currency is not exchangeable. According to the amendment, when an estimate of the applicable exchange rate is made because a currency is not exchangeable, disclosures are made that enable users of the financial statements to understand how the inability to exchange the relevant currency into another currency affects, or is expected to affect, the entity's performance, financial position and cash flows. When the amendments are applied, comparative information is not restated.

ii) Standards and amendments issued as of December 31, 2025 but not yet effective

As of the date of approval of the consolidated financial statements, the new standards, interpretations and amendments that have been issued but are not yet effective for the current reporting period and have not been early adopted by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes that will affect its consolidated financial statements and notes after the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The POA indefinitely deferred the effective date of these amendments made to TFRS 10 and TAS 28 in December 2017, pending the outcomes of the ongoing research project related to the equity method. However, early application is still permitted.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

ii) Standards and amendments issued as of December 31, 2025 but not yet effective (continued)

TFRS 17 – New Insurance Contracts Standard

In February 2019, the POA issued TFRS 17, a comprehensive new accounting standard covering the recognition and measurement, presentation and disclosure of insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts at current balance sheet values and the recognition of profit over the period in which services are provided. With the announcement made by the POA, the mandatory effective date of the Standard has been deferred to accounting periods beginning on or after January 1, 2026.

TFRS 18 – New Standard on Presentation and Disclosures in Financial Statements

In May 2025, the POA issued TFRS 18, which replaces TAS 1. TFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of certain totals and subtotals. TFRS 18 requires entities to present all income and expenses reported in the statement of profit or loss within one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. The Standard also requires the disclosure of management-defined performance measures and, in addition, introduces new requirements for the aggregation or disaggregation of financial information in accordance with the functions defined for the primary financial statements and the notes. With the issuance of TFRS 18, certain amendments have also been made to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. TFRS 18 and the related amendments will become effective for reporting periods beginning on or after January 1, 2027. However, early application is permitted.

Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments

In August 2025, the POA issued amendments related to the classification and measurement of financial instruments. The amendment clarifies that financial liabilities are derecognized on the date on which they are extinguished.

In addition, the amendment introduces an accounting policy option that allows financial liabilities settled through an electronic payment system to be derecognized before the settlement date, provided that certain conditions are met. The amendment also provides clarifications on how to assess the contractual cash flow characteristics of financial assets that include Environmental, Social and Governance (ESG)-linked or similar contingent features, as well as guidance on the application for assets that do not give rise to unlimited liability and for contractually linked financial instruments. Furthermore, with this amendment, additional disclosures have been added to TFRS 7 for financial assets and liabilities containing contractual terms that reference a contingent event (including ESG-linked features) and for equity instruments measured at fair value through other comprehensive income. The amendment will become effective for annual reporting periods beginning on or after January 1, 2026. Entities may early adopt the amendments related to the classification of financial assets and the related disclosures, and apply the other amendments at a later date.

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2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

ii) Standards and amendments issued as of December 31, 2025 but not yet effective (continued)

Amendments to TFRS 9 and TFRS 7 – Contracts Referencing Nature-Dependent Electricity

In August 2025, the POA issued the amendment titled “Contracts Referencing Nature-Dependent Electricity” (relating to TFRS 9 and TFRS 7). The amendment clarifies the application of the own-use exception and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements in order to enable investors to understand the effects of such contracts on the entity’s financial performance and cash flows. The amendment becomes effective for annual reporting periods beginning on or after January 1, 2026. Early application is permitted, and if early application is made, this matter is disclosed in the notes. The clarifications regarding the own-use provisions are applied retrospectively; however, the provisions permitting hedge accounting are applied prospectively to new hedging relationships designated on or after the date of initial application.

TFRS 19 – New Standard on Subsidiaries without Public Accountability: Disclosures

In August 2025, the POA issued TFRS 19, which provides certain entities with the option to present reduced disclosures while applying the recognition, measurement and presentation requirements of TFRS in the financial statements. Unless otherwise specified, entities within the scope that choose to apply TFRS 19 will not be required to apply the disclosure requirements in other TFRS. An entity that is a subsidiary, does not have public accountability, and whose parent (intermediate or ultimate) prepares TFRS-compliant financial statements available for public use may elect to apply TFRS 19. TFRS 19 becomes effective for reporting periods beginning on or after January 1, 2027, with early application permitted. When early application of this Standard is elected, this fact is disclosed in the notes. In the first reporting period (annual or interim) in which this Standard is initially applied, the disclosures presented for the comparative period must be aligned with the disclosures presented for the current period in accordance with TFRS 19.

Annual Improvements to TFRS – 11th Amendment; Effective for annual reporting periods beginning on or after January 1, 2026 (early application is permitted). Annual improvements are limited to amendments that clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or inconsistencies between the requirements in Accounting Standards.

- TFRS 1 First-time Adoption of Turkish Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and the Guidance on the Application of TFRS 7 included in the Appendix to the Standard;
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements;
- TAS 7 Statement of Cash Flows;

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2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

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

The amendments to IAS 21 referred to below have been issued by the IASB but have not yet been adapted to/published in TFRS by the POA. Therefore, they do not form part of TFRS. The Group will make the necessary changes in its consolidated financial statements and notes after these amendments enter into force in TFRS.

Amendments to IAS 21 – Translation into a Hyperinflationary Presentation Currency

The amendments issued by the IASB in November 2025 require the use of the closing exchange rate when translating from a functional currency that is not the currency of a hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy. Accordingly, an entity whose functional currency is the currency of a non-hyperinflationary economy but whose presentation currency is the currency of a hyperinflationary economy uses the closing exchange rate at the end of the current period when translating its results of operations and financial position, including comparative amounts, for all relevant items (in other words, for assets, liabilities, equity items, income and expenses). However, an entity whose functional currency and presentation currency are both the currency of a hyperinflationary economy expresses the comparative amounts of a foreign operation whose functional currency is the currency of a non-hyperinflationary economy in terms of the current measuring unit by applying the general price index in accordance with IAS 29. These amendments also introduce certain additional disclosure requirements.

2.3 Comparative information and restatement of the prior period consolidated financial statements

In order to enable the determination of trends in financial position and performance, the Group's consolidated statement of financial position dated December 31, 2025 has been prepared comparatively with the consolidated statement of financial position dated December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2025 have been prepared comparatively with the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2024.

2.4 Summary of significant accounting policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Net sales are presented after deducting estimated and actual returns, discounts, commissions, turnover premiums and taxes related to sales from the sales amount of goods.

Sale of goods

Revenue related to performance obligations in the nature of a promise to transfer goods or services is recognized as the Group satisfies the performance obligation by transferring the goods or services to its customer. In the sale of goods, the asset is transferred and revenue is recognized when control of the asset passes to the customer. This generally occurs when the asset is delivered to the customer. However, where no asset is created with an alternative use for the Group and the Group has an enforceable right to payment for performance completed to date, the Group transfers control of the goods over time and recognizes revenue over time as production takes place.

The following indicators are considered while evaluating the transfer of control of the goods and services

- a) Ownership of the Group's right to collect goods or services,
- b) The ownership of the property of the customer,
- c) Transfer of the possession of the goods or services,
- d) Ownership of significant risks and rewards arising from the ownership of the goods or services,
- e) It takes into account the conditions for the customer to accept the goods or services.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

At the beginning of the contract, the Group evaluates whether the Group has different performance commitments. The Group does not have a significant financing component identified in customer contracts.

If there is an important financing element in the revenue, the revenue value is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on an accrual basis.

Rendering of services

Revenue arising from a service rendering contract is recognized according to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue arising from contracts based on time spent is recognized over the contractual fees as working hours and direct expenses are incurred.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. Has control or joint control over the reporting entity,
 - ii. Has significant influence over the reporting entity,
 - iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is considered related to the reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions are transactions in which resources, services and obligations are transferred between related parties, regardless of whether any consideration is charged. In the consolidated financial statements, the Group's shareholders, the companies owned by them, their managers, and other groups known to be related to them are defined as related companies. It is assumed that the carrying amounts of receivables from related parties and payables to related parties are equivalent to the fair values of the assets and liabilities.

Inventories

Inventories are stated at the lower of cost, expressed in terms of purchasing power of TL as of December 31, 2025 and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value, and the expense is included in the statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Right-of-use assets

The Company accounts for the right-to-use assets on the date of commencement of the leasing agreement (for example, as of the date on which the relevant asset is eligible for use). The right-of-use assets is calculated by deducting the accumulated depreciation and impairment losses from the cost value.

In case the financial leasing debts are revalued, this figure is corrected.

The cost of the right-of-use asset includes:

- a) The first measurement of the lease obligation,
- b) The amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received, and
- c) All initial costs incurred by the company.

Unless the transfer of the ownership of the underlying asset to the Company at the end of the lease is reasonably finalized, the Company depreciates its asset right to use until the end of the useful life of the underlying asset.

The right to use assets is subject to impairment assessment.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Lease liabilities

The company measures the lease obligation at the present value of the lease payments, which were not paid on the date the lease actually began.

The lease payments included in the measurement of the lease obligation at the date of the lease actually consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid at the date when the lease actually started:

- (a) Fixed payments,
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date of the lease,
- (c) Amounts expected to be payable by the Group under residual value guarantees,
- (d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

For the remaining term of the lease, the Group determines the revised discount rate as the interest rate implicit in the lease, if that rate can be readily determined; if it cannot be readily determined, the Group uses its incremental borrowing rate as of the date of reassessment. The Group used an interest rate of 10% for lease agreements denominated in euros.

After the commencement date, the Group measures the amount of lease liabilities as follows:

- (a) Increases the carrying amount to reflect the interest on the lease obligation, and
- (b) Reduces the carrying value to reflect the rent payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Property, plant, and equipment

Property, plant and equipment are presented at their carrying amounts after deducting accumulated depreciation and accumulated impairment losses from their restated acquisition costs expressed in terms of the purchasing power of TL as of December 31, 2025, except for owner-occupied land and machinery/equipment measured at fair value in accordance with the revaluation model under TAS 16. The cost of an item of property, plant and equipment consists of the purchase price, import duties and non-refundable taxes/charges, and costs incurred to bring the asset to a condition ready for use.

Land are not subject to depreciation. Assets under construction for administrative purposes or for other purposes not yet determined are carried at cost less any impairment loss. Assets that require a substantial period of time to be ready for their intended use or sale are defined as qualifying assets; borrowing costs incurred in relation to such qualifying assets until they are ready for use are capitalized. Once the construction of these assets is completed and they are ready for use, they are classified under the relevant property, plant and equipment item. Such assets are depreciated when they are ready for use, in the same manner as the depreciation method used for other fixed assets.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant, and equipment (continued)

Effective from December 31, 2017, the Group decided to apply the revaluation model for land under property, plant and equipment and changed its accounting policy prospectively within the scope of TFRS. In addition, effective from September 30, 2022, the Group changed its accounting policy for the machinery and equipment asset group to the revaluation model. The fair value studies of the property, plant and equipment measured under the Group's revaluation model were carried out by a licensed real estate valuation company authorized by the CMB. As of December 31, 2025, the Group renewed the revaluation measurements of its land and machinery and equipment. These assets were reflected in the financial statements dated December 31, 2025 based on the fair values included in the current valuation reports prepared by a real estate valuation company authorized by the CMB.

