(CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 18)

İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2026 AND INDEPENDENT AUDIT REVIEW REPORT

Güney Bağımsız Denetim ve SMMM A.Ş.
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(Convenience translation into English of a review report originally issued in Turkish)

Report on Review of Interim Condensed Financial Statements

To the Board of Directors of İskenderun Demir ve Çelik Anonim Şirketi;

Introduction

We have reviewed the accompanying interim condensed statement of financial position of İskenderun Demir ve Çelik Anonim Şirketi (the Company) as of 30 June 2026 and the interim condensed statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the six-month period then ended, and explanatory notes. The Company management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Mehmet Başol Çengel, SMMM
Partner

6 August 2026
İstanbul, Türkiye

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İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2026

(Amounts are expressed as Turkish Lira ("TRY Thousand") unless otherwise indicated.)

ASSETS	Note	(Reviewed) Current Period 30 June 2026 USD'000	(Reviewed) Current Period 30 June 2026 TRY'000	(Audited) Previous Period 31 December 2025 USD'000	(Audited) Previous Period 31 December 2025 TRY'000
Current Assets		**2.130.233**	**99.214.909**	**2.383.179**	**102.108.960**
Cash and Cash Equivalents		894.921	41.680.657	1.184.181	50.737.047
Trade Receivables		165.278	7.697.743	182.129	7.803.468
Due From Related Parties	*3*	*131.672*	*6.132.573*	*127.894*	*5.479.725*
Other Trade Receivables from Third Parties		*33.606*	*1.565.170*	*54.235*	*2.323.743*
Other Receivables		4.958	230.920	5.122	219.463
Financial Derivative Instruments		621	28.924	41	1.745
Inventories	4	959.792	44.702.035	912.959	39.116.364
Prepaid Expenses		28.483	1.326.573	13.065	559.786
Other Current Assets		76.180	3.548.057	85.682	3.671.087
Non Current Assets		**3.164.090**	**147.366.591**	**3.153.992**	**135.134.996**
Financial Investments		1.537	71.588	1.699	72.798
Other Receivables		100	4.659	109	4.659
Investments Accounted For Using Equity Method	5	39.174	1.824.527	34.337	1.471.206
Property, Plant and Equipment	6	3.020.169	140.663.465	2.972.440	127.356.257
Right of Use Assets		24.254	1.129.602	21.385	916.253
Intangible Assets	6	39.413	1.835.670	40.543	1.737.102
Prepaid Expenses		39.443	1.837.080	83.479	3.576.721
Prepaid Expenses to Related Parties	*3*	*1.306*	*60.829*	*1.306*	*55.958*
Other Prepaid Expenses to Third Parties		*38.137*	*1.776.251*	*82.173*	*3.520.763*
TOTAL ASSETS		**5.294.323**	**246.581.500**	**5.537.171**	**237.243.956**

The details of presentation currency translation to TRY explained in Note 2.1.

İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2026

(Amounts are expressed as Turkish Lira ("TRY Thousand") unless otherwise indicated.)

LIABILITIES	Note	(Reviewed) Current Period 30 June 2026 USD'000	(Reviewed) Current Period 30 June 2026 TRY'000	(Audited) Previous Period 31 December 2025 USD'000	(Audited) Previous Period 31 December 2025 TRY'000
Current Liabilities		**1.268.956**	**59.208.619**	**1.058.751**	**45.445.629**
Short Term Borrowings	7	52.304	2.440.419	122.404	5.253.933
Short Term Portion of Long Term Borrowings	7	323.911	15.113.244	90.684	3.892.436
Trade Payables		840.476	39.216.260	791.449	33.972.174
Due to Related Parties	*3*	*105.977*	*4.944.744*	*146.368*	*6.282.560*
Other Trade Payables to Third Parties		*734.499*	*34.271.516*	*645.081*	*27.689.614*
Payables for Employee Benefits	9	17.583	820.382	21.286	913.673
Other Payables		7.436	347.054	4.721	202.656
Financial Derivative Instruments		-	-	37	1.605
Deferred Revenue		11.503	536.729	9.645	414.012
Current Tax Liabilities	11	2.909	135.727	6.866	294.727
Short Term Provisions	8	11.232	524.075	9.063	388.998
Other Current Liabilities		1.602	74.729	2.596	111.415
Non Current Liabilities		**671.083**	**31.311.765**	**1.030.255**	**44.221.501**
Long Term Borrowings	7	458.593	21.397.292	712.898	30.599.656
Long Term Provisions		72.975	3.404.909	62.607	2.687.257
Long Term Provisions for Employee Benefits	*9*	*72.975*	*3.404.909*	*62.607*	*2.687.257*
Deferred Tax Liabilities	11	139.515	6.509.564	254.750	10.934.588
EQUITY		**3.354.284**	**156.061.116**	**3.448.165**	**147.576.826**
Share Capital	12	1.474.105	2.900.000	1.474.105	2.900.000
Inflation Adjustment to Capital		85	164	85	164
Other Comprehensive Income/Expense Not to be Reclassified to Profit/ (Loss)		(75.907)	81.937.050	(69.296)	75.212.219
Actuarial (Loss)/ Gain Funds		*(75.907)*	*(1.305.948)*	*(69.296)*	*(998.177)*
Foreign Currency Translation Reserves		-	*83.242.998*	-	*76.210.396*
Other Comprehensive Income/Expense to be Reclassified to Profit/ (Loss)		-	-	1	24
Cash Flow Hedging Gain (Loss)		-	-	*1*	*24*
Restricted Reserves Assorted from Profit		516.863	4.528.060	487.715	3.237.560
Retained Earnings		1.231.649	57.467.007	1.400.534	60.114.965
Net Profit for the Period		207.489	9.228.835	155.021	6.111.894
TOTAL LIABILITIES AND EQUITY		**5.294.323**	**246.581.500**	**5.537.171**	**237.243.956**

The details of presentation currency translation to TRY explained in Note 2.1.

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

CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed as of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Unaudited) Current Period 1 April - 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000	(Unaudited) Previous Period 1 April - 30 June 2025 TRY'000
Revenue	13	1.525.598	67.856.623	36.189.055	1.486.932	55.652.605	28.746.148
Cost of Sales	13	(1.392.457)	(61.934.680)	(32.933.034)	(1.364.098)	(51.055.197)	(26.017.469)
GROSS PROFIT/(LOSS)		**133.141**	**5.921.943**	**3.256.021**	**122.834**	**4.597.408**	**2.728.679**
Marketing, Sales and Distribution Expenses	14	(18.665)	(830.195)	(450.558)	(17.224)	(644.668)	(341.212)
General Administrative Expenses	14	(32.532)	(1.446.983)	(801.356)	(26.714)	(999.832)	(551.108)
Research and Development Expenses		(47)	(2.077)	(982)	(42)	(1.587)	(281)
Other Operating Income	14	15.604	694.067	289.352	15.687	587.141	383.895
Other Operating Expenses	14	(11.408)	(507.471)	(323.370)	(7.704)	(288.355)	(157.057)
OPERATING PROFIT/(LOSS)		**86.093**	**3.829.284**	**1.969.107**	**86.837**	**3.250.107**	**2.062.916**
Income from Investing Activities		191	8.510	1.312	-	-	-
Expenses from Investing Activities		(220)	(9.784)	(4.532)	(203)	(7.580)	(3.989)
Share of Investments' Profit Accounted by Using The Equity Method	5	4.837	215.139	152.524	1.043	39.021	25.182
OPERATING PROFIT/(LOSS) BEFORE FINANCE INCOME/ (EXPENSE)		**90.901**	**4.043.149**	**2.118.411**	**87.677**	**3.281.548**	**2.084.109**
Finance Income	15	41.453	1.843.769	1.077.593	46.894	1.755.131	626.805
Finance Expense	15	(36.246)	(1.612.174)	(768.769)	(59.431)	(2.224.333)	(915.310)
PROFIT/(LOSS) BEFORE TAX		**96.108**	**4.274.744**	**2.427.235**	**75.140**	**2.812.346**	**1.795.604**
Tax (Expense)/ Income	11	111.381	4.954.091	5.298.974	6.105	228.479	218.200
Current Corporate Tax (Expense)/ Income		(2.909)	(129.386)	(60.024)	(3.533)	(132.244)	(83.344)
Deferred Tax (Expense)/ Income		114.290	5.083.477	5.358.998	9.638	360.723	301.544
NET PROFIT/(LOSS) FOR THE PERIOD		**207.489**	**9.228.835**	**7.726.209**	**81.245**	**3.040.825**	**2.013.804**
Earnings/(Loss) per share (TRY 1 Nominal value per share)			3,1824	2,6642		1,0486	0,6944

The details of presentation currency translation to TRY explained in Note 2.1.

