

## 2025 Financial Results Announcement

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret. A.Ş. (BIST: SARKY) announced its 2025 financial results on March 11, 2026.

### Management's Assessment

The year 2025 represented a time in the global copper industry distinguished by modifications in trade policies, disparities in regional demand, and cost-related pressures. Latest developments in tariff applications within the United States, investments in data centers, the growing momentum in electric vehicle and solar (renewable) energy investments, the subdued demand forecast in Europe, and escalating manufacturing costs in Türkiye have made it essential to adopt a more agile, disciplined, and strategic management mentality across all regions in which we operate.

Sarkuysan sustained its growth by swiftly adapting to evolving circumstances, owing to its diversified business model and global production and retail network throughout this period. The company raised its year-on-year retail volume by 3% to 185,000 tons and its earnings by 2% to TL 79 billion (US\$ 2 billion). The rise in the share of earnings from global markets, including Sarkuysan's stand-alone export operations, to 56% of total earnings validates the structural robustness established through geographical diversification. The contributions from our affiliated companies, namely Sark Wire and Sark Bulgaria, to this growth have consistently risen.

Due to the necessity of implementing Inflation Accounting (TMS29) practices in our financial statements that comply with TFRS, as stipulated by CMB regulations, the reflection of the aforementioned developments in the financial statements has been limited, and our consolidated profitability data is lower than the data calculated as per the Tax Procedure Law.

That is to say, as of December 31, 2025, the company's **profit before tax** in the **Stand-alone Financial statements** prepared as per the Tax Procedure Law (TPL) is **TL 1,459,369,890**, and the net profit after deducting taxes is TL 1,108,108,815. Considering the same date, the profit before tax in the **Consolidated Financial statements** prepared as per the Turkish Financial Reporting Standards (TFRS) and audited by an independent auditor is **TL 1,097,990,522**, and the net profit is TL 344,857,105. As per the regulations by the Ministry of Finance, in 2025, inflation accounting practices were not implemented in the balance sheets prepared in accordance with the Tax Procedure Law.

For a company like Sarkuysan, which has a robust equity structure, **the impact of implementing inflation accounting practices in TFRS-compliant financial statements** resulted in a **decrease in the Consolidated term profit** by **TL 804,022,842**. Other key differences between the profit calculated in the Stand-alone Financial statements prepared as per the Tax Procedure Law and in the consolidated financial results reported in the TFRS-compliant financial statements and audited by an independent party stem from consolidation transactions, as well as various practices and policies such as differences related to depreciation policies, miscellaneous provisions allocated, differences related to derivative financial instruments, etc. As with any company, varying operating results emerged in the TPL-compliant and TFRS-compliant financial statements, attributable to the distinct standards and regulations implemented while preparing the balance sheets as per the Tax Procedure Law and TFRS.

Sarkuysan has the purpose of refining its financial structure and enhancing its competitiveness in all its operations during each period. Thanks to its bolstered order portfolio and the steps taken towards structural and digital transformation, Sarkuysan approaches the forthcoming period with enhanced predictability. Our priority is to elevate value-added production, further reinforce our position in global markets, and manage growth while upholding sustainable profitability. Although the outlook for demand, trade regulations, raw material costs, and fluctuations in exchange rates will remain critical elements influencing our performance, the strategic actions we have adopted, along with our robust risk management structure, significantly enhance Sarkuysan's capacity to generate long-term value.