For assets measured under the revaluation model, the revaluation differences between the restated cost expressed in terms of the purchasing power of TL as of December 31, 2025 and the fair value are recognized, net of deferred tax effects, in equity under "Revaluation and measurement gains (losses) on property, plant and equipment" through other comprehensive income/expense accounts. If a revalued asset is disposed of, the portion of the revaluation reserve related to the asset sold is transferred directly to retained earnings. In addition, a portion of the revaluation increase is transferred to retained earnings as the asset is used by the entity.

Expenditures such as repairs and maintenance incurred after the property, plant and equipment has been put into use are recognized as an expense in the period in which they are incurred. If the expenditures made provide an increase in economic benefit in the future use of the related property, plant and equipment, such expenditures are added to the cost of the asset and are depreciated over the remaining useful life.

The frequency of revaluations depends on the existence of indicators that there have been significant changes in the items of property, plant and equipment subject to revaluation.

If the carrying amount of an asset increases as a result of revaluation, such increase is recognized in other comprehensive income and recognized directly in equity under revaluation surplus. However, a revaluation increase is recognized in the statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

If the carrying amount of an asset decreases as a result of revaluation, such decrease is recognized as an expense. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Such decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

An item of property, plant and equipment is derecognized from the statement of financial position upon disposal or when no future economic benefits are expected from its use or sale. When such assets are sold or disposed of, the resulting gain or loss based on the net book value of the related property, plant and equipment is recognized in the statement of profit or loss under income (expenses) from investing activities.

Except for land and assets under construction, the cost amounts of property, plant and equipment are depreciated using the straight-line depreciation method over their expected useful lives. The expected useful life, residual value and depreciation method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, it is accounted for prospectively.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Property, plant, and equipment (continued)

The estimated economic useful lives prescribed for the depreciation of property, plant and equipment are as follows:

	Period (Year)
Land improvements	15-30
Buildings	10-50
Furniture and fixtures	2-20
Plant, machinery and equipment	2-22
Vehicles	4-10
Other property, plant and equipment (mining assets)	10-30

Intangible assets

Intangible assets consist of purchased computer software. The cost of the assets consists of the purchase price and the costs incurred during the purchase.

Purchased intangible assets with finite useful lives are carried at their restated acquisition cost, expressed in terms of the purchasing power of the TL as at December 31, 2025, less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful lives and the amortization method are reviewed annually in order to identify the possible effects of changes in estimates, and changes in estimates are accounted for prospectively. Purchased intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

An intangible asset is derecognized from the statement of financial position upon disposal or when no future economic benefits are expected from its use or sale. The gain or loss arising from the derecognition of an intangible asset, if any, is calculated as the difference between the net proceeds from disposal of the asset and its carrying amount. This difference is recognized in the statement of profit or loss when the asset is derecognized.

The economic useful lives prescribed for the depreciation/amortization of property, plant and equipment and intangible assets are as follows:

	Period (Year)
Rights	3-15
Special assets subject to depletion	5

Impairment of property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Impairment of property, plant and equipment and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it is carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Borrowing costs

When assets that require a substantial period of time to be ready for their intended use or sale (qualifying assets) are involved, borrowing costs directly attributable to the acquisition, construction or production of the asset are included in the cost of the asset until the asset is ready for its intended use or sale.

Borrowing costs consist of interest and other financing costs incurred in connection with borrowings. When the Group borrows in currencies other than its functional currency, TL, for general purposes and a portion of these funds is used to finance a qualifying asset, the amount of borrowing costs eligible for capitalization is determined using a borrowing rate that would be used to identify the real borrowing costs that would arise if the expenditures related to the asset had been made in TL. This borrowing rate represents the borrowing cost that would arise if the Group had borrowed in TL under the same maturity and conditions as an alternative to the borrowings made for the construction of the qualifying asset.

Financial investment income earned from the temporary investment of the unused portion of borrowings obtained for the investment is deducted from the borrowing costs eligible for capitalization. Any portion determined not to be eligible for capitalization, together with all other borrowing costs, is recognized as a finance expense in the statement of profit or loss in the period in which they are incurred.

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued) Financial Instruments (continued)

A financial asset is any asset that is:

- Cash
- A contractual right to exchange financial instruments from another enterprise under conditions that are potentially favorable, or,
- A contractual right to receive cash or another financial asset from another enterprise
- An equity instrument of another enterprise.

A financial liability that is a contractual obligation:

- To deliver cash or another financial asset to another enterprise, or
- To exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

When a financial asset or financial liability is recognized initially, it is measured at its cost, which is the fair value of the consideration given (in the case of an asset) or received (in case of a liability) for it.

Effective interest method

The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the ratio exactly discounts the estimated future cash receipts through the expected life of the financial asset to the net present value of the financial asset or in a shorter period where appropriate.

Financial Assets

Classification

The Group classifies its "financial assets measured at amortized cost". The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows and whose contractual terms give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding. The Group's financial assets accounted for at amortized cost comprise the items "cash and cash equivalents," "trade receivables," "other receivables" and "financial investments." Such assets are measured at fair value upon initial recognition in the financial statements and subsequently measured at their discounted amounts using the effective interest method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Financial Assets (continued)

"Financial assets at fair value through other comprehensive income" are non-derivative financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset, and whose contractual terms give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding. Of the gains or losses arising from such financial assets, those other than impairment gains or losses and foreign exchange gains or losses are recognized in other comprehensive income. Upon disposal of such assets, the valuation differences previously classified in other comprehensive income are reclassified to retained earnings. For investments in equity-based financial assets, the Group may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. If such an election is made, dividends derived from the related investments are recognized in the income statement.

Financial Statement Exclusion

The Group derecognizes the financial assets when it terminates the rights related to the cash flows due to the contract or when the related rights are transferred through a purchase and sale of all risks and rewards related to the financial asset. Any rights created or held by financial assets transferred by the Group are recognized as a separate asset or liability.

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets.

Provision for loss measured as below:

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement is applied if the credit risk relating to a financial asset has increased significantly as of the reporting date since initial recognition. In all other cases where such an increase has not occurred, a 12-month ECL calculation is applied.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Trade Receivables

Trade receivables that have fixed or determinable payments and are not quoted in an active market are classified in this category. Receivables (trade and other receivables, bank balances, cash on hand and others) are presented at their discounted cost using the effective interest method, less impairment. Interest income is recognized by applying the effective interest rate method, except where the effect of discounting is immaterial.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Financial Assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are 3 months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value (Note 3).

Financial liabilities

Financial liabilities are classified as those measured at amortized cost and those measured at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it meets the definition of being held for trading. A financial liability is classified as held for trading if it is a derivative instrument or if it is designated as such upon initial recognition. Financial liabilities measured at fair value through profit or loss are measured at their fair value, and net gains and losses, including interest expenses, are recognized in profit or loss. Other financial liabilities are measured, after initial recognition, at their amortized cost using the effective interest method based on future principal and interest cash flows, less any impairment losses. Interest expenses and foreign exchange differences are recognized in profit or loss. Gains or losses arising from the derecognition of these liabilities are recognized in profit or loss.

Effect of foreign currency transactions

The Group's financial position and results of operations have been expressed in TL, which is the Group's functional currency and the presentation currency for the consolidated financial statements.

During the preparation of the consolidated financial statements, transactions denominated in foreign currencies (currencies other than TL) are recorded based on the exchange rates prevailing on the transaction date. Monetary assets and liabilities indexed to foreign currencies and presented in the statement of financial position are translated into Turkish Lira using the exchange rates prevailing at the reporting date. Non-monetary items that are carried at fair value and recorded in foreign currencies are translated into TL using the exchange rates prevailing on the date when the fair value is determined. Non-monetary items measured at historical cost in a foreign currency are not subject to translation.

Exchange differences are recognized in the statement of profit or loss in the period in which they arise, except for exchange differences related to interest costs on borrowings denominated in foreign currencies that are associated with qualifying assets under construction for future use and treated as an adjustment to borrowing costs and included in the cost of such assets.

Earnings per share (loss)

Earnings per share disclosed in the statement of profit or loss is determined by dividing net income by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

The cash in the paid-in capital is calculated by considering the date on which the weighted average common share capital increase for the current period's ordinary shares to be used in earnings (loss) calculations is calculated when there is a change in the name of the issued share capital from capital increase.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Events after the reporting period

Events after the reporting period are those events that occur between the reporting date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

As of the reporting date, if the evidence with respect to such events or such events has occurred after the reporting date and such events require restating the financial statements; accordingly, the Group restates the financial statements appropriately. If such events do not require restating the financial statements, such events have been disclosed in the related notes.

Provisions, contingent assets, and liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are reviewed at each reporting date and necessary adjustments are made to reflect management's best estimates.

Contingent assets and liabilities

A contingent liability is an obligation arising from a past event that is not fully under the control of the entity and arises from past events or events in which one or more non-contingent events occur in the future and can be verified; but not included in the financial statements for the following reasons:

- (i) There is no possibility of leaving economically beneficial resources out of business to meet the obligation, or,
- (ii) The amount of the obligation cannot be measured sufficiently reliably.

A contingent asset arises from past events and that is not in full control of the entity and whose existence will be confirmed if one or more uncertain events occur in the future.

The presentation of contingent assets in the financial statements is not included in the financial statements, as it may result in the recognition of an income that can never be obtained. However, if it is virtually certain that an income will be obtained, the asset is not a conditional asset and is reflected in the financial statements.

Mine site rehabilitation provision

Costs related to the restoration, rehabilitation and closure of mining sites represent the recognition in the financial statements, at their cost values as of the reporting date, of provisions for expenditures that are highly probable to be incurred during the closure and rehabilitation of mines. Changes arising from revisions in management estimates used in the calculation of the provision for restoration, rehabilitation and closure of mining sites are reflected in the restoration, rehabilitation and closure costs of the mining sites. On the other hand, restoration, rehabilitation and closure costs of mining sites are amortized using the lower of the remaining useful lives of the related mines or the amortization rate determined by dividing the amount extracted from the relevant open pit during the period by the remaining reserve amount of visible and probable extractable reserves of that open pit. Costs incurred within the scope of existing programs for the prevention of environmental pollution and the protection of the environment are recognized as an expense in the statement of profit or loss in the period in which they are incurred.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Taxes calculated on corporate income

Tax expense comprises current tax expense and deferred tax expense. Tax is included in the statement of profit or loss unless it relates to a transaction recognized directly in equity. In such cases, the tax is also recognized directly in equity together with the related transaction.

