

YÜKSELEN ÇELİK ANONİM ŞİRKETİ
VE
BAĞLIK ORTAKLIKLARI
AS OF MARCH 31, 2025
FINANCIAL STATEMENTS AND CONSOLIDATED
INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS	PAGE
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)	1-2
STATEMENT OF PROFIT OR LOSS	3
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	4
CASH FLOW STATEMENT	5
NOTES TO THE FINANCIAL STATEMENTS	6-61

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI**AS OF MARCH 31, 2025 INDEPENDENTLY AUDITED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

	Note	Current Period 31.03.2025 TRY	Prior Period 31.12.2024 TRY
ASSETS		1.401.456.217	1.693.075.201
Current Assets		864.966.365	1.301.660.845
Cash and Cash Equivalents	53	42.687.879	12.761.707
Financial Investments	8	--	20.016.302
Trade Receivables	7	328.616.277	501.202.175
- Trade Receivables from Third Parties	7	328.616.277	501.202.175
Other Receivables	9.6	9.299.446	13.135.782
- Other Receivables from Related Parties	6	6.366.021	4.356.771
- Other Receivables from Third Parties	9	2.933.425	8.779.011
Stocks	10	403.324.484	728.793.474
Prepaid Expenses	12	80.830.313	13.316.801
- Prepaid Expenses to Third Parties	12	80.830.313	13.316.801
Current Period Tax Related Assets	40	207.966	1.545.894
Other Current Assets	29	--	10.888.710
Interim Total		864.966.365	1.301.660.845
Total Current Assets		864.966.365	1.301.660.845
Fixed Assets		536.489.852	391.414.356
Investments in Associates, Joint Ventures and Subsidiaries	4	1.514.194	1.527.596
Tangible Fixed Assets	14	361.093.718	342.152.130
Right of Use Assets	20	62.659.387	46.568.952
Intangible Assets	17	1.171.281	1.165.678
-Other Intangible Assets	17	1.171.281	1.165.678
Deferred Tax Assets	40	110.051.272	--
Total Fixed Assets		536.489.852	391.414.356
TOTAL ASSETS		1.401.456.217	1.693.075.201

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI**AS OF MARCH 31, 2025 INDEPENDENTLY AUDITED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

	Note	Current Period 31.03.2025 TRY	Prior Period 31.12.2024 TRY
SOURCES		1.401.456.217	1.693.075.201
Short Term Liabilities		904.140.379	1.000.137.325
Short Term Borrowings	47	243.640.802	152.117.504
- Short Term Borrowings from Third Parties	47	243.640.802	152.117.504
Short-term portion of long-term borrowings	47	135.363.980	508.507.830
- Short Term Portion of Long Term Borrowings from Third Parties	47	135.363.980	508.507.830
Liabilities arising from lease transactions	20	10.749.583	4.892.873
- Liabilities arising from lease transactions from related parties	6	6.830.464	--
- Liabilities arising from non-related lease transactions	20	3.919.119	4.892.873
Trade Payables	7	128.417.579	324.713.539
- Trade Payables to Third Parties	7	128.417.579	324.713.539
Employee Benefit Payables	27	5.798.681	2.944.185
Other Payables	9	372.720.005	1.458.847
- Other payables to related parties	6	365.992.209	--
- Other payables to third parties	9	6.727.796	1.458.847
Deferred Income	12	5.257.984	4.742.036
- Deferred Income from Third Parties	12	5.257.984	4.742.036
Short Term Provisions	25	2.191.765	760.511
- Short Term Provisions for Employee Benefits	25	2.191.765	760.511
Interim Total		904.140.379	1.000.137.325
Total Short Term Liabilities		904.140.379	1.000.137.325
Long Term Liabilities		70.066.103	74.592.294
Long Term Borrowings	47	44.448.497	63.859.107
- Long-term Borrowings from Third Parties	47	44.448.497	63.859.107
Liabilities arising from lease transactions	20	20.399.541	6.350.595
- Liabilities arising from lease transactions from related parties	6	9.708.871	--
- Liabilities arising from non-related lease transactions	20	10.690.670	6.350.595
Long Term Provisions	25	5.218.065	1.040.558
- Long Term Provisions for Employee Benefits	25	5.218.065	1.040.558
Deferred Tax Liability	40	--	3.342.034
Total Long Term Liabilities		70.066.103	74.592.294
EQUITY		427.249.735	618.345.582
Equity Attributable to Equity Holders of the Parent		427.249.735	618.345.582
Paid-in Capital	30	250.000.000	250.000.000
Capital Adjustment Differences	30	817.219.792	817.219.792
Accumulated Other Comprehensive Income	30	(381.441)	(311.920)
- Other comprehensive income (expense) not to be reclassified to profit or loss	30	(636.728)	(700.800)
- Gains (Losses) on Revaluation and Remeasurement	30	(636.728)	(700.800)
- Gain (Loss) on Remeasurement of Defined Benefit Plans	30	(636.728)	(700.800)
- Other Comprehensive Income (Expense) to be Reclassified to Profit or Loss	30	255.287	388.880
- Foreign Currency Translation Differences	30	255.287	388.880
Restricted Reserves	30	50.158.515	50.158.515
Retained Earnings/Losses	30	(498.720.805)	(69.451.198)
Net Profit/Loss for the Period		(191.026.326)	(429.269.607)
Total Equity		427.249.735	618.345.582
TOTAL RESOURCES		1.401.456.217	1.693.075.201