## Highlights of 2025

- In 2025, the retail volume experienced a growth of about 3% in comparison to the previous year, totaling 185,000 tons.
- In this period, sales earnings increased by 2% per annum, totaling TL 79.1 billion, despite subdued demand conditions, particularly in export markets, and the pressure of competition on pricing. In the financial statements, which were prepared as per the Tax Procedure Law and in which inflation accounting practices were not implemented, the revenue reached TL 64 billion by a year-on-year increase of 37%.
- In the TFRS-compliant Financial Statements, the share of sales earnings of Sarkuysan from global markets, including its stand-alone exports, sustained its impressive performance, increasing to 56%. **(35% of the rate mentioned is composed of the stand-alone export operations of our Company.)**
- Considering the operational profitability aspect, a notable improvement was achieved thanks to rising capacity utilization and the contribution of executed operational efficiency programs.
- In the TFRS-compliant Financial Statements, the Gross Profit in 2025 amounted to TL 2.7 billion per annum in real terms. In the financial statements, which were prepared as per the Tax Procedure Law and in which inflation accounting practices were not implemented, the Gross Profit reached TL 4.1 billion by a year-on-year increase of 23%.
- Our Company's Stand-alone Operating Profit, calculated as per the Tax Procedure Law, increased by 22% compared to the previous period, reaching TL 3.5 billion.
- In the TFRS-compliant Financial Statements, the year-on-year Profit Before Tax increased by 24%, totaling TL 1.1 billion (2024: TL 0.9 billion). In the financial statements, which were prepared as per the Tax Procedure Law, i.e., in which inflation accounting practices were not implemented, the Profit Before Tax reached TL 1.5 billion by a year-on-year increase of 108%.
- Thanks to our company's robust financial discipline and effective operation capital management, the Net Loss from the Real Operating Earnings/Loss and Financial Earnings/Loss, composed mainly of Interest and Foreign Exchange Earnings and Losses, amounted to TL 1.3 Billion (1.7% of Revenue), experiencing a year-on-year decrease of 28% in the TFRS-compliant Financial Statements. (2024: TL 1.8 Billion TL (2.4% of Revenue)). Meanwhile, the Net Financial Liability/EBITDA ratio is at the 3.7x level of the past year, despite the increasing operation capital requirement and financing burden.
- The impact of TMS29 Inflation Accounting implemented on the Consolidated Financial Statements of our Company is presented in the table below.

| 01.01.2025-31.12.2025    | Stand-alone Financial prepared as per Tax Procedure Law |                         | TMS29 Inflation Accounting Implemented Consolidated Financial |                         |
|--------------------------|---|-------------------------|---|-------------------------|
|                          | (TL)  | Year-on-year Increase % | (TL)  | Year-on-year Increase % |
| <b>Revenue</b>           | 64.274.593.140  | 37%                     | 79.114.454.022  | 2%                      |
| <b>Gross Profit</b>      | 4.191.840.121   | 23%                     | 2.708.263.331   | -34%                    |
| <b>Operating Profit</b>  | 3.546.821.157   | 22%                     | 2.196.764.662   | -35%                    |
| <b>Profit Before Tax</b> | <b>1.459.369.890</b>                                    | <b>108%</b>             | 1.097.990.522   | 24%                     |

## Industry Outlook

- The preliminary data released by the International Copper Study Group (ICSG) indicates that world refined copper production grew by about 4.2% in 2025. In 2026, mine production is expected to rise by 1.6% in comparison to 2025, amounting to 24.762 million tons. In the same period, total refined copper production is expected to reach 30.337 million tons which corresponds to an increase of 4.2% compared to 2025. In 2027, this figure is expected to increase by 6.2% to reach 31.874 million tons.
- In 2025, the year-on-year global refined copper consumption increased by 2.7%, reaching 28.143 million tons, while the refined copper consumption in our country was around 583,000 tons. Despite the hot wars witnessed in the past year, US custom tariffs and rising geopolitical risks, a year-on-year increase of 2.1% was achieved in the Turkish copper market in 2025. And in 2026, Türkiye refined market size is expected to increase by 3%, thus reaching 600,000 tons. The market size in question may vary depending on the contractionary steps to be taken by the current finance management as part of the fight against inflation.

## Prospective Outlooks

- In 2026, even with the ongoing pressure in the Gulf region and the consequent rise in inflation risks, the objective remains to attain the same retail volume at the minimum.
- Notably, our Grey Water project, which is scheduled to be operational in the first half of the year, will represent a significant milestone in our Sustainability Strategy.
- Furthermore, our Solar plant project, set to be launched at the start of the second half of the year to generate 22,000 MWh clean energy per annum, will conclude another key process in our Green Deal and Sustainability strategy.
- We intend to initiate the commissioning of new production lines with the goal of supplying for data center, solar energy, and electric vehicle products, which are anticipated to generate significant added value in earnings of Sark Wire and Sark Bulgaria.

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## Reservation

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