Current income tax

Current tax expense is calculated as of the statement of financial position date, taking into account the tax laws in force in the countries where the Group and its investments accounted for using the equity method operate. According to Turkish Tax Legislation, entities whose legal or business centers are located in Turkey are subject to corporate tax. The current year tax liability is calculated on the taxable portion of the profit for the period. Taxable profit differs from the profit reported in the statement of profit or loss because it excludes items that are taxable or deductible in other years as well as items that are never taxable or deductible. The Group's current tax liability is calculated using the tax rates that have been enacted or substantively enacted as of the reporting date.

In Turkey, the corporate tax rate is 25%. (It has been applied as 25% for corporate earnings for the 2024 taxation period.) The corporate tax rate is applied to the net corporate income determined by adding expenses that are not deductible under tax laws to the commercial income of corporations and deducting exemptions and allowances specified in tax legislation. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment by the end of the relevant month.

Companies calculate provisional tax at a rate of 25% on their quarterly taxable profits and declare it by the 17th day of the second month following that period and pay it by the evening of the 17th day. The provisional tax paid during the year belongs to that year and is offset against the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If, despite the offset, there remains an amount of provisional tax paid, this amount may either be refunded in cash or offset against any other financial liability to the state.

According to the Corporate Tax Law, tax losses shown on the tax return may be deducted from the corporate tax base of the period, provided that they do not exceed five years. Tax returns and the related accounting records may be examined by the tax authority within 5 years.

Dividend payments made by resident companies in Turkey to persons other than those exempt from corporate tax and income tax, as well as to resident and non-resident individuals and non-resident legal entities, are subject to income tax at a rate of 10%.

Dividend payments made by resident companies in Turkey to resident joint stock companies are not subject to income tax. In addition, no income tax is calculated if the profit is not distributed or is added to capital. As of December 31, 2025 and 2024, tax provisions have been made in accordance with the applicable tax legislation.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Taxes calculated on corporate income (continued)

Deferred tax

Deferred tax liabilities or assets are determined by calculating, using the balance sheet method, the tax effects of temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts taken into account in the calculation of the statutory tax base, based on enacted tax rates. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which such differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized 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 such difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that sufficient taxable profit will be available in the foreseeable future against which the benefits of such temporary differences can be utilized and that the relevant differences are expected to reverse in the future.

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

Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that are expected to apply in the period in which the assets are realized or the liabilities are settled, based on tax rates (and tax laws) enacted, or substantively enacted, by the balance sheet date. In measuring deferred tax assets and liabilities, the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the carrying amount of its assets or to settle the carrying amount of 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 where the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax income or expense is recognized in profit or loss for the period, unless the deferred tax relates to a transaction recognized directly in equity. Where the deferred tax arises from a transaction recognized directly in equity, it is also recognized directly in the relevant equity item.

While deferred tax liabilities are recognized for all taxable temporary differences, deferred tax assets arising from deductible temporary differences are recognized in the financial statements only to the extent that it is highly probable that such differences will be utilized through future taxable profits. Where there are sufficient taxable temporary differences and such differences are expected to reverse in the periods in which the tax losses arising from deferred tax assets are carried forward, it is considered probable that sufficient taxable profit will be available to utilize the deductible temporary differences, and the related tax assets are recognized in the financial statements in the period in which the deductible temporary difference arises.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Taxes calculated on corporate income (continued)

Deferred tax

Deferred tax assets and deferred tax liabilities are offset, provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets or liabilities are classified as non-current in the financial statements.

Employee benefits

Long-term provisions recognized in the consolidated financial statements for employee benefits consist of severance pay, seniority incentive premium obligations arising under the applicable employment agreements with employees, and provisions for accrued leave liabilities.

Under the current laws and collective bargaining agreements in Turkey, severance pay is paid in the event of retirement or termination of employment. In accordance with TAS 19 Employee Benefits, such payments are classified as defined benefit plans. The Group has calculated the provision for severance pay in the consolidated financial statements using the “Projection Method”, based on its past experience regarding employees completing their service period and becoming entitled to severance pay, and has recognized the discounted value as of the balance sheet date.

In calculating its provisions for employee benefits, the Group makes various assumptions such as the discount rate, inflation rate, real salary increase rate and the probability of voluntary resignation. Actuarial losses/gains arising from the measurement under TAS 19 of provisions for severance pay and seniority incentive obligations, which are considered defined benefit plans, have been recognized in the statement of other comprehensive income/expense.

Liabilities arising from unused vacation entitlements, defined as long-term employee benefit provisions, have been accrued and recognized in the periods in which they are earned.

Capital and dividends

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

Share premiums

Share premiums represent the difference arising from the sale of subsidiary or associate shares held by the Group at a price higher than their nominal value, or the difference between the nominal values and the fair values of the shares issued by the Group in relation to the companies it has acquired.

Repurchased shares

Where the Group repurchases its own shares, the cost of such shares, including any portion exceeding their nominal value, is deducted from equity and presented as “Repurchased shares.” Any gains or losses arising from transactions related to such repurchased shares are also recognized within equity.

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2. Presentation of the consolidated financial statements (continued)

2.4 Summary of significant accounting policies (continued)

Statement of cash flow

Cash flows during the period are classified and reported as operating, investing and financing activities in the consolidated statement of cash flows. Cash flows from operating activities represent cash flows related to the Group's core business activities. Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Group. Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Offsetting

Financial assets and liabilities are presented net in the statement of financial position when there is a legally enforceable right and power to offset them and when there is an intention to collect/pay them on a net basis or to settle them simultaneously.

2.5 Significant judgments, assumptions, and estimates

In the preparation of the consolidated financial statements, Group management is required to make assumptions and estimates that affect the reported amounts of assets and liabilities, determine probable liabilities and commitments as of the date of the consolidated statements of financial position, and determine the amounts of income and expenses for the reporting period. Actual results may differ from these estimates. Estimates are reviewed regularly, necessary adjustments are made, and such adjustments are reflected in the statement of comprehensive income in the period in which they are realized. However, actual results may differ from these estimates.

The assumptions made by taking into consideration the interpretations that may have a significant effect on the amounts reflected in the consolidated financial statements, and the principal sources of estimation uncertainty existing at the date of the consolidated statements of financial position or that may arise in the future, are set out below:

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its statutory financial statements and its TFRS financial statements prepared in accordance with TAS 29.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is highly probable that future taxable profit will be available against which such differences can be utilized.

Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that are expected to apply in the period in which the assets are realized or the liabilities are settled, based on tax rates (and tax laws) enacted by the balance sheet date. In measuring deferred tax assets and liabilities, the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the carrying amount of its assets or to settle its liabilities are taken into account.

The Group has deferred tax assets and liabilities arising from tax losses carried forward that can be deducted from future profits, tax assets arising from cash capital increases, and other deductible temporary differences. The recoverable amount of deferred tax assets, in whole or in part, has been estimated under current conditions. During the assessment, the 5-year projections prepared by the Company's management as the foreseeable future and the timing of the recovery of taxable temporary differences were taken into consideration. If the Group has taxable temporary differences relating to the same tax authority that are sufficient to allow the deduction of deductible temporary differences, and that are expected to reverse in the period in which the deductible temporary differences are expected to reverse or in the periods in which the tax loss arising from the deferred tax asset can be utilized, a deferred tax asset relating to such deductible temporary differences is recognized in the periods in which the deductible temporary differences arise (Note 22).

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.5 Significant judgments, assumptions, and estimates (continued)

Fair values of property, plant and equipment (land) within the scope of the revaluation application

The Group accounts for its land and its machinery and equipment under property, plant and equipment in accordance with TAS 16 using the revaluation model, updated over their fair values. For the purpose of determining the fair values of these assets, the Group works with independent valuation companies authorized by the Capital Markets Board of Turkey. The relevant revaluation studies for the land and machinery and equipment asset groups were reformed on December 31, 2025, and the real fair value increases / decreases, net of the effects of inflation within the framework of TAS 29, were recognized in the accompanying consolidated financial statements under other comprehensive income (expense). In determining the fair values of the relevant property, plant and equipment, evaluations were made by taking into account the current condition of the assets, market conditions, and their highest and best use, and by considering the comparable method and the cost method (Note 9 and Note 27).

Useful lives of tangible and intangible assets

Group management estimates the useful lives of its depreciable non-current assets, as explained in Note 2.4, at the date of initial recognition of the asset and reviews them regularly. The Group determines the useful life of an asset by considering the expected utility of that asset. This assessment is based on the Group's experience with similar assets. In determining the useful life of an asset, the Group also takes into account the possibility that the asset may become technically and/or commercially obsolete due to changes or developments in the market.

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3. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash	-	5
Banks		
- Demand deposits	22.988	23.647
- Time deposits	32.133	18.930
Cash and cash equivalents	55.121	42.582

Details of time deposits less than three months as of December 31, 2025 and 2024 are as follows:

Currency	Interest rate (%)	Maturity date	Original currency amount	December 31, 2025
TL	39,75 - 40	January 2026	32.133	32.133

Currency	Interest rate (%)	Maturity date	Original currency amount	December 31, 2024
TL	25 - 40	January 2025	18.930	18.930

4. Financial liabilities

	December 31, 2025	December 31, 2024
Short-term bank loans	299.380	302.418
Current portion of long-term bank loans	628.387	458.902
Current portion of long-term lease liabilities	1.317	1.668
Long-term bank loans	2.083.697	2.252.563
Long-term lease liabilities	4.203	7.225
Letter of credit borrowings	-	249.183
	3.016.984	3.271.959

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4. Financial liabilities (continued)

					December 31, 2025	
Currency	Interest type	Nominal interest rate	Original currency amount	TL equivalent		
Short term bankloans						
US Dollar	Fixed	%8 - %9	5.868	251.513		
TL	Fixed	%38,5	47.867	47.867		
Current portion of long term bank loans						
US Dollar	Floating	6M SOFR + %3,25-%7,93	9.201	394.393		
TL	Fixed	%34 - %43	215.072	215.072		
EUR	Floating	EURIBOR 6M + %4,60	205	10.356		
US Dollar	Fixed	%8,75	200	8.566		
Long term bank loans						
US Dollar	Floating	6M SOFR + %4,25-%7,93	39.529	1.694.297		
EUR	Floating	EURIBOR 6M + %4,60	3.695	186.411		
TL	Fixed	%34-%43	152.820	152.820		
US Dollar	Fixed	%8,75	1.170	50.169		
					3.011.464	

					December 31, 2024	
Currency	Interest type	Nominal interest rate	Original currency amount	TL equivalent		
Short term bank loans						
US Dollar	Fixed	% 8,5 - %9,5	5.952	274.363		
TL	Fixed	%50	28.055	28.055		
Current portion of long term bank loans						
US Dollar	Floating	SOFR 6M + %5,75	1.609	74.199		
US Dollar	Floating	SOFR 6M + %3,25	662	30.533		
US Dollar	Floating	6M SOFR + %7,93	7.682	354.170		
Long term bank loans						
US Dollar	Fixed	%8,75	1.386	63.898		
US Dollar	Floating	SOFR 6M + %3,25	441	20.314		
US Dollar	Floating	6M SOFR + %7,93	47.032	2.168.351		
Letter of credit borrowings						
US Dollar	Fixed	%7,18 - %7,71	5.404	249.183		
					3.263.066	

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

4. Financial liabilities (continued)

The principal repayment schedule of long-term bank loans as of December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Between 1-2 years	369.137	390.360
Between 2-3 years	527.910	370.904
Between 3-4 years	198.140	365.509
Between 4-5 years	365.534	376.301
5 years and longer	622.976	749.489
	2.083.697	2.252.563

The liquidity and foreign exchange risks to which the Group is exposed in relation to its bank loans are disclosed in Note 26.