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

İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed as of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Unaudited) Current Period 1 April - 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000	(Unaudited) Previous Period 1 April - 30 June 2025 TRY'000
PROFIT/(LOSS) FOR THE PERIOD		**207.489**	**9.228.835**	**7.726.209**	**81.245**	**3.040.825**	**2.013.804**
OTHER COMPREHENSIVE INCOME							
Not to be reclassified subsequently to profit or loss							
Foreign Currency Translation Gain/(Loss)		-	12.613.250	7.298.690	-	14.874.508	6.618.175
Actuarial Gain/(Loss) of Defined Benefit Plans	9	(7.555)	(351.738)	(351.738)	(4.077)	(162.055)	(162.055)
Tax Effect of Actuarial Gain/(Loss) of Defined Benefit Plans	11	944	43.967	43.967	1.019	40.514	40.514
To be reclassified subsequently to profit or loss							
Gain/(Loss) in Cash Flow Hedging Reserves		(1)	(32)	(17.235)	(1.436)	(56.453)	(60.640)
Tax Effect of Gain/(Loss) in Cash Flow Hedging Reserves	11	-	8	4.309	359	14.113	15.160
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(6.612)**	**12.305.455**	**6.977.993**	**(4.135)**	**14.710.627**	**6.451.154**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**200.877**	**21.534.290**	**14.704.202**	**77.110**	**17.751.452**	**8.464.958**

The details of presentation currency translation to TRY explained in Note 2.1.

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

İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed as of Turkish Lira ("TRY Thousand") unless otherwise indicated.)

				Other Comprehensive Income (Expense) Not to be Reclassified to Profit/ (Loss)		Other comprehensive ıncome (expense) to be reclassified subsequently to profit or loss		Retained Earnings		
(Reviewed)	Note	Share Capital	Inflation Adjustment to Capital	Foreign Currency Translation Reserves	Actuarial (Loss)/ Gain Funds	Cash Flow Hedging Gain (Loss)	Restricted Reserves Assorted from Profit	Retained Earnings	Net Profit for the Period	**Total Shareholders' Equity**
1 January 2026		**2.900.000**	**164**	**76.210.396**	**(998.177)**	**24**	**3.237.560**	**60.114.965**	**6.111.894**	**147.576.826**
Net profit for the period		-	-	-	-	-	-	-	9.228.835	9.228.835
Other comprehensive income/(loss)		-	-	12.613.250	(307.771)	(24)	-	-	-	12.305.455
Total comprehensive income/(loss)		-	-	12.613.250	(307.771)	(24)	-	-	9.228.835	21.534.290
Increase (decrease) due to other changes (**)	2.1	-	-	(5.580.648)	-	-	-	5.580.648	-	-
Dividends (*)		-	-	-	-	-	-	(13.050.000)	-	(13.050.000)
Transfers		-	-	-	-	-	1.290.500	4.821.394	(6.111.894)	-
30 June 2026		**2.900.000**	**164**	**83.242.998**	**(1.305.948)**	**-**	**4.528.060**	**57.467.007**	**9.228.835**	**156.061.116**
(Reviewed)										
1 January 2025		**2.900.000**	**164**	**62.593.965**	**(1.196.793)**	**4.217**	**3.179.560**	**34.861.452**	**14.254.008**	**116.596.573**
Net profit for the period		-	-	-	-	-	-	-	3.040.825	3.040.825
Other comprehensive income/(loss)		-	-	14.874.508	(121.541)	(42.340)	-	-	-	14.710.627
Total comprehensive income/(loss)		-	-	14.874.508	(121.541)	(42.340)	-	-	3.040.825	17.751.452
Increase (decrease) due to other changes (**)	2.1	-	-	(7.426.145)	-	-	-	7.426.145	-	-
Dividends (*)		-	-	-	-	-	-	(725.000)	-	(725.000)
Transfers		-	-	-	-	-	58.000	14.196.008	(14.254.008)	-
30 June 2025		**2.900.000**	**164**	**70.042.328**	**(1.318.334)**	**(38.123)**	**3.237.560**	**55.758.605**	**3.040.825**	**133.623.025**

(*) At Annual General Assembly Meeting of the Company held on 26 March 2026, dividend per share: TRY 4,50 (2025: TRY 0,25) from the profits of 2025 and retained earnings. The decision to distribute a cash dividend of TRY 13.050.000 thousand (26 March 2025: TRY 725.000 thousand) was approved by majority of vote. The dividend payment was started at 3 June 2026.

(**) Retained earnings; in the condensed financial statements, in accordance with TAS 21, the details of conversion of retained earnings to the presentation currency, Turkish Lira, in the condensed statement of financial position dated 30 June 2026 by converting to US Dollars at historical rates, are explained in Note 2.1

İSKENDERUN DEMİR VE ÇELİK A.Ş.

CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

(Amounts are expressed as Turkish Lira ("TRY Thousand") unless otherwise indicated.)

	Note	(Reviewed) Current Period 1 January - 30 June 2026 USD'000	(Reviewed) Current Period 1 January - 30 June 2026 TRY'000	(Reviewed) Previous Period 1 January - 30 June 2025 USD'000	(Reviewed) Previous Period 1 January - 30 June 2025 TRY'000
CASH FLOWS FROM OPERATING ACTIVITIES		**156.659**	**7.449.614**	**523.583**	**20.284.423**
Profit (Loss) for The Period		**207.489**	**9.228.835**	**81.245**	**3.040.825**
Adjustments to Reconcile Profit (Loss)		**(40.545)**	**(1.318.700)**	**54.668**	**2.100.156**
Adjustments for Depreciation and Amortisation Expenses	13/14	69.372	3.126.615	59.745	2.263.123
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(6)	(244)	(3.590)	(134.356)
Adjustments for Provision (Reversal of Provision) for Inventories	*4*	*(6)*	*(244)*	*(3.590)*	*(134.356)*
Adjustments for Provisions		13.064	581.172	12.241	458.120
Adjustments for Provision (Reversal of Provision) for Employee Termination Benefits	*9*	*9.458*	*420.723*	*9.985*	*373.678*
Adjustments for Provision (Reversal of Provision) for Pending Claims and/or Lawsuits	*8*	*3.606*	*160.449*	*2.256*	*84.442*
Adjustments for Interest (Income) and Expenses		4.513	200.673	(12.326)	(461.341)
Adjustments for Interest Income	*15*	*(28.249)*	*(1.256.498)*	*(46.894)*	*(1.755.131)*
Adjustments for Interest Expense	*15*	*29.915*	*1.330.561*	*34.567*	*1.293.767*
Unearned Financial Income from Credit Sales		*2.847*	*126.610*	*1*	*23*
Adjustments for Unrealised Foreign Exchange Differences		(843)	(43.405)	465	9.245
Adjustments for Fair Value (Gains) Losses		(284)	(12.613)	6.067	227.063
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		*(284)*	*(12.613)*	*6.067*	*227.063*
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	5	(4.837)	(215.139)	(1.043)	(39.021)
Adjustments for Tax (Income) Expenses	11	(111.381)	(4.954.091)	(6.105)	(228.479)
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		(38)	(1.668)	154	5.802
Adjustments for Losses (Gains) on Disposal of Property, Plant and Equipment		*(38)*	*(1.668)*	*154*	*5.802*
Other Adjustments for Reconciliation of Profit (Loss)		(10.105)	-	(940)	-
Changes in Working Capital		**(1.443)**	**(67.213)**	**333.615**	**13.258.129**
Adjustments for Decrease (Increase) in Trade Receivables		19.765	920.549	5.852	232.564
Decrease (Increase) in Trade Receivables from Related Parties		*(3.778)*	*(175.959)*	*(1.152)*	*(45.781)*
Decrease (Increase) in Trade Receivables from Third Parties		*23.543*	*1.096.508*	*7.004*	*278.345*
Adjustments for Decrease (Increase) in Other Receivables Related from Operations		173	8.057	(827)	(32.865)
Decrease (Increase) in Other Receivables from Operations from Third Parties		*173*	*8.057*	*(827)*	*(32.865)*
Decrease (Increase) in Derivative Financial Instruments		(580)	(27.013)	816	32.428
Adjustments for Decrease (Increase) in Inventories		(43.904)	(2.044.816)	32.878	1.306.598
Decrease (Increase) in Prepaid Expenses		(25.362)	(1.181.228)	3.372	134.007
Adjustments for Increase (Decrease) in Trade Payables		49.027	2.283.418	328.223	13.043.844
Increase (Decrease) in Trade Payable to Related Parties		*(40.391)*	*(1.881.199)*	*89.162*	*3.543.369*
Increase (Decrease) in Trade Payable to Third Parties		*89.418*	*4.164.617*	*239.061*	*9.500.475*
Adjustments for Increase (Decrease) in Other Payables Related from Operations		(11.174)	(520.426)	(45.138)	(1.793.820)
Increase (Decrease) in Other Payables to Third Parties Related from Operations		*(11.174)*	*(520.426)*	*(45.138)*	*(1.793.820)*
Increase (Decrease) in Derivative Liabilities		246	11.452	(3.672)	(145.928)
Adjustments for Other Increase (Decrease) in Working Capital		10.366	482.794	12.111	481.301
Decrease (Increase) in Other Assets Related from Operations		*9.502*	*442.553*	*7.427*	*295.155*
Increase (Decrease) in Other Payables Related from Operations		*864*	*40.241*	*4.684*	*186.146*
Cash Flows Provided by Operating Activities		**165.501**	**7.842.922**	**469.528**	**18.399.110**
Payments Related to Provisions for Employee Termination Benefits	9	(1.288)	(57.286)	(10.064)	(376.660)
Payments Related to Other Provisions	8	(928)	(41.295)	(81)	(3.022)
Income Taxes Refund (Paid)		(6.626)	(294.727)	-	-
Other Cash Inflow (Outflow)		-	-	64.200	2.264.995
CASH FLOWS FROM INVESTING ACTIVITIES		**(59.916)**	**(2.665.095)**	**(139.511)**	**(5.233.255)**
Cash Inflow from Sales of Property, Plant, Equipment and Intangible Assets		202	8.934	2	52
Cash Inflow from Sales of Property, Plant and Equipment		*202*	*8.934*	*2*	*52*
Cash Outflow from Purchase of Property, Plant, Equipment and Intangible Assets		(58.279)	(2.592.234)	(94.284)	(3.528.817)
Cash Outflow from Purchase of Property, Plant and Equipment		*(58.195)*	*(2.588.483)*	*(94.280)*	*(3.528.660)*
Cash Outflow from Purchase of Intangible Assets		*(84)*	*(3.751)*	*(4)*	*(157)*
Cash Advances and Debts Given		(1.839)	(81.795)	(50.657)	(1.895.993)
Other Cash Advances and Debts Given		*(1.839)*	*(81.795)*	*(50.657)*	*(1.895.993)*
Other Cash Inflows (Outflows)		-	-	5.428	191.503
CASH FLOWS FROM FINANCING ACTIVITIES		**(388.185)**	**(17.683.303)**	**(36.158)**	**(1.286.458)**
Cash Inflow from Borrowings		-	-	249.744	9.347.356
Cash Inflow from Loans		*-*	*-*	*249.744*	*9.347.356*
Cash Outflow from Repayments of Borrowings		(85.832)	(3.840.758)	(274.686)	(10.211.052)
Cash Outflow from Loan Repayments		*(85.832)*	*(3.840.758)*	*(274.686)*	*(10.211.052)*
Cash Outflow from Debt Payments for Leasing Contracts		(3.276)	(145.703)	(3.112)	(116.459)
Dividends Paid		(284.572)	(13.045.521)	-	-
Interest Paid		(36.912)	(1.641.786)	(50.886)	(1.904.558)
Interest Received		22.407	990.465	42.782	1.598.255
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**(291.442)**	**(12.898.784)**	**347.914**	**13.764.710**
Effect of Exchange Rate Changes on Cash and Cash Equivalents		2.099	3.832.493	(8.274)	2.105.052
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(289.343)**	**(9.066.291)**	**339.640**	**15.869.762**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1.182.555	50.667.362	531.826	18.763.006
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**893.212**	**41.601.071**	**871.466**	**34.632.768**