The movement schedules of bank loans for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Opening balance, January 1	3.271.959	6.037.737
Additions during the period	1.337.003	997.804
Principal repayments	(1.196.366)	(2.957.406)
Change in interest accruals	(169.218)	(15.113)
Foreign exchange difference	561.726	873.684
Cash outflows relating to lease liabilities	(5.774)	(3.124)
Liabilities arising from new leases	-	9.088
Monetary loss / (gain)	(782.346)	(1.670.711)
Closing balance, December 31	3.016.984	3.271.959

5. Trade receivables and payables

a) Short-term trade receivables

Details of the Group's trade receivables as of the reporting dates are as follows:

	December 31, 2025	December 31, 2024
Current accounts, net	709.386	716.492
Notes receivable and checks	227.258	258.001
Trade receivables from related parties (Note 24)	239.485	119.938
	1.176.129	1.094.431

The average maturity of trade receivables is 1–2 months (December 31, 2024: 1–2 months).

As of December 31, 2025, the Group has doubtful trade receivables amounting to TL 4,845 (December 31, 2024: TL 2,524). As of December 31, 2025, the Group has trade receivables amounting to TL 33,762 that are overdue by 0–30 days (December 31, 2024: TL 131,614).

Disclosures regarding the guarantees, pledges and mortgages received in relation to trade receivables and credit risk are presented in Note 11 and Note 26, respectively.

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

5. Trade receivables and payables (continued)

b) Short-term trade payables

Details of the Group's trade payables as of the reporting date are as follows:

	December 31, 2025	December 31, 2024
Trade payables, net	986.025	581.751
Trade payables to related parties (Note 24)	155.698	210.195
	1.141.723	791.946

As of December 31, 2025, trade payables include letters of credit opened with banks, serving as collateral, in the same amount for raw material purchases totaling TL 17,552 thousand, equivalent to USD 410 thousand (December 31, 2024: TL 256,380 thousand in total, equivalent to USD 5,561 thousand).

The average maturity of trade payables is 1–2 months (December 31, 2024: 1–2 months).

6. Other receivables and payables

a) Short-term other receivables

	December 31, 2025	December 31, 2024
Non-trade receivables from related parties (Note 24)	8.469	10.195
Other receivables	194	144
	8.663	10.339

b) Long-term other receivables

	December 31, 2025	December 31, 2024
Deposits and guarantees given	2.800	901
	2.800	901

c) Short-term other payables

	December 31, 2025	December 31, 2024
Other payables to related parties (Note 24)	-	2.466.976
Taxes and funds payable	21.905	12.788
	21.905	2.479.764

7. Inventories

	December 31, 2025	December 31, 2024
Raw materials and supplies	92.657	147.448
Semi-finished goods	376.277	322.813
Finished goods	44.829	-
Other inventories	396.328	498.792
Allowance for inventory impairment (-)	-	(15.714)
	910.091	953.339

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7. Inventories (continued)

Other inventories consist of auxiliary materials, operating supplies and spare parts used in maintenance and repair processes related to production within the scope of the Group's principal activities.

As of December 31, 2025, inventories are covered by insurance amounting to approximately TL 312,895 thousand, equivalent to USD 7,300 thousand (December 31, 2024: approximately TL 233,428 thousand, equivalent to USD 5,063 thousand).

The movement in the allowance for inventory impairment is as follows:

	2025	2024
Opening, January 1	15.714	-
Charge for the year	-	15.714
Provisions no longer required	(15.714)	-
Closing, December 31	-	15.714

8. Prepaid expenses and deferred income

a) Short-term prepaid expenses

	December 31, 2025	December 31, 2024
Advances given for inventory purchases	74.279	54.065
Prepaid expenses	20.050	5.610
Other	9	-
	94.338	59.675

b) Long-term prepaid expenses

	December 31, 2025	December 31, 2024
Advances given	32.507	-
	32.507	-

c) Deferred income

	December 31, 2025	December 31, 2024
Advances received on orders	5.048	33.563
	5.048	33.563

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

9. Property, plant, and equipment

	January 1, 2025	Additions	Disposals	Transfers	Revaluation effect	December 31, 2025
Cost value:						
Land	4.372.470	-	-	-	(179.006)	4.193.464
Land improvements	961.760	172	-	153.035	-	1.114.967
Buildings	5.487.701	-	-	1.219	-	5.488.920
Machinery, plant and equipment	4.886.301	3.712	-	34.170	(79.597)	4.844.586
Vehicles	17.236	4.105	(964)	-	-	20.377
Furniture and fixtures	957.523	98.201	(5.128)	480	-	1.051.076
Other property, plant and equipment	26.457	-	-	-	-	26.457
Construction in progress	202.970	336.701	-	(188.904)	-	350.767
	16.912.418	442.891	(6.092)	-	(258.603)	17.090.614
Accumulated depreciation:						
Land improvements	(716.576)	(34.554)	-	-	-	(751.130)
Buildings	(1.534.336)	(117.895)	-	-	-	(1.652.231)
Machinery, plant and equipment	-	(488.926)	-	-	488.926	-
Vehicles	(13.067)	(2.406)	704	-	-	(14.769)
Furniture and fixtures	(810.518)	(122.116)	1.650	-	-	(930.984)
Other property, plant and equipment	(26.457)	-	-	-	-	(26.457)
	(3.100.954)	(765.897)	2.354	-	488.926	(3.375.571)
Net book value	13.811.464	(323.006)	(3.738)	-	230.323	13.715.043
January 1, 2024						
	January 1, 2024	Additions	Disposals	Transfers	Revaluation effect	December 31, 2024
Cost value:						
Land	3.911.788	-	-	-	460.682	4.372.470
Land improvements	961.760	-	-	-	-	961.760
Buildings	5.487.701	-	-	-	-	5.487.701
Machinery, plant and equipment	5.000.317	6.204	-	179.311	(299.531)	4.886.301
Vehicles	15.829	1.407	-	-	-	17.236
Furniture and fixtures	913.720	4.004	-	39.799	-	957.523
Other property, plant and equipment	26.457	-	-	-	-	26.457
Construction in progress	143.855	96.858	-	(37.743)	-	202.970
	16.461.427	108.473	-	181.367	161.151	16.912.418
Accumulated depreciation:						
Land improvements	(681.288)	(35.288)	-	-	-	(716.576)
Buildings	(1.407.353)	(126.983)	-	-	-	(1.534.336)
Machinery, plant and equipment	-	(375.513)	-	-	375.513	-
Vehicles	(11.079)	(1.988)	-	-	-	(13.067)
Furniture and fixtures	(680.000)	(130.518)	-	-	-	(810.518)
Other property, plant and equipment	(26.457)	-	-	-	-	(26.457)
	(2.806.177)	(670.290)	-	-	375.513	(3.100.954)
Net book value	13.655.250	(561.817)	-	181.367	536.664	13.811.464

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9. Property, plant, and equipment (continued)

As of December 31, 2025, the Group accounted for its land and its machinery, plant and equipment, which are measured under the revaluation model in accordance with TAS 16 within property, plant and equipment, by taking into consideration the updated valuation reports prepared by a valuation company licensed by the CMB.

As of December 31, 2025, the Group's property, plant and equipment are subject to a first-degree mortgage of USD 400 million and a second-degree mortgage of TL 2.6 billion, respectively (December 31, 2024: a first-degree mortgage of USD 400 million and a second-degree mortgage of TL 3.3 billion). Details of the additional guarantees, pledges and mortgages provided under the refinancing agreement signed by the Group on February 28, 2022 are disclosed in Note 11.

Property, plant and equipment are covered by insurance amounting to approximately TL 3,030,365 thousand, equivalent to USD 70,700 thousand (December 31, 2024: TL 3,307,728 thousand, equivalent to USD 71,744 thousand).

The allocation of depreciation and amortization expenses is as follows:

	January 1 – December 31, 2025	January 1 – December 31, 2024
Property, plant and equipment	765.897	670.290
Intangible assets	517	849
Right-of-use assets	3.054	10.287
	769.468	681.426

	January 1 – December 31, 2025	January 1 – December 31, 2024
Cost of sales	760.062	671.698
Sales and Marketing expenses	430	1.221
General administrative expenses	8.976	8.507
	769.468	681.426

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10. Intangible assets and right-of-use assets**a) Intangible assets**

	January 1, 2025	Additions	Disposals	December 31, 2025
Cost value:				
Rights	37.505	43	-	37.548
Special assets subject to depletion	16.953	-	-	16.953
	54.458	43	-	54.501
Accumulated amortization:				
Rights	(34.585)	(517)	-	(35.099)
Special assets subject to depletion	(16.953)	-	-	(16.953)
	(51.538)	(517)	-	(52.052)
Net book value	2.920	(474)	-	2.449
	January 1, 2024	Additions	Disposals	December 31, 2024
Cost value:				
Rights	37.434	71	-	37.505
Special assets subject to depletion	16.953	-	-	16.953
	54.387	71	-	54.458
Accumulated amortization:				
Rights	(33.736)	(849)	-	(34.585)
Special assets subject to depletion	(16.953)	-	-	(16.953)
	(50.689)	(849)	-	(51.538)
Net book value	3.698	(778)	-	2.920

As of December 31, 2025, there are no pledges or mortgages over the Group's intangible assets (December 31, 2024: None).

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10. Intangible assets and right-of-use assets (continued)

b) Right-of-use assets

	January 1, 2025	Additions	Disposals	December 31, 2025
Cost value:				
Right-of-use vehicles	28.238	-	-	28.238
Accumulated amortization: (-):				
Right-of-use vehicles	(19.125)	(3.054)	-	(22.179)
Net book value	9.113	(3.054)	-	6.059
	January 1, 2024	Additions	Disposals	December 31, 2024
Cost value:				
Right-of-use vehicles	19.150	9.088	-	28.238
Accumulated amortization: (-):				
Right-of-use vehicles	(8.838)	(10.287)	-	(19.125)
Net book value	10.312	(1.199)	-	9.113

11. Provisions, contingent assets, and liabilities

a) Long-term provisions

Details of the mine site rehabilitation provision for the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Provision for mine site rehabilitation	41.708	41.896
	41.708	41.896

The movement in the mine site rehabilitation provision for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
January 1	41.896	42.405
Current year expense, net	10.762	14.377
Monetary loss / (gain)	(10.950)	(14.886)
December 31	41.708	41.896

The Group recognizes a provision expense for mine site rehabilitation in relation to the restoration of land impaired as part of its cement operations, which are assessed within the mining segment based on stone and soil. Provision related to mine site rehabilitation expense has been charged to cost of sales.

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11. Provisions, contingent assets, and liabilities (continued)

b) Guarantees, pledges and mortgages

The tables showing details of the Group’s guarantees, pledges and mortgages as of December 31, 2025 and 2024 are presented below:

	December 31, 2025	December 31, 2024
A. Total amount of guarantees, pledges and mortgages (GPMs) provided in the name of its own legal entity (*)	18.030.321	18.742.031
B. Total amount of GPMs provided in favor of entities included in the scope of full consolidation	-	-
C. Total amount of GPMs provided for the purpose of securing the debts of other third parties in the ordinary course of business	-	-
D. Total amount of other GPMs provided (**)	892.487	62.828
i. Total amount of GPMs provided in favor of the parent company	-	-
ii. Total amount of GPMs provided in favor of other group companies not covered by items B and C	892.487	62.828
iii. Total amount of GPMs provided in favor of third parties not covered by item C	-	-
Total given GPMs	18.922.808	18.804.859
Ratio of other GPMs to shareholder’s equity	%7,07	%0,63

(*) Within the scope of the “Refinancing Agreement” executed with the consortium banks (Emlak Katılım, Halk Bankası, İş Bankası, TSKB, Vakıf Katılım, Vakıfbank, Ziraat Bankası and Ziraat Katılım), first-degree mortgages of USD 400 million and second-degree mortgages of TL 2.6 billion, respectively, were established over the properties of Batıçim and Batisöke in their capacity as the “Borrowers” and of Batiliman and Batibeton in their capacity as the “Guarantors”; commercialpledges were also created over their assets in the same amounts and ranks.

(**) It consists of guarantees given related to the Group companies Batıçim Enerji Toptan, Batibeton and Batiliman.

Details of the guarantees provided by the Group as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Mortgages and pledges given	17.144.920	18.441.839
Letters of guarantee given	791.790	199.500
Letters of credit	93.611	100.692
Total	18.030.321	18.742.031

Details of the bank letters of guarantee given by the Group to various financial and non-financial institutions are as follows:

	December 31, 2025	December 31, 2024
Letters of guarantee provided in relation to the Eximbank loan	740.417	142.446
Letters of guarantee provided to suppliers	47.108	52.031
Letters of guarantee provided to public institutions	3.674	4.249
Letters of guarantee provided to the enforcement office	591	774
Total	791.790	199.500

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11. Provisions, contingent assets, and liabilities (continued)

b) Guarantees, pledges and mortgages (continued)

Letters of guarantees received

Details of the guarantees received against the Group's trade receivables as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Letters of guarantee received (*)	1.063.341	468.489
	1.063.341	468.489

(*) It consists of bank letters of guarantee received from customers.

12. Employee benefits

a) Employee benefit obligations

	December 31, 2025	December 31, 2024
Social security premiums payables	12.480	10.619
Payables to personnel	11.389	9.197
	23.869	19.816

b) Long term provisions for employee benefits

	December 31, 2025	December 31, 2024
Provision for severance pay	55.314	55.983
Performance and seniority encouragement premium provisions	19.591	13.261
Provision for unused vacation	12.534	9.488
	87.439	78.732

Provision for severance pay:

Under the Turkish Labor Law, the Group is required to pay severance pay to each employee who has completed at least one year of service and whose employment is terminated due to retirement after 25 years of service (age 58 for women and age 60 for men), termination of employment, military service, or death. As of December 31, 2025, the severance pay payable is subject to a ceiling of TL 53,919.68 (December 31, 2024: TL 41,828.42). Effective January 1, 2026, the severance pay ceiling has been revised to TL 64,948.77 (January 1, 2025: TL 46,655.43).

The severance pay obligation is not legally subject to any funding requirement. The provision for severance pay is calculated by estimating the present value of the Group's probable future obligation arising from the retirement of its employees. TAS 19 Employee Benefits requires the Group's obligations under defined benefit plans to be developed using actuarial valuation methods. Accordingly, the actuarial assumptions used in calculating the total liabilities are as follows: the principal assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjustment for the effects of future inflation. Accordingly, as of December 31, 2025, the provisions in the accompanying financial statements have been calculated by estimating the present value of the probable future obligation arising from the retirement of employees. The provisions at the relevant reporting dates were calculated using a real net

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discount rate of approximately 2.61%, derived based on assumptions of annual inflation of 24.75% and an interest rate of 28% (December 31, 2024: 2.61%).

12. Employee benefits (continued)

Voluntary employee turnover rates have also been taken into consideration as 2.7% for employees with 0–15 years of service and 0% for employees with more than 15 years of service.

The movement in the provision for employee termination benefits are as follows:

	2025	2024
Opening, January 1	55.983	43.628
Interest cost	13.287	9.738
Actuarial loss / (gain)	(5.830)	8.263
Service cost	11.793	13.418
Paid in the current year (-)	(5.332)	(1.844)
Monetary loss / (gain)	(14.587)	(17.220)
Closing, December 31	55.314	55.983

Provision for seniority incentive premium:

The provision for seniority incentive premium represents a benefit granted to employees in accordance with the Group's policy, and the obligation accrued as of the reporting dates has been recognized by discounting it to its present value using the net discount rate.

The movement of performance and seniority encouragement premium provision is as follows:

	2025	2024
Opening, January 1	13.261	53.799
Interest cost	2.837	2.317
Actuarial loss / (gain)	348	(40.266)
Service cost	4.507	5.838
Paid in the current year (-)	(1.362)	(1.545)
Monetary loss / (gain)	-	(6.882)
Closing, December 31	19.591	13.261

The movement of provision for unused vacation is as follows:

	2025	2024
Opening, January 1	9.488	8.857
Service cost	5.854	3.850
Monetary loss / (gain)	(2.808)	(3.219)
Closing, December 31	12.534	9.488

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

13. Other assets and liabilities

i) Other current assets

	December 31, 2025	December 31, 2024
Deferred VAT	251.502	283.517
Other	137	153
	251.639	283.670

ii) Other short term liabilities

	December 31, 2025	December 31, 2024
Mining tax accruals	32.303	29.794
	32.303	29.794

14. Share capital, reserves, and other equity items

a) Paid in capital

The paid-in capital structure of the Company as of December 31, 2025 and 2024 is as follows:

Shareholders	December 31, 2025		December 31, 2024	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Batiçim Batı Anadolu Çimento Sanayii A.Ş.	74,62	1.193.976	74,62	1.193.976
Other	25,38	406.024	25,38	406.024
Nominal capital		1.600.000		1.600.000
Inflation adjustment differences		7.874.917		7.874.917
Adjusted capital		9.474.917		9.474.917

The Company is subject to the registered capital system. As of December 31, 2025, the Company's registered capital ceiling is TL 2,000,000 thousand.

Shares of the Company amounting to TL 14,956.13 are registered shares. Each share of the Company has a nominal value of TL 0.01. The capital consists of 160,000,000,000 shares, each with a nominal value of 0,01 TL, amounting to TL 1,600,000 thousand.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

14. Share capital, reserves, and other equity items (continued)

The capital of the Company consists of Group A and Group B shares.

In accordance with the Company's articles of association, holders of Group A shares have the following privileged rights:

All members of the Board of Directors are elected from among the candidates to be nominated by the majority of the holders of Group A shares.

Pursuant to the Communiqué Serial: II-14.1 on Principles of Financial Reporting in Capital Markets, published in the Official Gazette dated June 13, 2013 and numbered 28676 and entered into force thereupon, "paid-in capital", "restricted reserves appropriated from profit" and "share premiums" are required to be presented at the amounts recorded in the statutory books. During the implementation of such communiqué, differences arising from valuations (such as differences arising from inflation adjustments):

- If arising from "paid-in capital" and not yet added to capital, under the line item "Differences arising from capital adjustment", to be presented immediately after "paid-in capital";
- If arising from "restricted reserves appropriated from profit" and "share premiums" and not yet subject to profit distribution or capital increase, under "retained earnings/losses",

must be accounted for accordingly. Other equity items are presented with their values measured within the TAS framework.

Differences arising from capital adjustment may only be used for addition to share capital.

Public companies distribute dividends in accordance with the CMB's Dividend Communiqué No. II-19.1, which entered into force on February 1, 2014.

Entities distribute their profits by a resolution of the general assembly within the framework of the dividend distribution policies to be determined by their general assemblies and in accordance with the provisions of the applicable legislation. Under the relevant communiqué, no minimum distribution ratio has been prescribed for publicly traded companies listed on the stock exchange. Companies pay dividends in the manner set out in their articles of association or dividend distribution policies. In addition, dividends may be paid in equal or unequal installments, and cash dividend advances may be distributed out of the profit presented in the interim consolidated financial statements.

Under the TCC, unless the legal reserves required to be set aside and the dividend determined for shareholders under the articles of association or the dividend distribution policy are allocated, no resolution may be passed to set aside other reserves, carry profit forward to the following year, or distribute profit shares to usufruct certificate holders, members of the board of directors, employees of the company, or persons other than shareholders; moreover, unless the dividend determined for shareholders is paid in cash, no profit share may be distributed to such persons.

Equity inflation adjustment differences and the carrying amounts of extraordinary reserves may be used for bonus capital increases, cash dividend distributions or offsetting losses. However, if equity inflation adjustment differences are used for cash dividend distribution, they will be subject to corporate tax.