- As of 30 June 2026, the total accrual of interest on time deposits is TRY 79.586 thousand (USD 1.709 thousand) (30 June 2025: TRY 35.889 thousand (USD 903 thousand)).

NOTE 1 – COMPANY'S ORGANIZATION AND NATURE OF OPERATIONS

İskenderun Demir ve Çelik A.Ş. ("the Company") registered in 12 November 1968 and published at 19 November 1968 in the trade registry gazette. The Company established in 3 October 1970 in the southern of Türkiye on the Mediterranean coast in the distance of 17 km from İskenderun in Payas region. The principal activities of the Company are production and sale of iron products, flat and long steel products and their by-products. The Company's main products are billet, slab, coil, plate, wire rod and by-products are coke,tar, benzol, ammonium sulphate and slag.

The Company had become an affiliated company of the Turkish Iron and Steel Administration with the decision no 93/T-85 dated 10 September 1993 of Supreme Planning Committee. Then with the decision no 98/20 of Privatization Committee dated 2 March 1998, the Company was transferred to Turkish Privatization Administration. Ultimately, shares of the Company were transferred to Ereğli Demir ve Çelik Fabrikaları T.A.Ş. ("Erdemir") in 31 January 2002 by the Turkish Privatization Administration with the decision no 2001/08 which dated 8 February 2001. The immediate parent of Ereğli Demir ve Çelik Fabrikaları T.A.Ş is Ataer Holding A.Ş. The ultimate controlling party is Ordu Yardımlaşma Kurumu (OYAK). İskenderun Demir ve Çelik A.Ş. stocks continue to be traded on Borsa Istanbul since 28 March 2016.

The registered address of the Company is Karayılan Mahallesi, 31319 İskenderun/HATAY.

The main operations of the subsidiaries of the Company and the share percentages of İsdemir for these companies are as follows:

Shares in Subsidiaries and Joint Ventures	Business Area	Valid Currency	Share of Capital and right to vote of Company (%) 30 June 2026	31 December 2025
Teknopark Hatay A.Ş.	R&D Centre	TRY	5%	5%
İsdemir Linde Gaz Ortaklığı A.Ş.	Industrial Gas Production and Sales	US Dollars	50%	50%

The number of the personnel employed by the Company as of reported period 30 June 2026 are as follows:

	30 June 2026 Personnel	31 December 2025 Personnel
Paid Hourly Personnel	3.571	3.560
Paid Monthly Personnel	1.356	1.369
	4.927	4.929

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Company maintains its legal books of account and prepares their statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

The accompanying condensed financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, interim condensed financial statements are prepared in accordance with TFRS Taxonomy Announcement published by the POA on 3 July 2024 and Financial Statement Examples formats specified in the User's Guide published by CMB.

Financial statements are prepared on the basis of historical cost, except for derivative financial instruments and financial investments carried at fair value. In determining historical cost, the fair value of the amount paid for the assets is generally taken as basis.

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Company has preferred to prepare condensed financial statements in the interim period. Accordingly, these condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025.

Functional and Reporting Currency

Although the currency of the country in which is the Company is domiciled is Turkish Lira (TRY), the Company's functional currency is determined as US Dollar. US Dollar is used to a significant extent in, and has a significant impact on the operations of the Company and reflects the economic substance of the underlying events and circumstances relevant to the Company. Therefore, the Company uses the US Dollar in measuring items in its financial statements and as the functional currency.

The accompanying condensed financial statements are prepared in Turkish Lira (TRY) in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013.

Functional currency of the joint venture

The functional currency of the Company's joint venture İsdemir Linde Gaz Ortaklığı A.Ş. is US Dollars.

Inflation accounting

The Public Oversight, Accounting and Auditing Standards Authority ("POA") 23 November 2023, in accordance with the announcement "Adjustment of the Financial Statements of Companies Subject to Independent Audit in Accordance with Inflation"; It has been decided that the financial statements of the enterprises applying the Turkish Financial Reporting Standards for the annual reporting period ended on or after 31 December 2023, in accordance with the relevant accounting principles contained in the Turkish Accounting Standard 29 "Financial Reporting in High-Inflation Economies" (TAS 29) will be presented adjusted for the effect of inflation.

In line with the above explanations, the Company does not need to make any adjustments in accordance with TAS 29 in its financial statements to be prepared in accordance with TFRS due to the fact that the functional currency of the Company is US dollars as of the reporting date.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Presentation currency translation

Company; Pursuant to the Public Oversight, Accounting and Auditing Standards Authority's "POA" announcement dated 15 March 2021, "On the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards", the assets and liabilities in the condensed financial statements are used by using the buying and selling rates valid as of the end of the reporting period. It has been valued and translated into the presentation currency at the same exchange rates.

According to TAS 21 ("The Effects of Changes in Foreign Exchange Rates") financial statements that are prepared in US Dollars for the Company have been translated in TRY as the following method:

a) The assets on condensed financial position as of 30 June 2026 are translated from US Dollars into TRY using the Central Bank of the Republic of Türkiye's buying rate of exchange which is 46,5747 TRY = 1 US $ and the liabilities selling rate of exchange which is 46,6586 TRY = 1 US $ (31 December 2025 foreign exchange buying rate: 42,8457 TRY = 1 US $, foreign exchange selling rate: 42,9229 TRY = 1 US $).
b) For the six months period ended 30 June 2026, condensed profit or loss statements are translated from the six months average 44,4787 TRY = 1 US $ rates of 2026 January-June period (30 June 2025: 37,4278 TRY = 1 US $).
c) Retained earnings; In the condensed interim financial statements, in accordance with TAS 21, they are converted to US Dollars at historical rates and followed in US Dollars. In order to show the Turkish Lira equivalent amounts as of the reporting dates retained earnings in the statement of financial position dated 30 June 2026 are presented by converting them into TRY using the foreign exchange selling rate effective as of 30 June 2026 announced by the Central Bank of the Republic of Türkiye, 46,6586 TRY = 1 US $ (31 December 2025: 42,9229 TRY= 1 US $).
d) Exchange differences arising from translation to TRY presentation currency are shown in other comprehensive income as of foreign currency translation reserve.
e) Share Capital and other reserves are presented with their legal values in the accompanying financial statements, and other equity items are presented with their historical cost values. The translation differences between the historical values of these items translated into the presentation currency and their carrying values from legal records are accounted for as foreign currency translation differences in the other comprehensive income statement.

USD amounts presented in the condensed interim financial statements

The figures in USD amounts presented in the accompanying condensed interim financial statements comprising the statements of financial position as of 30 June 2026 and 31 December 2025, condensed statement of profit or loss and other comprehensive income and condensed statement of cash flows for the interim period ended 30 June 2026 and 2025 represent the condensed financial statements prepared according to USD reporting currency within the frame of functional currency change that the Company has made, which is effective as of 1 July 2013, prepared in accordance with the TAS 21- Effects of Changes in Foreign Exchange Rates.

Going concern

The Company prepared its condensed interim financial statements in accordance with the going concern assumption.