Legal reserves and share premiums having the status of legal reserves within the framework of Article 466 of the Turkish Commercial Code are presented at their amounts in the statutory records. In this context, differences arising from inflation adjustments resulting from valuations made in accordance with TFRS principles, which as of the reporting date have not been subject to profit distribution or capital increase, have been associated with retained earnings/losses.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

14. Share capital, reserves, and other equity items (continued)

Under paragraph 1 of Article 519 of the new Turkish Commercial Code No. 6102, legal reserves are set aside as first-tier legal reserves at 5% of profit until they reach 20% of the paid-in/issued capital. After deducting the amount set aside as the first-tier legal reserve from profit, the first dividend is allocated to shareholders from the remaining amount. After the first-tier legal reserve and the first dividend have been set aside, the General Assembly is authorized, taking into account the Company's dividend distribution policy, to decide whether the remaining balance will be set aside as extraordinary reserves or distributed. Pursuant to subparagraph 3 of paragraph 2 of Article 519 of the new TCC, the second-tier legal reserve is set aside at an amount equal to one-tenth of the amount remaining after deducting a dividend equal to 5% of the issued/paid-in capital from the portion resolved to be distributed. No second-tier legal reserve is set aside where it is resolved to distribute bonus shares through the capitalization of profit.

b) Capital advance

Pursuant to the Board of Directors' resolutions of Batıçim Batı Anadolu Çimento Sanayii A.Ş., the parent company of the Group, dated January 1, 2025 and April 4, 2025, it was resolved that a portion of the short-term other payables due to Batıçim amounting to TL 2,617,010 in total, including the effects of inflation accounting, would be contributed to the Company as a capital advance.

c) Share premiums

As of December 31, 2025, it amounts to TL 17,545 thousand (December 31, 2024: TL 17,545 thousand).

d) Other comprehensive income and expenses that will not be reclassified to profit or loss

The movement schedules relating to the balances under accumulated other comprehensive income or expenses that will not be reclassified to profit or loss, presented under equity attributable to the parent, are as follows:

Actuarial gain (loss) fund on defined benefit plans:

	2025	2024
Opening balance, January 1	(72.947)	(96.949)
Current year remeasurement effect	4.221	32.003
Deferred tax effect	(1.051)	(8.001)
Closing balance, December 31	(69.777)	(72.947)

Revaluation gain / (loss) on tangible assets:

	2025	2024
Opening balance, January 1	1.406.425	975.135
Current year remeasurement effect	230.323	536.664
Deferred tax effect	(68.766)	(105.374)
Closing balance, December 31	1.567.982	1.406.425

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

14. Share capital, reserves, and other equity items (continued)

e) Previous year profit / (loss):

There are differences between the amounts presented in the balance sheet prepared in accordance with the Tax Procedure Law and the amounts presented in the financial statements prepared in accordance with TAS/IFRS with respect to the items “Capital Adjustment Differences,” “Share Premiums (Discounts),” “Restricted Reserves Appropriated from Profit,” and “Other Reserves.”

These differences have been reflected in the line item “Retained Earnings or Losses” in the TAS/IFRS financial statements, and details of such differences are presented below:

December 31, 2025							
	Capital adjustment differences	Share Premiums	Legal Reserves	Reserves Relating to Repurchased Shares	Recognized Special Commodity Reserve	Special Reserves	Extraordinary Reserves
According to TAS/IFRS Financial Statements	7.874.917	17.545	499.363	(2.756)	-	-	-
According to the Tax Procedure Law	6.117.563	15.106	451.449	-	102.190	40.940	2.447.716
Difference	1.757.354	2.439	47.914	(2.756)	(102.190)	(40.940)	(2.447.716)
December 31, 2024							
	Capital adjustment differences	Share Premiums	Legal Reserves	Reserves Relating to Repurchased Shares	Recognized Special Commodity Reserve	Special Reserves	Extraordinary Reserves
According to TAS/IFRS Financial Statements	7.874.917	17.545	490.752	(2.756)	-	-	-
According to the Tax Procedure Law	8.007.421	19.773	590.912	-	133.759	50.602	3.203.872
Difference	(132.504)	(2.228)	(100.160)	(2.756)	(133.759)	(50.602)	(3.203.872)

Batisöke Söke Çimento Sanayii T.A.Ş. and its Subsidiary**Notes to the Consolidated Financial Statements as of December 31, 2025**

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

15. Revenue and cost of sales**Net sales**

	January 1 – December 31, 2025	January 1 – December 31, 2024
Domestic sales	3.575.605	4.354.565
Export sales	2.256.357	1.364.173
Sales discounts (-)	-	(51.149)
Other discounts (-)	(17.193)	(75.463)
	5.814.769	5.592.126

The Group recognizes revenue from all sales of goods by satisfying its performance obligations at a point in time, thereby transferring control of the related goods to its customers.

Cost of sales

	January 1 – December 31, 2025	January 1 – December 31, 2024
Raw material and supplies expenses	(2.502.060)	(2.384.257)
Production overhead	(1.596.029)	(1.921.368)
Depreciation and amortization expenses (Note 9)	(760.062)	(671.698)
Personnel expenses	(413.403)	(277.422)
Changes in semi-finished goods and finished goods	(98.292)	(87.577)
Mine site rehabilitation provision	(42.252)	(14.377)
	(5.412.098)	(5.356.699)

16. General administrative expenses, marketing, sales, and distribution expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
a) General administrative expenses:		
Outsourcing expenses	(124.972)	(66.292)
Personnel expenses	(73.627)	(54.756)
Consultancy expenses	(20.889)	(13.191)
Tax expenses	(14.715)	(13.326)
Depreciation expenses (Note 9)	(8.976)	(8.507)
Fuel expenses	(2.263)	(1.338)
Other expenses	(7.933)	(31.636)
	(253.375)	(189.046)

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

16. General administrative expenses, marketing, sales, and distribution expenses (continued)

	January 1 – December 31, 2025	January 1 – December 31, 2024
b) Marketing, sales, and distribution expenses		
Export, transportation and loading expenses	(470.463)	(588.556)
Personnel expenses	(11.045)	(14.262)
Depreciation expenses (Note 9)	(430)	(1.221)
Other	(15.868)	(5.620)
	(497.806)	(609.659)

17. Expenses by nature

	January 1 – December 31, 2025	January 1 – December 31, 2024
Raw material and supplies expenses	(2.502.060)	(2.384.257)
Production overhead	(1.596.029)	(1.921.368)
Depreciation expenses	(769.468)	(681.426)
Personnel expenses	(498.075)	(346.441)
Export, transportation and loading expenses	(470.463)	(588.556)
Outsourcing expenses	(124.972)	(66.292)
Changes in semi-finished and finished goods inventories	(98.292)	(87.577)
Mine site rehabilitation provision expense	(42.252)	(14.377)
Consultancy expenses	(20.889)	(13.191)
Tax expenses	(14.715)	(13.326)
Fuel expenses	(2.263)	(1.338)
Other	(23.801)	(37.255)
	(6.163.279)	(6.155.404)

18. Other income (expenses) from operating activities**a) Other income from operating activities**

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange gains arising from operating activities	101.410	97.834
Reversal of provision	765	-
Discount interest income	7.682	35.101
Other (*)	12.060	58.807
	121.917	191.742

(*) A significant portion of the balance consists of scrap sales revenue.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

18. Other income (expenses) from operating activities (continued)**b) Other expenses from operating activities**

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange losses arising from operating activities	(91.256)	(148.336)
Deferred financing expenses	-	(12.487)
Other	(24.490)	(30.721)
	(115.746)	(191.544)

19. Expenses from investing activities

	January 1 – December 31, 2025	January 1 – December 31, 2024
Loss on sale of property, plant and equipment	(1.917)	-
	(1.917)	-

20. Financial income

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange gains	6.229	23.277
Interest income	9.965	9.741
	16.194	33.018

21. Financial expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange losses	(561.726)	(873.684)
Interest expenses on bank loans	(433.086)	(561.120)
Interest expenses on payables to related parties	(16.919)	(504.036)
Interest cost related to employee benefits	(15.545)	-
Commission on letter of guarantee	(12.422)	(8.046)
Bank commission expenses	(2.066)	(827)
Other	-	(12.055)
	(1.041.764)	(1.959.768)

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22. Income taxes (including deferred tax assets and liabilities)

Corporate tax

In Turkey, the corporate tax rate is 25% (it was also applied as 25% for corporate earnings relating to the 2024 taxation period). The corporate tax rate is applied to net corporate income determined by adding back expenses that are not deductible under tax legislation to commercial profit and deducting the exemptions and allowances provided for under the tax laws. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the relevant year-end and is paid in a single installment by the end of that month.

	December 31, 2025	December 31, 2024
Current year corporate tax provision	-	-
Less: Prepaid taxes and funds	1.466	948
Current tax assets	1.466	948

	January 1 – December 31, 2025	January 1 – December 31, 2024
Tax income / (expense) in the statement of profit or loss		
Deferred tax income (expense)	364.832	590.218
	364.832	590.218

Deferred tax

	Taxable temporary differences		Deferred tax assets / (liabilities)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Tangible and intangible assets	2.390.871	2.966.190	597.718	741.547
Tax losses carried forward	2.899.336	3.412.360	724.834	853.091
Interest incentive on cash capital increase	892.446	694.300	223.112	173.575
Mine site rehabilitation provision	41.708	41.896	10.427	10.474
Provisions for employee benefits	87.422	78.732	21.860	19.684
Other	-	8.282	-	2.057
Deferred tax assets	6.311.783	7.201.760	1.577.951	1.800.428
Tangible and intangible assets	(3.714.413)	(3.745.429)	(774.755)	(702.267)
Inventories	(230.141)	(316.746)	(57.535)	(79.186)
Other	(7.116)	-	(1.779)	-
Deferred tax liabilities	(3.951.670)	(4.062.175)	(834.069)	(781.453)
Deferred tax assets / (liabilities), net			743.882	1.018.975
Allowance for deferred tax assets			-	(570.108)
Deferred tax assets / (liabilities), net			743.882	448.867

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22. Income taxes (including deferred tax assets and liabilities) (continued)

Deferred tax (continued)

The recoverable amount of deferred tax assets, in whole or in part, has been estimated under the current circumstances. In making this assessment, the 5-year projections prepared by the Group's management as the foreseeable future and the timing of the reversal of taxable temporary differences have been taken into consideration.

As of the reporting dates, the maturity breakdown of nominal tax losses carried forward and the estimated expiry dates are as follows:

	December 31, 2025	December 31, 2024
December 31, 2025	-	483.049
December 31, 2026	280.742	367.470
December 31, 2027	443.418	580.400
December 31, 2028	964.775	1.262.856
December 31, 2029	549.021	718.585
December 31, 2030	661.380	-
	2.899.336	3.412.360

Under Law No. 6637 on the Amendment of Certain Laws and Decree Laws, published in the Official Gazette dated April 7, 2015, as of July 1, 2015, for cash capital increases in capital companies and for the portion of paid-in capital contributed in cash in newly established capital companies, 50% of the amount calculated until the end of the relevant accounting period, by taking into account the weighted average annual interest rate applied to commercial loans announced by the Central Bank of the Republic of Turkey, may be deducted from the corporate tax base. Pursuant to Decision No. 2015/7910 published in the Official Gazette dated December 31, 2017, the 50% rate is increased by:

- a. 25 points for publicly held joint stock companies whose shares are traded on the stock exchange, if as of the last day of the year in which the deduction is utilized, the ratio of the nominal amount of shares tracked as eligible for stock exchange trading at the Central Securities Depository of Turkey (Merkezi Kayıt Kuruluşu A.Ş.) to the registered paid-in or issued capital is 50% or less; and by 50 points if such ratio exceeds 50%;
- b. An additional 25 points, limited to the fixed investment amount included in the investment incentive certificate, where the cash-increased capital is used for investments in manufacturing and industrial facilities holding an investment incentive certificate and the machinery and equipment related to such facilities, and/or in land and plot investments allocated to the construction of such facilities.

With the amendment introduced by Law No. 7417 dated July 5, 2023, the right to benefit indefinitely from the interest deduction on cash capital increases has been limited to the accounting period in which the resolution on the capital increase, or in the case of initial incorporation the articles of association, is registered, and the following four accounting periods. In addition, pursuant to paragraph thirteen of Provisional Article 15 added to the Corporate Income Tax Law by Law No. 7414, taxpayers that had previously made capital increases and had started to benefit from the deduction were granted the right to continue benefiting from the deduction for five more accounting periods, including the 2024 period, regardless of the number of periods in which they had benefited from the deduction in prior years. Amounts of deduction accrued during the period in which the right to benefit from the deduction exists, but which could not be utilized in the relevant periods due to insufficient taxable profit, may still be used as deductions even after the expiry of the five-year period. There is no time limitation in this respect.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

22. Income taxes (including deferred tax assets and liabilities) (continued)

Deferred tax (continued)

The movement in the net deferred tax assets / (liabilities) balance is as follows:

	2025	2024
Opening balance as of January 1	448.867	(27.976)
Recognized in the statement of profit or loss	364.832	590.218
Charge to other comprehensive income	(69.817)	(113.375)
December 31	743.882	448.867

23. Earning/loss per share

	January 1 – December 31, 2025	January 1 – December 31, 2024
Net profit / (loss) attributable to equity holders of the parent	(120.381)	328.206
Weighted average number of shares outstanding	160.000.000	160.000.000
Earnings / (loss) per 100 shares with a nominal value of TL 1	(0,0752)	0,2051

Earnings / (loss) per share is determined by dividing net profit by the weighted average number of shares outstanding during the relevant year. Companies may increase their capital by distributing shares to existing shareholders from retained earnings in proportion to their shareholdings ("Bonus Shares"). In the calculation of earnings per share, such bonus shares are treated as issued shares. Accordingly, the weighted average number of shares used in the earnings per share calculation is determined by applying the issuance of bonus shares retrospectively.

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24. Related party disclosures

As of December 31, 2025 and 2024, the balances of receivables from and payables to related parties, together with a summary of significant transactions carried out with related parties during the year, are presented below:

Details of trade and non-trade receivables from related parties as of December 31, 2025 are as follows:

	Receivables		Payables	
	Short term		Short term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Batıçim Batı Anadolu Çimento Sanayii A.Ş. (*) (1)	-	744	44.677	-
Batıbeton Sanayi A.Ş.(2)	80.448	1.270	-	-
Batıçim Enerji Toptan Satış A.Ş. (2)	-	-	9.002	-
Batılıman Liman İşletmeleri A.Ş. (2)	-	-	101.342	-
Çiftay İnşaat Taahhüt Ve Tic. A.Ş. (3)	159.037	6.455	677	-
	239.485	8.469	155.698	-

(*) The non-trade payables of a financing nature obtained from Batıçim are payable on demand and bear interest at a market rate, which is reviewed every three months.

As of December 31, 2024, the details of trade and non-trade receivables from related parties are as follows:

	Receivables		Payables	
	Short term		Short term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Batıçim Batı Anadolu Çimento Sanayii A.Ş. (1)	-	-	21.529	2.466.976
Batıbeton Sanayi A.Ş.(2)	119.938	497	-	-
Batıçim Enerji Toptan Satış A.Ş. (2)	-	9.698	-	-
Batılıman Liman İşletmeleri A.Ş. (2)	-	-	188.666	-
	119.938	10.195	210.195	2.466.976

- (1) Parent company
(2) Other companies controlled by the parent company
(3) Related party

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

24. Related party disclosures (continued)

			January 1 – December 31, 2025
Transactions with related parties	Purchases of goods or services	Sale of goods	Other income (expense)
Batıbeton Sanayi A.Ş.(2)	169	563.948	19.148
Batıçim Batı Anadolu Çimento Sanayii A.Ş. (1) (*)	89.026	716.262	16.675
Batıçim Enerji Toptan Satış A.Ş. (2)	36.828	-	-
Batılıman Liman İşletmeleri A.Ş. (**) (2)	256.848	-	-
Çiftay İnşaat Taahhüt Ve Tic. A.Ş. (3)	5.615	193.827	-
	388.486	1.474.037	35.823

(*) The Group's sales of goods arise from export-registered sales. Other expenses consist of interest expenses.

(**) It consists of port service expenses received from Batılıman.

			January 1 – December 31, 2024
Transactions with related parties	Purchases of goods or services	Sale of goods	Other income (expense)
Batıbeton Sanayi A.Ş.(2)	251	531.931	40.469
Batıçim Batı Anadolu Çimento Sanayii A.Ş. (1)	59.562	305.654	498.363
Batıçim Enerji Toptan Satış A.Ş. (2)	47.948	-	314
Batılıman Liman İşletmeleri A.Ş. (*) (2)	278.238	-	-
	385.999	837.585	539.146

(*) It consists of port service expenses received from Batılıman.

(1) Parent company

(2) Other companies controlled by the parent company

(3) Related party

Compensation of key management personnel:

The Group's key management personnel consist of the members of the Board of Directors and the members of the Executive Board. Benefits provided to key management personnel include salaries, bonuses, health insurance and benefits such as transportation. The benefits provided to key management personnel during the year are as follows:

	December 31, 2025	December 31, 2024
Salaries, bonuses and social benefits	7.937	5.794
Seniority incentive bonuses, other benefits and payments	982	108
	8.919	5.902

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

25. Explanations on Net Monetary Position Gains/(Losses)

Non-monetary Items	December 31, 2025
Statement of Financial Position Items	
Inventories	5.529
Prepaid Expenses	14.084
Property, Plant and Equipment	3.173.086
Intangible Assets	689
Right-of-Use Assets	2.151
Deferred Tax Asset	105.941
Paid-in Capital	(2.236.206)
Share Premiums (Discounts)	(4.141)
Other Comprehensive Income	(314.727)
Treasury Shares (-)	650
Capital Advance	(517.031)
Restricted Reserves Appropriated from Profit	(115.824)
Retained Earnings / Losses from Previous Years	317.772
Statement of Profit or Loss Items	
Revenue	(538.163)
Cost of Sales	735.566
General Administrative Expenses	21.265
Marketing, Selling and Distribution Expenses	50.080
Other Operating Income	(23.250)
Other Operating Expenses	22.944
Finance Income	(3.690)
Finance Expenses	187.888
Net Monetary Position Gains / (Losses)	884.613

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26. Nature and level of risks arising from financial instruments

a) Credit risk:

Credit risk is defined as the risk that one party to a financial instrument will fail to fulfil its contractual obligation, resulting in a financial loss to the Group. The Group seeks to reduce credit risk by conducting its transactions only with counterparties that are creditworthy and, where possible, obtaining adequate collateral. The credit risks to which the Group is exposed are monitored on an ongoing basis.

Trade receivables comprise a large number of customers, particularly in the construction sector. Credit evaluations are performed continuously based on customers' trade receivable balances, and collateral is obtained for receivables where deemed necessary.

The allowance for doubtful receivables for financial assets is determined based on past collection default experience.

As of December 31, 2025 and 2024, the analysis of credit risk exposure by type of financial instrument is as follows:

December 31, 2025

	Receivables					Deposits in bank	Total
	Trade receivables		Other receivables				
	Related parties	Third parties	Related parties	Third parties			
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	239.485	936.644	8.469	2.994	55.121	1.242.713	
- Portion of maximum exposure secured by collateral, etc. (**)	-	1.063.341	-	-	-	1.063.341	
A. Net carrying amount of financial assets that are neither past due nor impaired	239.485	533.722	8.469	2.994	55.121	839.791	
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be considered past due or impaired	-	-	-	-	-	-	
C. Net carrying amount of assets that are past due but not impaired	-	262.108	-	-	-	402.922	
D. Net carrying amounts of impaired assets							
-Past due (gross carrying amount)	-	4.846	-	-	-	4.846	
-Impairment (-)	-	(4.846)	-	-	-	(4.846)	
E. Off-balance sheet items containing credit risk							

(*) In determining the amount, elements that enhance credit quality, such as collateral obtained, have not been taken into account.

(**) The collateral consists of letters of guarantee obtained from customers.

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26. Nature and level of risks arising from financial instruments (continued)

December 31, 2024

	Receivables					
	Trade receivables		Other receivables		Deposits in bank	Total
	Related parties	Third parties	Related parties	Third parties		
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	119.938	974.493	10.195	1.045	42.582	1.148.253
- Portion of maximum exposure secured by collateral, etc. (**)	-	468.489	-	-	-	468.489
A. Net carrying amount of financial assets that are neither past due nor impaired	119.938	842.880	10.195	1.045	42.582	1.016.640
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be considered past due or impaired	-	-	-	-	-	-
C. Net carrying amount of assets that are past due but not impaired	-	131.613	-	-	-	131.613
D. Net carrying amounts of impaired assets						
-Past due (gross carrying amount)	-	2.524	-	-	-	2.524
-Impairment (-)	-	(2.524)	-	-	-	(2.524)
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-

(*) In determining the amount, elements that enhance credit quality, such as collateral obtained, have not been taken into account.

(**) The collateral consists of letters of guarantee obtained from customers.

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26. Nature and level of risks arising from financial instruments (continued)

b) Liquidity risk

The Board of Directors has ultimate responsibility for liquidity risk management. The Board of Directors has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity requirements. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and by ensuring the continuity of sufficient funds and borrowing reserves through matching the maturities of financial assets and liabilities.

The following table shows the maturity profile of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are presented on an undiscounted basis and based on the earliest dates on which they are required to be paid. Interest payable on such liabilities is included in the table below.

December 31, 2025

Contractual terms	Book value	Contracted cash outflow (I+II+III+IV)	Less than 3 months (I)	3 - 12 months(II)	1 – 5 years (III)	More than 5 years (IV)
Non derivative financial liabilities						
Bank loans	3.011.464	2.981.560	359.813	540.232	1.633.111	448.403
Lease liabilities	5.520	9.536	894	2.682	5.960	-
Trade payables	1.141.723	1.141.723	1.141.723	-	-	-
Other payables to non-related parties	21.905	21.905	21.905	-	-	-
Other financial liabilities	-	-	-	-	-	-
	4.180.612	4.154.724	1.524.335	542.914	1.639.071	448.403

December 31, 2024

Contractual terms	Book value	Contracted cash outflow (I+II+III+IV)	Less than 3 months (I)	3 - 12 months(II)	1 – 5 years (III)	More than 5 years (IV)
Non derivative financial liabilities						
Bank loans	3.013.884	4.381.004	46.196	1.068.013	2.396.395	870.400
Lease liabilities	8.893	17.786	1.437	3.867	12.482	-
Trade payables	791.946	791.946	791.946	-	-	-
Other payables to non-related parties	2.466.976	-	-	-	-	-
Other financial liabilities	12.788	12.788	12.788	-	-	-
Lease liabilities	249.183	256.387	256.387	-	-	-
	6.543.670	5.459.911	1.108.754	1.071.880	2.408.877	870.400

c) Market risk:

Foreign currency risk management

The Group is mainly exposed to foreign exchange risk in U.S. Dollars and Euros. The following table shows the Group's sensitivity to a 10% increase and decrease in U.S. Dollar and Euro exchange rates. The 10% rate is the rate used when reporting foreign exchange risk to key management personnel within the Group and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items at year-end and shows the effects of a 10% change in exchange rates at year-end on such items. This analysis covers loans obtained from external sources, as well as loans used for the Group's overseas operations where the borrowing and utilizing parties have a functional currency other than the currency of the loan. A positive amount indicates an increase in profit or loss and in other equity items.