Approval of the financial statements

The condensed interim financial statements have been approved on 6 August 2026 by the Board of Directors. The General Assembly has the authority to revise the financial statements.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.2 Comparative Information and Restatement of Financial Statements with Prior Periods

The Company's financial statements are prepared in comparison with the previous period in order to allow for the determination of the financial position and performance trends. Comparative information is reclassified when necessary and important differences are explained in order to ensure compliance with the presentation of the current period condensed financial statements.

2.3 Adoption of New and Revised Financial Reporting Standards

The accounting policies adopted in preparation of the interim condensed financial statements as at 30 June 2026 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2026 summarized below.

a) Amendments that are mandatorily effective from 1 January 2026

Amendments to TFRS 9 and TFRS 7	: Classification and Measurement of Financial Instruments
Amendments to TFRS 9 and TFRS 7	: Contracts Referencing Nature-dependent Electricity
Annual Improvements to TFRSs	: Volume 11

The effects of these standards and comments on the financial statements and performance of the company are explained in the relevant paragraphs.

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

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognized on the settlement date.

It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The new requirements are applied retrospectively with an adjustment to opening retained earnings.

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

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New ad Revised Financial Reporting Standards (cont'd)

a) Amendments that are mandatorily effective from 1 January 2026 (cont'd)

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price".
- TAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

b) New and revised TFRSs in issue but not yet effective and not early adopted

The Company has not yet adopted the following standards and amendments and interpretations to the existing standards:

Amendments to TFRS 10 and TAS 28	:Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
TFRS 17	:Standard for Insurance Contracts
TFRS 18	:Standard for Presentation and Disclosure Financial Statements
TFRS 19	:Subsidiaries without Public Accountability:Disclosures
TAS 21	:Translation to a Hyperinflationary Presentation

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

In December 2017, POA postponed the effective date of these amendments to TFRS 10 and TAS 28 indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 Standard for Insurance Contracts

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

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New and Revised Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective and not early adopted (cont'd)

TFRS 18 Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

TFRS 19 –Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary does not have public accountability and has a parent (either ultimate or intermediate) which prepares financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the POA in April 2026 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with TAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

NOTE 2 – BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

2.3 Adoption of New and Revised Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective and not early adopted (cont'd)

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation (cont'd)

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with TAS 29. Other entities will apply the amendments retrospectively.

The Company evaluates the effects of these standards, amendments and improvements on the financial statements.

2.4 Summary of Significant Accounting Policies

The condensed interim financial statements for the six months period ended 30 June 2026 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim financial statements for the period ended 30 June 2026 are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2025.

Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2025.There has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope as of 30 June 2026, from the interests reported as of 31 December 2025.

2.5 Restatement and errors in the accounting policies and estimates

Any change in the accounting policies resulted from the first time adoption of a new standards is made either retrospectively or prospectively in accordance with the transition requirements of the standards. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

2.6 Segment Reporting

The segments with similar economic characteristics have been combined into a single operating segment considering the nature of the products and the production processes, methods to allocate the products and the type of customers or to provide services.

NOTE 3 –RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling parent of the Company are Ereğli Demir ve Çelik Fabrikaları T.A.Ş. and Ordu Yardımlaşma Kurumu respectively (Note 1).

The details of trade receivables between the Company and related parties are disclosed below:

Due from related parties (short term)	30 June 2026	31 December 2025
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (1)	5.924.691	5.435.982
OYAK Sentetik Karbon Ürünleri San. Ve Tic. A.Ş. (5)	26.646	2.924
Erdemir Romania SRL (2)	181.236	28.772
İsdemir Linde Gaz Ortaklığı A.Ş. (4)	-	12.047
	6.132.573	5.479.725

The trade receivables from related parties mainly arise from sales of iron, steel and by-products.

The details of trade payables between the Company and related parties are disclosed below**:**

Due to related parties (short term)	30 June 2026	31 December 2025
Amsterdam Scrap Terminal B.V. (3)	2.050.874	3.403.140
Erdemir Madencilik San. ve Tic. A.Ş. (2)	731.519	456.711
OYAK Pazarlama Hizmet ve Turizm A.Ş. (3)	443.847	426.216
Erdemir Asia Pacific PTE LTD (2)	-	433.859
Omsan Lojistik A.Ş. (3)	622.748	528.727
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (3)	126.369	97.272
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (3)	334.973	180.568
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (2)	23.529	16.385
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. (2)	57.387	53.584
Kümaş Manyezit Sanayi A.Ş. (2)	218.494	206.408
OYAK Çimento Fabrikaları A.Ş. (5)	40.289	54.233
Other	294.715	425.457
	4.944.744	6.282.560

The trade payables from related parties are generally due to the purchase of raw material and service transactions.

(1) Immediate parent company
(2) Subsidiaries of the immediate parent company
(3) Subsidiaries of the ultimate company
(4) Joint venture
(5) Participations of the ultimate company

NOTE 3 –RELATED PARTY TRANSACTIONS (cont'd)

The details of prepaid expenses between the Company and related parties are disclosed below:

Prepaid expenses to related parties (long term)	30 June 2026	31 December 2025
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (3)	60.829	55.958
	60.829	55.958

Prepaid expenses to related parties arise from advances given for tangible assets.

The details of sales between the Company and related parties are disclosed below:

Major sales to related parties	1 January - 30 June 2026	1 January - 30 June 2025
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (1)	41.537.489	32.244.497
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. (2)	3.548	3.568
İsdemir Linde Gaz Ortaklığı A.Ş. (4)	200.837	213.555
Erdemir Romania S.R.L. (2)	148.783	86.752
OYAK Çimento Fabrikaları A.Ş. (5)	14.424	11.786
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. (3)	51.754	70.446
OYAK Pazarlama Hizmet ve Turizm A.Ş. (3)	72	19
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (3)	623	220
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (3)	17	16
Kümaş Manyezit Sanayi A.Ş. (2)	77	143
Other	1.763	2.537
	41.959.387	32.633.539

The major sales to related parties are generally due to the sales transactions of iron, steel, service, energy and by-products.

(1) Immediate parent company
(2) Subsidiaries of the immediate parent company
(3) Subsidiaries of the ultimate company
(4) Joint venture
(5) Participations of the ultimate company

NOTE 3 –RELATED PARTY TRANSACTIONS (cont'd)

The details of purchases between the Company and related parties are disclosed below:

Major purchases from related parties	1 January - 30 June 2026	1 January - 30 June 2025
Doco Petrol ve Danışmanlık A.Ş. [3]	66.762	50.342
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş. [3]	63.839	69.975
Erdemir Madencilik San. ve Tic. A.Ş. [2]	4.630.673	4.249.433
Erdemir Asia Pacific PTE LTD [2]	760.925	12.992
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. [1]	557.422	283.477
OYAK Pazarlama Hizmet ve Turizm A.Ş. [3]	895.268	713.865
Amsterdam Scrap Terminal B.V. [3]	2.042.703	2.511.808
OYAK Savunma ve Güvenlik Sistemleri A.Ş. [3]	209.740	221.241
Omsan Lojistik A.Ş. [3]	1.249.496	808.182
Erdemir Çelik Servis Merkezi San. ve Tic. A.Ş. [2]	119.842	88.133
Erdemir Müh. Yön. ve Dan. Hiz. A.Ş. [2]	371.385	295.254
İsdemir Linde Gaz Ortaklığı A.Ş. [4]	408.783	373.446
OYAK Denizcilik ve Liman İşletmeleri A.Ş. [3]	580.654	324.153
Kümaş Manyezit Sanayi A.Ş. [2]	340.226	201.088
AST Trade FZCO [3]	147.104	-
OYAK Çimento Fabrikaları A.Ş. [5]	131.196	142.316
Other	361.485	356.146
	12.937.503	10.701.851

The major purchases from related parties are generally due to the purchased service transactions, energy and raw material.

The Company earned TRY 189.057 thousand finance income from related party transactions of the first six month period of 2026, amounting to all of which consisted interest income from forward sales (30 June 2025: TRY 201.308 thousand total finance income from related party receivables, TRY 185.669 thousand of interest income from forward sales and TRY 15.639 thousand of interest income from related parties).

The terms and policies applied to the transactions with related parties performed:

As of 30 June 2026, the balances realized in the status of commercial goods are secured and their collections will be done in cash. Other receivables from related parties balances are un-secured, interest -bearing and their collections will be done in cash. Certain maturity differences are applied for transactions made with related parties, depending on market conditions and product types, and delay interest is applied for overdue sales, again depending on market conditions and product types.

For the six months period ended 30 June 2026, the Company did not set any for the receivables from related parties (31 December 2025: None).

[1] Immediate parent company
[2] Subsidiaries of the immediate parent company
[3] Subsidiaries of the ultimate company
[4] Joint venture
[5] Participations of the ultimate company

NOTE 3 –RELATED PARTY TRANSACTIONS (cont'd)

Benefits provided to executive managers:

The company's executive management team consists of the Board of Directors, General Manager and Assistant General Managers. For the six months period ended 30 June 2026, the total compensation consisting of short term benefits such as salaries, bonuses and other benefits of the executive management of the Company is TRY 11.337 thousand (30 June 2025: TRY 20.837 thousand).

NOTE 4 – INVENTORIES

The details of the Company's inventories for the reporting period are as follows:

	30 June 2026	31 December 2025
Raw materials	10.879.326	10.745.538
Work in progress	9.259.240	7.986.759
Finished goods	4.917.796	3.318.024
Spare parts	7.354.464	6.757.410
Goods in transit	9.003.107	6.889.567
Other inventories	4.265.340	4.318.297
Allowance for impairment on inventories (-)	(977.238)	(899.231)
	44.702.035	39.116.364

The movement of the allowance for impairment on inventories:

	1 January – 30 June 2026	1 January – 30 June 2025
Opening balance	899.231	1.113.085
Provision released (-)	(244)	(134.356)
Translation difference	78.251	132.425
Closing balance	977.238	1.111.154

The Company has provided an allowance for the impairment on the inventories of finished goods and work in progress within the scope of aging reports in the cases when their net realizable values are lower than their costs or for slow moving inventories. The provision released has been recognized under cost of sales (Note 13).

NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The detail of the investments accounted for using equity method is follows:

Joint Venture	Right to vote ratio %	30 June 2026	Right to vote ratio %	31 December 2025	Business segment
İsdemir Linde Gaz Ortaklığı A.Ş.	50	1.824.527	50	1.471.206	Industrial Gas Production and Sale

NOTE 5 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (cont'd)

The movement of the Company's investments accounted for using equity method is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	1.471.206	1.280.062
Net profit(loss) for the period	215.139	39.021
Dividend	-	(180.298)
Translation difference	138.182	159.369
Closing balance	1.824.527	1.298.154

Company's share on net assets of investments accounted for using equity method is as follows:

	30 June 2026	31 December 2025
Total assets	3.732.537	3.116.147
Total liabilities	83.483	173.736
Net assets	3.649.054	2.942.411
Company's share on net assets	1.824.527	1.471.206

	30 June 2026	31 December 2025
Share capital	140.000	140.000

İsdemir Linde Gaz Ortaklığı A.Ş has the right of to deduct TRY 110.643 thousand (31 December 2025: TRY 24.485 thousand) from corporate tax of the investment deduction where profit will occur in the upcoming years pursuant to the Resolution No 2012/3305 on Government Aids in Investments and the Cabinet Decision issued in the Official Gazette on 22 February 2017. The deferred tax asset of TRY 86.158 thousand of additional investment deduction (its effect in the profit or loss statement of Company is TRY 43.079 thousand) is included in the financial statements prepared as of reporting date.

Company's share in profit of investments accounted for using equity method is as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Revenue	415.466	411.510
Operating Profit	74.605	101.361
Net profit (loss) for the period	430.278	78.041
Company's share in net profit (loss)	215.139	39.021

NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS

The movement of tangible assets for the reporting period is as follows:

	30 June 2026	30 June 2025
Opening balance as of 1 January		
Cost	266.400.892	210.619.833
Accumulated depreciation	(139.044.635)	(110.567.844)
Net book value	127.356.257	100.051.989
Net book value at the beginning of the period	127.356.257	100.051.989
Additions (*)	5.243.304	5.534.057
Disposals (-)	(7.266)	(5.854)
Cost of disposals	*(45.493)*	*(15.493)*
Accumulated depreciation disposals	*38.227*	*9.639*
Transfers to intangible assets	(10.459)	(22.417)
Currency translation difference	11.184.267	12.848.314
Cost currency translation difference	*23.429.434*	*26.885.355*
Accumulated depreciation currency translation difference	*(12.245.167)*	*(14.037.041)*
Current period depreciation (-)	(3.102.638)	(2.290.392)
Net book value at the end of the period	140.663.465	116.115.697
Closing balance end of period		
Cost	295.017.678	243.001.335
Accumulated depreciation	(154.354.213)	(126.885.638)
Net book value	140.663.465	116.115.697

(*) The amount of capitalized borrowing cost is TRY 170.964 thousand for the current period (30 June 2025: TRY 389.173 thousand).

As of reporting period, the Company has no collaterals or pledges upon its tangible assets (30 June 2025: None).

NOTE 6 – TANGIBLE AND INTANGIBLE ASSETS (cont'd)

The movement of intangible assets for the reporting period is as follows:

	30 June 2026	30 June 2025
Opening balance as of 1 January		
Cost	3.906.366	3.136.368
Accumulated amortisation	(2.169.264)	(1.685.706)
Net book value	1.737.102	1.450.662
Net book value at the beginning of the period	1.737.102	1.450.662
Additions	3.751	157
Transfers from tangible assets	10.459	22.417
Currency translation difference	148.818	181.513
Cost currency translation difference	*340.654*	*397.928*
Accumulated depreciation currency translation difference	*(191.836)*	*(216.415)*
Current period amortisation (-)	(64.460)	(53.232)
Net book value at the end of the period	1.835.670	1.601.517
Closing balance end of period		
Cost	4.261.230	3.556.870
Accumulated amortisation	(2.425.560)	(1.955.353)
Net book value	1.835.670	1.601.517

As of reporting period, the Company has no collaterals or pledges upon its intangible assets (30 June 2025: None).

The breakdown of depreciation and amortisation expenses related to tangible, intangible and right of use assets amounting to TRY 48.464 thousand (30 June 2025: TRY 33.832 thousand) assets are as follows:

	30 June 2026	30 June 2025
Associated with cost of production	3.060.322	2.296.542
General administrative expenses	53.273	23.167
Marketing, sales and distribution expenses	101.967	57.747
	3.215.562	2.377.456

NOTE 7 – BORROWINGS

Breakdown of borrowings is as follows:

	30 June 2026	31 December 2025
Short term bank borrowings	2.440.419	5.253.933
Short term portion of long term bank borrowings	14.927.565	3.740.255
Long term bank borrowings	20.814.773	30.089.997
Total bank borrowings	38.182.757	39.084.185
Short term portion of long term lease payables	210.150	163.305
Cost of short term portion of long term lease payables (-)	(24.471)	(11.124)
Long term lease payables	3.291.669	2.697.021
Cost of long term lease payables (-)	(2.709.150)	(2.187.362)
Total leases payables	768.198	661.840
Total borrowings	38.950.955	39.746.025

As of 30 June 2026, the breakdown of the Company's loans with their original currency and their weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weight Average Rate of Interest (%)	Short Term Portion	Long Term Portion	30 June 2026
Fixed	US Dollars	7,55	12.315.326	16.097.257	28.412.583
Floating	US Dollars	TERM SOFR+2,83	4.683.292	3.414.518	8.097.810
Floating	EURO	Euribor+0,5	369.366	1.302.998	1.672.364
			17.367.984	20.814.773	38.182.757

As of 31 December 2025, the breakdown of the Company's loans with their original currency and their weighted average interest rates is presented as follows:

Interest Type	Type of Currency	Weight Average Rate of Interest (%)	Short Term Portion	Long Term Portion	31 December 2025
Fixed	US Dollars	7,49	6.627.106	21.639.711	28.266.817
Floating	US Dollars	TERM SOFR+2,81	647.843	7.048.276	7.696.119
Floating	EURO	Euribor+0,5	350.501	1.402.010	1.752.511
Fixed	TRY	42,00	1.368.738	-	1.368.738
			8.994.188	30.089.997	39.084.185

NOTE 7 – BORROWINGS (cont'd)

The breakdown of loan repayment is as follows:

	30 June 2026			31 December 2025		
	Bank Borrowings	Lease Payables	Total Borrowings	Bank Borrowings	Lease Payables	Total Borrowings
Within 1 year	17.367.984	185.679	17.553.663	8.994.188	152.181	9.146.369
Between 1-2 years	15.561.650	16.453	15.578.103	18.643.239	15.136	18.658.375
Between 2-3 years	2.738.998	10.319	2.749.317	7.987.819	9.493	7.997.312
Between 3-4 years	679.130	8.817	687.947	1.443.441	8.111	1.451.552
Between 4-5 years	644.523	7.881	652.404	211.690	7.250	218.940
Five years or more	1.190.472	539.049	1.729.521	1.803.808	469.669	2.273.477
	38.182.757	768.198	38.950.955	39.084.185	661.840	39.746.025

NOTE 8 – PROVISIONS

The Company's short term provisions are as follows:

	30 June 2026	31 December 2025
Provision for lawsuits	499.406	367.208
Penalty provision for employment shortage of disabled personnel	24.669	16.600
Provision for land occupation	-	5.190
	524.075	388.998

As of reporting period, lawsuits filed by and against the Company are as follows:

	30 June 2026	31 December 2025
Lawsuits filed by the Company	263.320	257.458

The provisions for the lawsuits filed by the Company represents the doubtful trade receivables.