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26. Nature and level of risks arising from financial instruments (continued)

	December 31, 2025			December 31, 2024		
	TL Equivalent	US Dollar	Euro	TL Equivalent	US Dollar	Euro
1. Trade receivables	439.964	10.265	-	287.121	6.218	-
2a. Monetary financial assets (including cash and bank accounts)	14.774	10	285	20.948	446	7
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	99.671	1.830	420	27.082	564	21
4. Current assets (1+2+3)	554.409	12.105	705	335.151	7.228	28
5. Trade payables	-	-	-	-	-	-
6a. Monetary other liabilities	-	-	-	-	-	-
6b. Non-monetary other liabilities	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	-
9. Total assets (4+8)	554.409	12.105	705	335.151	7.228	28
10. Trade payables	455.862	8.463	1.846	343.151	6.666	722
11. Financial liabilities	676.841	15.471	272	982.415	21.309	-
12a. Monetary other liabilities	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12a+12b)	1.132.703	23.934	2.118	1.325.566	27.975	722
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	1.930.877	40.699	3.695	2.252.563	48.859	-
16a. Monetary other liabilities	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-
17. Long term liabilities (14+15+16a+16b)	1.930.877	40.699	3.695	2.252.563	48.859	-
18. Total liabilities (13+17)	3.063.580	64.633	5.813	3.578.129	76.834	722
19. Net asset/(liability) position of off-balance sheet (19a-19b)	-	-	-	-	-	-
19a. Amount of off-balance sheet foreign currency-denominated derivative instruments with positive fair value	-	-	-	-	-	-
19b. Amount of off-balance sheet foreign currency-denominated derivative instruments with negative fair value	-	-	-	-	-	-
20. Net foreign currency asset/(liability) (9-18+19)	(2.509.171)	(52.528)	(5.108)	(3.242.978)	(69.606)	(694)
21. Net foreign currency asset/(liability) position of monetary items (TFRS7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.608.842)	(54.358)	(5.528)	(3.270.060)	(70.170)	(715)
22. Total fair value of financial instruments used for foreign exchange hedging	-	-	-	-	-	-
23. Amount of hedged portion of foreign currency assets	-	-	-	-	-	-
24. Amount of hedged portion of foreign currency liabilities	-	-	-	-	-	-
25. Export	1.599.547	37.938	16.162	1.364.173	33.128	-
26. Import	195.771	-	4.066	563.916	430.824	6.270

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26. Nature and level of risks arising from financial instruments (continued)

Foreign exchange sensitivity analysis table

	December 31, 2025	
	Profit / (loss) effect before tax	
	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL		
1 - USD net asset/liability	(225.148)	225.148
2- Amount hedged from USD risk (-)	-	-
3- USD net effect (1 +2)	(225.148)	225.148
When Euro changes by 10% against TL		
4 - Euro net asset/liability	(25.769)	25.769
5 - Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	(25.769)	25.769
Total (3 + 6)	(250.917)	250.917

	December 31, 2024	
	Profit / (loss) effect before tax	
	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL		
1- USD net asset/liability	(320.962)	320.962
2- Amount hedged from USD risk (-)	-	-
3- USD net effect (1 +2)	(320.962)	320.962
When Euro changes by 10% against TL		
4- Euro net asset/liability	(3.335)	3.335
5- Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	(3.335)	3.335
Total (3 + 6)	(324.297)	324.297

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26. Nature and level of risks arising from financial instruments (continued)

Interest rate risk

The Group's loans at fixed and variable interest rates expose the Group to interest rate risk. Such risk is managed by the Group. Hedging strategies are regularly reviewed to ensure alignment with interest rate expectations and the defined level of risk. The objective is to establish the optimum hedging strategy by both reviewing the balance sheet position and keeping interest expenses under control under different interest rate scenarios.

The Group's interest rate position table as of December 31, 2025 and 2024 is presented below:

	2025	2024
Fixed rate instruments		
Financial assets	32.133	18.930
Financial liabilities	731.527	375.209
Floating rate instruments		
Financial liabilities	2.285.457	2.896.717
Financial liabilities to related parties	-	2.466.976

d) Capital risk management

In capital management, the Group aims, on the one hand, to ensure the continuity of its operations and, on the other hand, to maximize its profit by using the balance between debt and equity in the most efficient manner.

The Group's capital structure consists of borrowings, including the loans disclosed in Note 6, and equity items comprising cash and cash equivalents, issued capital, reserves and retained earnings, respectively.

The Group's Board of Directors reviews the capital structure twice a year. During these reviews, the Board assesses the cost of capital together with the risks associated with each class of capital. Based on the recommendations made by the Board, the Group aims to maintain a balanced capital structure.

Consistent with other companies in the industry, the Group monitors capital on the basis of the leverage ratio. This ratio is calculated as net financial debt divided by total equity. Net financial debt is derived by deducting cash and cash equivalents from total financial borrowings. Total capital is calculated as the sum of "Equity" in the statement of financial position and net debt.

	December 31, 2025	December 31, 2024
Total financial liabilities	3.016.984	5.738.902
Less: Cash and cash equivalents	(55.121)	(42.582)
Net financial liabilities	2.961.863	5.696.320
Total equity	12.627.481	9.967.517
Net financial liabilities/total equity ratio	0,235	0,571

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27. Fair value disclosures

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments

The estimated fair values of financial instruments have been determined by the Group using current market information and appropriate valuation methods. However, judgment is required in interpreting market data for the purpose of estimating fair value. Accordingly, the estimates used may differ from the values that the Group could obtain from current market transactions.

The following methods and assumptions have been used in estimating the fair values of financial instruments for which fair value can be determined:

Financial assets

It is assumed that the fair values of foreign currency denominated balances translated at the exchange rates prevailing at the reporting date approximate their carrying amounts. Cash and cash equivalents are presented at their fair values. Due to their short-term nature, the fair values of trade receivables and receivables from related parties are assumed to approximate their carrying amounts. Financial investments quoted on the stock exchange are presented at their fair values determined based on Borsa Istanbul market data as of the reporting date.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented at amounts approximating their fair values together with their discounted carrying amounts, and it is assumed that the fair values of foreign currency denominated balances translated at the exchange rates prevailing at the reporting date approximate their carrying amounts.

The fair values of short-term bank loans and other monetary liabilities are considered to approximate their carrying amounts due to their short-term nature. Since the interest rates of long-term variable-rate bank loans are updated to reflect changing market conditions, the fair values of these loans are considered to represent their carrying amounts. When long-term fixed-rate bank loans are measured using the fixed interest rates effective at the statement of financial position date, their fair values are observed to be close to their carrying amounts.

Levels of fair value measurement

The classifications of the Group's financial assets and liabilities in respect of fair value are as follows:

- First level: Financial assets and liabilities have been measured based on quoted market prices in active markets for identical assets and liabilities.
- Second level: Financial assets and liabilities have been measured using inputs, other than the quoted market prices included in first level, that are directly or indirectly observable in the market for the relevant asset or liability.
- Third level: Financial assets and liabilities have been measured using inputs that are not based on observable market data in determining the fair value of the asset or liability.

As of December 31, 2025 and 2024, the Group has no financial assets measured at fair value in the statement of financial position.

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27. Fair value disclosures (continued)

Non-financial assets

Real estate appraisal reports prepared by a real estate appraisal company authorized by the CMB are used to determine the fair values of land measured at fair value, determine the fair values of machinery and equipment at market approach and fair value approach on the financial statements.

It is defined as the determination of the value of the real estate to be appraised, using the appropriate comparison criteria, by applying the necessary adjustments on the sales prices of the real estate that has been recently sold and similar to the real estate to be appraised, again according to these criteria. Those comparable to the real estate in question are analysed by comparing them in order of priority in terms of property rights, financing, sales conditions, after-sales expenditures, market conditions, location and physical characteristics. Quantitative and qualitative techniques are applied in the corrections to be made. In the case of sufficient and reliable data, it can be applied in the valuation of all types of real estate, and in the case of data, it is accepted as the most appropriate approach to determine the value.

In the revaluation of the company's machinery and equipment value appraisal was made using the "market approach" and "cost approach" method. In the market approach method, after it is concluded that there is sufficient sales data for the assets, the value is appraised by comparing the sales of similar assets in the market or by comparing the prices requested and the offers. Market research was conducted on other items, and current and second-hand values were checked. Subsequently, market research was conducted on other items to check their current values and second-hand values. The reliability of the information provided by third parties was confirmed by the valuation expert through verification from different sources and by conducting sectoral research.

In the cost approach method, the actual costs incurred by the business in purchasing or constructing the assets are accepted as the substitute value. From this value, the remaining value is appraised as the fair value after estimating the value losses (depreciations) due to physical wear and tear, and functional and economic obsolescence.

December 31, 2025	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
Land	-	4.193.464	-
Machinery, plant and equipment	-	4.844.586	-
	-	9.038.050	-

In the determination of the fair values of land and machinery and equipment measured at fair value under the revaluation model in the financial statements, the real estate valuation reports prepared by a real estate appraisal company authorized by the CMB have been taken as a basis, and the relevant study was updated as of December 31, 2025.

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28. Explanations on Gains/(Losses) on Net Monetary Position

The Group's disclosure regarding the fees for services provided by independent audit firms, prepared in accordance with the Board Decision of the POA published in the Official Gazette (duplicate issue) dated March 30, 2021, and based on the principles of preparation set out in the POA's letter dated August 19, 2023, is as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Independent audit fee for the reporting period	1.575	2.437
	1.745	2.749

29. Subsequent events

The trade name of the Company's subsidiary, ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş., was changed to Ecowest Atık Yönetim A.Ş. upon registration with the trade registry on February 3, 2026, pursuant to the board of directors' resolution dated January 27, 2026.

The negotiations for the new term Group Collective Bargaining Agreement, initiated on December 24, 2025 between the Cement Industry Employers' Union of Turkey (ÇEİS), of which the Group is a member, and the Turkey Çimse-İş Union, were concluded with an agreement on February 2, 2026.

The Group has reached an agreement with Euler Hermes to enter into a receivables insurance contract for the purpose of managing trade receivables risk. The relevant policy will enter into force on January 1, 2026 following the completion of signatures.

The Group has an overseas receivables insurance policy in effect with Türk Eximbank and, in addition, has reached an agreement to participate in the Türk Eximbank Domestic Receivables Insurance program in order to secure trade receivables risks arising from its domestic deferred sales. The policy will enter into force following the completion of signatures.