	30 June 2026	31 December 2025
Lawsuits filed against the Company	403.683	265.316
Provision for lawsuits filed against the Company	499.406	367.208

NOTE 8 – PROVISIONS (cont'd)

The movement of the short term provisions is as follows:

	1 January 2026	Change for the period	Payments	Provision released	Translation Difference	30 June 2026
Provision for lawsuits	367.208	204.726	(41.295)	(46.998)	15.765	499.406
Penalty provision for employment shortage of disabled personnel	16.600	8.038	-	-	31	24.669
Provision for land occupation	5.190	-	-	(5.317)	127	-
	388.998	212.764	(41.295)	(52.315)	15.923	524.075

	1 January 2025	Change for the period	Payments	Provision released	Translation Difference	30 June 2025
Provision for lawsuits	170.725	131.011	(3.022)	(51.201)	7.238	254.751
Penalty provision for employment shortage of disabled personnel	5.960	4.188	-	-	68	10.216
Provision for land occupation	3.969	747	-	(303)	22	4.435
	180.654	135.946	(3.022)	(51.504)	7.328	269.402

NOTE 8 – PROVISIONS (cont'd)

The Decision of the Constitutional Court for Electricity and Air Gas Consumption Tax

The claims filed every month since May 2012 for refunding of taxes paid and deduction thereof from Electric and Coal Gas Tax collected by the Municipality on the Electric and Coal Gas consumption quantity produced by the Company in the facilities and used for industrial production of the Company were concluded in the court of first instance and the Council of State against the company. Thereafter, the Company used its right on 15 January 2015 to apply the Constitutional Court individually. As a result of the General Assembly Resolution of the Supreme Court the Company, which was issued on 25 October 2018 and published in the Official Gazette on 25 December 2018, was notified and stated that the property rights of the Company were violated, and retrial was decided 22 trials for the applicable claims to eliminate the consequences of the violation of the property rights.

Similarly, it was decided by the Supreme Court that it was combined within the scope of our individual application and that the Company's right to property was violated in 34 cases that were concluded, and that the trials in the relevant lawsuits were taken to eliminate the consequences of the violation of the right to property.

56 lawsuits, which were decided to be retrial by the Constitutional Court, were heard again at the Hatay Tax Court, and the Local Court decided to accept the cases in favor of the Company. In addition, in 9 cases, based on the decision of the Constitutional Court, in favor of the Hatay 1st Tax Court, and in favor of the Adana Regional Court of Justice after the Council of State reversed 12 cases, the cases were decided to be accepted in a total of 77 cases. All of these 77 files have been finalized in favor of the Company. The total number of lawsuits filed by the company in this regard is 80, and the Constitutional Court's review for 3 files is still ongoing.

Litigation provision amounts is provided by taking legal opinion of Company's lawyers. It is evaluated by the Company Management that it will not cause a more significant loss than the provision amount reserved for lawsuits.

NOTE 9 – EMPLOYEE BENEFITS

Short term payables of the employee termination benefits of the Company is as follows:

	30 June 2026	31 December 2025
Due to personnel	519.853	531.565
Social security premiums payable	300.529	382.108
	820.382	913.673

NOTE 9 – EMPLOYEE BENEFITS (cont'd)

Long term provision of the employee termination benefits of the Company is as follows:

	30 June 2026	31 December 2025
Provisions for employee termination benefits	2.651.656	2.102.435
Provisions for seniority incentive premium	291.762	255.165
Provision for unused vacations	461.491	329.657
	3.404.909	2.687.257

According to the Turkish Labor Law, the company is obliged to pay severance pay to every employee who has completed at least one year of service and retired after 25 years of working life, who has been dismissed, called for military service or deceased.

As of 30 June 2026, the employee termination benefit has been updated to a maximum of TRY 64.948,77 (31 December 2025: TRY 53.919,68). As of 1 July 2026, the employee termination benefit has been updated to a maximum of TRY 73.729,87.

The employee termination benefit legally is not subject to any funding requirement.

The employee termination benefit has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Company's obligation under defined benefit plans. The obligation as of 30 June 2026 has been calculated by an independent actuary and projected unit credit method is used in the calculation. Actuarial assumptions, used in calculating the present value of liabilities are below.

	30 June 2026	31 December 2025
Interest rate	32,56%	27,12%
Inflation rate	28,04%	22,06%

Discount rates are determined considering the expected duration of the retirement obligations and the currency in which the obligations will be paid. In calculations as of 30 June 2026, a fixed discount rate is used. Long term inflation estimates are made using an approach consistent with discount rate estimates and long term inflation rate fixed over years is used.

The anticipated rate of resignation which do not result in the payment of employee benefits is also considered in the calculation. The anticipated rate of resignation is assumed to be related with the past experience, therefore past experiences of employees are analyzed and considered in the calculation. In the actuarial calculation as of reporting period, the anticipated rate of resignation is considered to be inversely proportional to the past experience. The anticipated rate of resignation is between 2%-0% for the employees with past experience between 0-15 years or over.

NOTE 9 – EMPLOYEE BENEFITS (cont’d)

The movement of the provision for employee termination benefits is as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Opening balance	2.102.435	2.254.266
Service cost	60.988	39.384
Interest cost	185.327	185.636
Actuarial loss/(gain)	351.738	162.055
Termination benefits paid	(50.107)	(347.578)
Translation difference	1.275	3.966
Closing balance	2.651.656	2.297.729

According to the current labor agreement, employees completing their 10th, 15th and 20th service years receive seniority incentive premium payments.

The movement of the provision for seniority incentive premium is as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Opening balance	255.165	125.065
Service cost	25.490	12.946
Interest cost	32.309	14.751
Actuarial loss/(gain)	(21.641)	33.603
Translation difference	439	290
Closing balance	291.762	186.655

The movement of the provision for unused vacation is as follows:

	1 January – 30 June 2026	1 January – 30 June 2025
Opening balance	329.657	276.308
Provision for the period	224.415	180.421
Vacation paid during the period (-)	(7.179)	(29.082)
Provisions released (-)	(86.165)	(93.063)
Translation difference	763	5.327
Closing balance	461.491	339.911

NOTE 10 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The guarantees received reporting period by the Company are as follows:

	30 June 2026	31 December 2025
Letters of guarantees received	7.489.861	7.720.861
	7.489.861	7.720.861

The Collaterals, Pledges and Mortgages (CPM) given by the Company are as follows:

	30 June 2026	31 December 2025
A. Total CPM given for the Company's own legal entity	7.178.378	8.916.700
B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis	-	-
C. Total CPM given in favour of other 3rd parties for ordinary trading operations	-	-
D. Other CPM given	-	-
i. Total CPM given in favour of parent entity	-	-
ii. Total CPM given in favour of other Group companies out of the scope of clause B and C	-	-
iii. Total CPM given in favour of other 3rd parties out of the scope of clause C	-	-
	7.178.378	8.916.700

As of reporting period, the ratio of the other CPM given by the Company to shareholders equity is 0% (31 December 2025: 0%).

The breakdown of the collateral given by the Company in TRY equivalent to original currency is as follows:

	30 June 2026	31 December 2025
US Dollars	2.664.206	2.450.898
TRY	4.407.807	6.365.049
EURO	106.365	100.753
	7.178.378	8.916.700

NOTE 11 – TAX ASSETS AND LIABILITIES

The details of the Company's tax expenses as of the reporting period are as follows:

Corporate tax payable:	30 June 2026	31 December 2025
Current corporate tax provision	135.727	294.727
	135.727	294.727

Taxation:	1 January - 30 June 2026	1 January - 30 June 2025
Current corporate tax expense	129.386	132.244
Deferred tax expense/(income)	(5.083.477)	(360.723)
	(4.954.091)	(228.479)

Corporate Tax

The Company is subject to corporation tax applicable in Türkiye. The necessary provisions are allocated in the financial statements for the estimated liabilities based on the Company's results for the current period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other deductions (retained losses if any, used investment allowance if required).

With the Law No. 7456 published in the Official Gazette dated 15 July 2023, the first paragraph of Article 32 of the Corporate Tax Law was amended, and the corporate tax rate was increased to 25% for the corporate earnings of 2023 and the following taxation periods. The valid corporate tax rate is 25% as of reporting date. The exemption rate applied to the gains arising from the sale of immovable properties in the assets of institutions before 15 July 2023 is 25% and will be applied to the deferred tax to be calculated on the temporary differences arising in case of revaluation of the relevant immovable properties. The tax rate should be taken into account as 18,75% if the book value of the relevant real estate is recovered through sale.

The total corporate tax payments made by the Company during the six month interim period of 2026 amounted to TRY 294.727 thousand.

A legal amendment, published in the Official Gazette dated 25 December 2025, and numbered 33118, added to the Tax Procedure Law No. 213, stipulates that for the accounting periods of 2025 (including provisional tax periods), legal financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment under Article 298 of the Tax Procedure Law are met, for the accounting periods of 2026 and 2027. Accordingly, financial statements prepared in accordance with the Tax Procedure Law as of 31 December 2025, have not been subjected to inflation adjustment.

Law No. 7582, published in the Official Gazette dated 4 June 2026, and numbered 33270, amended the eighth paragraph of Article 32 of the Corporate Tax Law No. 5520.According to the amendment, the corporate tax rate to be applied to the profits exclusively derived from the production activities of institutions holding an industrial registration certificate and actually engaged in production activities, and to the profits exclusively derived from agricultural production activities of institutions engaged in agricultural production activities, has been determined as 12,5%.This rate change will be applied to profits earned in 2027 and subsequent tax periods.

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax

The Company recognizes deferred tax assets and liabilities based upon the temporary differences arising between its statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of some income and expenses tax bases in different reporting periods in the financial statements prepared according to TFRS.

As a result of Law No. 7582, published in the Official Gazette dated 4 June 2026, and numbered 33270, the corporate tax rate applicable to the profits earned from production activities of institutions holding an industrial registration certificate and actually engaged in production activities, as well as profits earned from agricultural production activities, has been determined as 12,5% for the year 2027 and subsequent tax periods. This rate change has been taken into account in the deferred tax calculations as of the reporting date, and the tax rate used in calculating deferred tax assets and liabilities (excluding land and plots) related to temporary differences expected to reverse in 2027 and beyond has been based on 12,5% (31 December 2025: 24%).

Deferred tax on temporary timing differences arising from land and land is calculated with 18,75% (31 December 2025: 18,75%).

Deferred tax assets and liabilities by the Company are as follows:

Deferred tax assets:	30 June 2026	31 December 2025
Provisions for employee benefits	425.613	639.567
Leasing payables	96.025	157.518
Provision for lawsuits	119.857	88.631
Adjustment of receivable rediscount	2.362	4.542
Other	140.278	294.756
	784.135	1.185.014
Deferred tax liabilities:		
Tangible and intangible fixed assets (net)	(6.750.244)	(11.694.035)
Right of use assets	(141.455)	(218.461)
Amortized cost adjustment on loans	(2.719)	(2.168)
Fair values of the derivative financial instruments	(6.954)	(34)
Inventories	(392.327)	(204.904)
	(7.293.699)	(12.119.602)
Deferred tax assets/(liabilities) net:	(6.509.564)	(10.934.588)

The provisional differences and deferred tax assets and liabilities shown above are based on gross values, and the net deferred tax position is shown in the financial statement.

NOTE 11 – TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax (cont'd)

The breakdown of deferred tax asset (liability) movement is as follows:

	1 January - 30 June 2026	1 January - 30 June 2025
Opening balance	(10.934.588)	(8.041.404)
Deferred tax (expense)/income	5.083.477	360.723
The amount in comprehensive income/(expense)	43.975	54.627
Translation difference	(702.428)	(993.464)
Closing balance	(6.509.564)	(8.619.518)

Reconciliation of tax provision is as follows:

Reconciliation of tax provision	1 January - 30 June 2026	1 January - 30 June 2025
Profit before tax	4.274.744	2.812.346
Statutory tax rate	25%	25%
Calculated tax acc. to effective tax rate	(1.068.686)	(703.087)
Reconciliation between the tax provision and calculated tax:		
- Non-deductible expenses	(4.240)	(5.767)
- Investment incentive	1.221.546	1.266.025
- 1 point reduction from the statutory tax rate	42.747	28.124
- The impact of investments accounted for using the equity method	51.633	9.755
- Effect of currency translation (*)	(729.927)	(366.571)
- The effect of the difference between the statutory tax rate and the tax rate used in deferred tax calculation	5.441.018	-
Tax (expense)/income in the profit or loss statement	4.954.091	228.479

(*) The difference between the Company's functional currency and the currency in basis of tax base cause to translation difference.

The Company has a strategic investment incentive certificate based on the Council of Ministers Decision No. 2012/3305 published in the Official Gazette dated 19 June 2012. As of the reporting date, TRY 1.221.546 thousand in reduced corporate tax was used within the scope of the strategic investment incentive certificate as a result of meeting the valid conditions in the current period.

NOTE 12 – EQUITY

The capital structure reporting period by the Company is as follows:

Shareholders	(%)	30 June 2026	(%)	31 December 2025
Ereğli Demir ve Çelik Fabrikaları T.A.Ş.	94,87	2.751.326	94,87	2.751.326
Quoted in Stock Exchange	5,13	148.674	5,13	148.674
Historical capital		2.900.000		2.900.000
Inflation adjustment to capital		164		164
Restated capital		2.900.164		2.900.164

NOTE 13 – SALES AND COST OF SALES

The Company derives its revenue from the transfer of goods at a point in time in the following major product lines. As of reporting date, the amount of performance obligations in the ongoing contracts of the Company will be eligible for recognition in the future is TRY 515.785 thousand. The Company plans to recognize related revenue amount as a revenue in a year.

As of the reporting date the detail of the sales revenue is as follows:

Sales Revenue	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Domestic sales	53.469.365	27.990.238	39.289.061	20.246.450
Export sales	12.419.388	6.861.370	14.573.818	7.727.273
Other revenues (*)	1.748.543	1.236.623	1.581.580	653.785
Interest income from sales with maturities	224.105	103.400	217.507	120.469
Sales returns (-)	(4.778)	(2.576)	(9.361)	(1.829)
	67.856.623	36.189.055	55.652.605	28.746.148
Cost of sales (-)	(61.934.680)	(32.933.034)	(51.055.197)	(26.017.469)
Gross profit	5.921.943	3.256.021	4.597.408	2.728.679

(*) The total amount of by product exports in other revenues is TRY 1.052.180 thousand (30 June 2025: TRY 667.958 thousand).

NOTE 13 – SALES AND COST OF SALES (cont'd)

As of the reporting date the detail of the cost of sales is as follows:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Raw material usage	(45.522.684)	(23.809.555)	(38.257.855)	(19.524.962)
Personnel costs	(5.179.704)	(2.880.594)	(3.628.984)	(1.750.154)
Energy costs	(2.531.581)	(1.320.519)	(2.281.447)	(1.175.065)
Depreciation and amortization expenses	(2.930.329)	(1.504.439)	(2.155.218)	(1.146.518)
Manufacturing overheads	(2.980.077)	(1.714.268)	(2.466.024)	(1.313.431)
Other cost of goods sold	(1.571.458)	(1.090.008)	(1.272.296)	(465.160)
Non-operating costs	(40.676)	(40.676)	(86.183)	(86.183)
Freight costs for sales delivered to customers	(683.432)	(314.057)	(609.106)	(353.213)
Inventory provision released (Note 4)	244	244	134.356	72.137
Amortisation of right of use assets	(41.046)	(21.403)	(26.991)	(16.354)
Other	(453.937)	(237.759)	(405.449)	(258.566)
	(61.934.680)	(32.933.034)	(51.055.197)	(26.017.469)

NOTE 14 – OPERATING EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES)

The breakdown of marketing expenses according to their nature for the reporting period is as follows:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Personnel expenses (-)	(172.440)	(93.172)	(137.684)	(71.778)
Depreciation and amortization (-)	(101.967)	(61.029)	(57.747)	(31.076)
Tax, duty and charges (-)	(940)	(501)	(515)	(265)
Benefits and services from third parties (-)	(554.848)	(295.856)	(448.722)	(238.093)
	(830.195)	(450.558)	(644.668)	(341.212)

The breakdown of general administrative expenses according to their nature for the reporting period is as follows:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Personnel expenses (-)	(404.892)	(229.861)	(274.719)	(145.704)
Depreciation and amortization expenses (-)	(45.855)	(23.318)	(16.326)	(8.509)
Amortization of right of use assets (-)	(7.418)	(3.783)	(6.841)	(3.510)
Tax, duty and charges (-)	(22.530)	(15.703)	(24.847)	(20.694)
Benefits and services from third parties (-)	(966.288)	(528.691)	(677.099)	(372.691)
	(1.446.983)	(801.356)	(999.832)	(551.108)

NOTE 14 – OPERATING EXPENSES ACCORDING TO THEIR NATURE AND OTHER OPERATING INCOME / (EXPENSES) (cont'd)

The breakdown of other operating income and expense for the reporting period is as follows:

Other operating income	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Foreign exchange gains from trade receivables and payables	464.813	164.114	335.286	243.868
Discount income	186	91	191	94
Provisions released	46.998	37.327	51.201	19.955
Service income	55.932	29.159	42.848	22.348
Maintenance repair and rent income	14.505	6.435	11.417	4.974
Lawsuit income	1.866	355	3.602	316
Indemnity and penalty detention income	15.710	8.819	16.577	6.180
Previous period insurance indemnity income	3.062	61	28.617	28.617
Warehouse income	3.464	1.914	7.604	2.151
Overdue interest income	492	174	36	23
Other income and gains	87.039	40.903	89.762	55.369
	694.067	289.352	587.141	383.895

Other operating expenses (-)	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Provision expenses	(212.764)	(151.320)	(135.199)	(74.150)
Donation expenses	(18.988)	(9.525)	(12.415)	(7.685)
Penalty expenses	(4.659)	(2.095)	(5.950)	(4.176)
Service expenses	(57.095)	(31.262)	(35.848)	(19.215)
Lawsuit compensation expenses	(116.086)	(81.131)	(9.783)	(5.138)
Other expenses and losses	(97.879)	(48.037)	(89.160)	(46.693)
	(507.471)	(323.370)	(288.355)	(157.057)

NOTE 15 – FINANCE INCOME AND EXPENSES

The breakdown of financial income for the reporting period is as follows:

Finance income	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Interest income on bank deposits	1.256.498	634.398	1.739.492	625.716
Foreign exchange gains	566.919	437.347	-	-
Interest income from related party receivables	-	-	15.639	1.089
Fair value differences of derivative financial instruments (net)	12.613	5.694	-	-
Other financial income	7.739	154	-	-
	1.843.769	1.077.593	1.755.131	626.805

The breakdown of financial expenses for the reporting period is as follows:

Finance expenses (-)	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Interest expenses on borrowings	(1.254.296)	(592.465)	(1.251.833)	(622.473)
Foreign exchange loss (net)	-	-	(470.512)	60.671
Interest cost of employee benefits	(217.636)	(108.755)	(200.387)	(100.413)
Interest expenses on leasing	(76.265)	(38.527)	(41.934)	(26.683)
Other financial expenses	(63.977)	(29.022)	(32.604)	(24.148)
Fair value differences of derivative financial instruments (net)	-	-	(227.063)	(202.264)
	(1.612.174)	(768.769)	(2.224.333)	(915.310)

During the reporting period, the borrowing cost of TRY 170.964 thousand have been capitalized as part of the Company's property, plant and equipment (30 June 2025: TRY 389.173) thousand).

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Additional information about financial instruments

Foreign currency risk management

As of reporting period, the foreign currency position of the Company in terms of original currency is calculated as it as follows:

	30 June 2026			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	776.960	103.862	12.679	-
2a. Monetary financial assets	5.023.587	5.010.817	240	21
2b. Non- monetary financial assets	416.759	414.103	50	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	**6.217.306**	**5.528.782**	**12.969**	**21**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	76.247	76.247	-	-
6b. Non- monetary financial assets	284.151	96	5.351	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**360.398**	**76.343**	**5.351**	**-**
9. Total assets (4+8)	**6.577.704**	**5.605.125**	**18.320**	**21**
10. Trade payables	6.137.873	5.474.408	12.475	-
11. Financial liabilities	555.045	185.679	6.945	-
12a. Other monetary financial liabilities	1.840.237	1.834.862	101	-
12b. Other non-monetary financial liabilities	2.285	-	43	-
13. Current liabilities (10+11+12)	**8.535.440**	**7.494.949**	**19.564**	**-**
14. Trade payables	-	-	-	-
15. Financial liabilities	1.885.517	582.519	24.501	-
16a. Other monetary financial liabilities	3.404.909	3.404.909	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	**5.290.426**	**3.987.428**	**24.501**	**-**
18. Total liabilities (13+17)	**13.825.866**	**11.482.377**	**44.065**	**-**
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	**(823.979)**	**-**	**(15.493)**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	823.979	-	15.493	-
20. Net foreign currency asset/liability position (9-18+19)	**(8.072.141)**	**(5.877.252)**	**(41.238)**	**21**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(7.946.787)**	**(6.291.451)**	**(31.103)**	**21**
22. Fair value of derivative financial instruments used in foreign currency hedge	28.924	-	544	-
23. Hedged foreign currency assets	823.979	-	15.493	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	13.471.568			
26. Imports	29.234.758			

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

	31 December 2025			
	TRY (Presentation currency)	TRY (Original currency)	EURO (Original currency)	Jap.Yen (Original currency)
1. Trade Receivables	806.865	168.912	12.687	-
2a. Monetary financial assets	6.868.422	6.808.527	1.191	21
2b. Non- monetary financial assets	140.220	134.247	119	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	**7.815.507**	**7.111.686**	**13.997**	**21**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	77.457	77.457	-	-
6b. Non- monetary financial assets	2.318.453	170	46.102	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	**2.395.910**	**77.627**	**46.102**	**-**
9. Total assets (4+8)	**10.211.417**	**7.189.313**	**60.099**	**21**
10. Trade payables	6.950.734	4.504.828	48.009	99.582
11. Financial liabilities	1.871.421	1.520.920	6.958	-
12a. Other monetary financial liabilities	1.839.860	1.822.822	338	-
12b. Other non-monetary financial liabilities	40.598	-	806	-
13. Current liabilities (10+11+12)	**10.702.613**	**7.848.570**	**56.111**	**99.582**
14. Trade payables	-	-	-	-
15. Financial liabilities	1.911.672	509.659	27.831	-
16a. Other monetary financial liabilities	2.687.257	2.687.257	-	-
16b. Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	**4.598.929**	**3.196.916**	**27.831**	**-**
18. Total liabilities (13+17)	**15.301.542**	**11.045.486**	**83.942**	**99.582**
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	**(524.119)**	**-**	**(10.404)**	**-**
19a. Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b. Off-balance sheet foreign currency derivative financial liabilities	524.119	-	10.404	-
20. Net foreign currency asset/liability position (9-18+19)	**(5.614.244)**	**(3.856.173)**	**(34.247)**	**(99.561)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**(7.508.200)**	**(3.990.590)**	**(69.258)**	**(99.561)**
22. Fair value of derivative financial instruments used in foreign currency hedge	233	-	5	-
23. Hedged foreign currency assets	524.119	-	10.404	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Exports	26.978.372			
26. Imports	54.202.635			

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

The following table shows the Company's sensitivity to a 10% (+/-) change in the TRY, EURO and JPY 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

For assets with foreign currency balances in the summary statement of financial position as of 30 June 2026: 46,5747 TRY = US $ 1, 53,0866 TRY = Euro 1; 0,2863 TRY = JPY 1 for liabilities: 46,6586 TRY = US $ 1, 53,1823 TRY = Euro 1, 0,2882 TRY = JPY 1 converted at rates (31 December 2025: For assets; 42,8457 TRY = US $ 1, 50,2859 TRY = Euro 1; 0,2729 TRY = JPY, 1 For Liabilities; 42,9229 TRY = US $ 1, 50,3765 TRY = Euro 1, 0,2747 TRY = JPY 1).

	Profit/(loss) before tax after capitalization on tangible assets	
30 June 2026	Appreciation of foreign currency	Depreciation of foreign currency
1- TRY net asset/liability	(629.145)	629.145
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	**(629.145)**	**629.145**
5- Euro net asset/liability	(165.535)	165.535
6- Hedged portion from Euro risk (-)	(82.395)	82.395
7- Effect of capitalization (-)	-	-
8- Euro net effect (5+6+7)	**(247.930)**	**247.930**
9- Jap. Yen net asset/liability	1	(1)
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
12- Jap. Yen net effect (9+10+11)	**1**	**(1)**
TOTAL (4+8+12)	**(877.074)**	**877.074**

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Foreign currency risk management (cont'd)

	Profit/(loss) before tax after capitalization on tangible assets	
31 December 2025	Appreciation of foreign currency	Depreciation of foreign currency
1- TRY net asset/liability	(399.059)	399.059
2- Hedged portion from TRY risk (-)	-	-
3- Effect of capitalization (-)	-	-
4- TRY net effect (1+2+3)	**(399.059)**	**399.059**
5- Euro net asset/liability	(349.026)	349.026
6- Hedged portion from Euro risk (-)	(52.412)	52.412
7- Effect of capitalization (-)	-	-
8- Euro net effect (5+6+7)	**(401.438)**	**401.438**
9- Jap. Yen net asset/liability	(2.735)	2.735
10- Hedged portion from Jap. Yen risk (-)	-	-
11- Effect of capitalization (-)	-	-
12- Jap. Yen net effect (9+10+11)	**(2.735)**	**2.735**
TOTAL (4+8+12)	**(803.232)**	**803.232**

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Categories of the financial instruments and their fair values

	Financial assets/ liabilities at amortized cost	Fair value through other comprehensive income	Fair value through profit/loss	Carrying value
30 June 2026				
Financial Assets				
Cash and cash equivalents	41.680.657	-	-	41.680.657
Trade receivables	7.697.743	-	-	7.697.743
Financial investments	-	-	71.588	71.588
Other receivables	235.579	-	-	235.579
Derivative financial instruments	-	-	28.924	28.924
Financial Liabilities				
Financial liabilities	38.950.955	-	-	38.950.955
Trade payables	39.216.260	-	-	39.216.260
Other liabilities	1.074.387	-	-	1.074.387
31 December 2025				
Financial Assets				
Cash and cash equivalents	50.737.047	-	-	50.737.047
Trade receivables	7.803.468	-	-	7.803.468
Financial investments	-	-	72.798	72.798
Other receivables	224.122	-	-	224.122
Derivative financial instruments	-	-	1.745	1.745
Financial Liabilities				
Financial liabilities	39.746.025	-	-	39.746.025
Trade payables	33.972.174	-	-	33.972.174
Other liabilities	952.780	-	-	952.780
Derivative financial instruments	-	92	1.513	1.605

Company management, considers that the fair values of financial assets and liabilities approximate book values.

NOTE 16 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Additional information about financial instruments (cont'd)

Categories of the financial instruments and their fair values (con't)

30 June 2026

Financial asset and liabilities at fair value		Fair value level as of reporting date		
	Book Value	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital investment fund	70.326	-	70.326	-
Derivative financial assets	28.924	-	28.924	-
	99.250	**-**	**99.250**	**-**

31 December 2025

Financial asset and liabilities at fair value		Fair value level as of reporting date		
	Book Value	Level 1	Level 2	Level 3
Financial assets and liabilities at fair value through profit/loss				
Venture capital investment fund	71.637	-	71.637	-
Derivative financial assets	1.745	-	1.745	-
Derivative financial liabilities	(1.513)	-	(1.513)	-
Financial assets and liabilities at fair value through other comprehensive income/expense				
Derivative financial liabilities	(92)	-	(92)	-
	71.777	**-**	**71.777**	**-**

First Level: Quoted (non-adjusted) prices in active markets for identical assets or liabilities.

Second Level: Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Third Level: Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTE 17 – SUBSEQUENT EVENTS

None.

NOTE 18 – OTHER ISSUES AFFECTING THE CONDENSED INTERIM FINANCIAL STATEMENTS MATERIALLY OR THOSE REQUIRED TO BE DISCLOSED FOR A CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

Convenience translation to English:

As of 30 June 2026, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting, certain reclassifications and also for certain disclosures requirement of the POA/CMB. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.