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 - MARCH 31, 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

	Note	Current Period 01.01.2025 31.03.2025 TRY	Prior Period 01.01.2024 31.03.2024 TRY
Revenue	31	263.921.892	523.103.980
Cost of Sales (-)	31	(400.214.126)	(588.258.165)
GROSS PROFIT (LOSS) FROM TRADING ACTIVITIES		(136.292.234)	(65.154.185)
GROSS PROFIT (LOSS)		(136.292.234)	(65.154.185)
General Administrative Expenses (-)	33	(26.093.903)	(29.387.441)
Marketing Expenses (-)	33	(28.718.805)	(32.303.683)
Other Operating Income	34	36.303.566	38.809.815
Other Operating Expenses (-)	34	(67.200.078)	(31.175.031)
OPERATING PROFIT (LOSS)		(222.001.454)	(119.210.525)
Income from Investing Activities	35	2.033.903	10.798.783
Expenses from Investing Activities	35	--	(158.654)
Impairment Gains (Losses) and Reversals of Impairment Losses Determined in accordance with TFRS 9	35	566.624	--
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		(219.400.927)	(108.570.395)
Financial Income	37	3.411.144	13.158.385
Financial Expenses (-)	37	(52.301.328)	(66.207.930)
Gains (Losses) on Net Monetary Position	37	(35.822.965)	66.718.530
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(304.114.076)	(94.901.410)
Tax (Expense) Income from Continuing Operations		113.087.750	9.534.933
-Period Tax (Expense) Income	40	--	(2.897.840)
-Deferred Tax (Expense) Income	40	113.087.750	12.432.772
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(191.026.326)	(85.366.477)
PROFIT (LOSS) FOR THE PERIOD		(191.026.326)	(85.366.477)
Distribution of Profit (Loss) for the Period		(191.026.326)	(85.366.477)
-Main Partnership Shares		(191.026.326)	(85.366.477)
Earnings (Loss) per Share	41	(0.76)	(0.34)
-Earnings (Loss) per Ordinary Share from Continuing Operations	41	(0.76)	(0.34)
Earnings (Loss) per Diluted Share	41	(1.08)	(0.48)
-Earnings (Loss) per diluted share from continuing operations	41	(1.08)	(0.48)
PROFIT (LOSS) FOR THE PERIOD		(191.026.326)	(85.366.477)
OTHER COMPREHENSIVE INCOME	38	(69.701)	(69.701)
Items to be Reclassified to Profit or Loss, Before Tax	38	(69.701)	(69.701)
Foreign Currency Translation Differences on Translation of Foreign Operations	38	(69.701)	(69.701)
-Gains (Losses) on Foreign Currency Translation Differences on Translation of Foreign Operations	38	(69.701)	(69.701)
Total Other Comprehensive Income, Before Tax		(69.701)	(69.701)
OTHER COMPREHENSIVE INCOME		(69.701)	(69.701)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		(191.096.027)	(85.436.178)
Breakdown of Total Comprehensive Income			
-Non-Controlling Interests		--	--
-Main Partnership Shares		(191.096.027)	(85.436.178)

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI

01 JANUARY - 31 MARCH 2025 AUDITED STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise (stated)).

				Other comprehensive income or expenses not to be reclassified to profit or Loss	Other Comprehensive Income or Expense to be Reclassified to Profit or Loss							
				Revaluation and Measurement Gains / Losses	Revaluation and Measurement Gains / Losses			Retained Earnings				
	Note	Paid in Capital	Capital Adjustment Differences	Gain / Loss on Remeasurement of Defined Benefit Plans	Foreign Currency Translation Differences	Restricted Reserves Allocated from Profit		Retained Earnings / Losses	Net Profit/ Loss for the Period	Equity Attributable to Equity Holders of the Parent	Uncontrolled Interests	Total Equity
CURRENT PERIOD												
Balances as of 01.01.2025 (beginning of the period)		250.000.000	817.219.792	(700.800)	388.880	50.158.515		(69.451.198)	(429.269.607)	618.345.582	--	618.345.582
Amount After Adjustments		250.000.000	817.219.792	(700.800)	388.880	50.158.515		(69.451.198)	(429.269.607)	618.345.582	--	618.345.582
Transfers	30			--	--	--		(429.269.607)	429.269.607	--	--	--
Total Comprehensive Income (Loss)	30	--	--	64.072	(133.593)	--		--	(191.026.326)	(191.095.847)	--	(191.095.847)
Net Profit (Loss) for the Period	30	--	--	--	--	--		--	(191.026.326)	(191.026.326)	--	(191.026.326)
Total Other Comprehensive Income	30	--	--	64.072	(133.593)	--		--	--	(69.521)	--	(69.521)
Balances as of 31.03.2025 (end of period)		250.000.000	817.219.792	(636.728)	255.287	50.158.515		(498.720.805)	(191.026.326)	427.249.735	--	427.249.735
		250.000.000	817.219.792	(636.728)	255.287	50.158.515		(498.720.805)	(191.026.326)	--		
PREVIOUS PERIOD												
Balances as of 01.01.2024 (beginning of period)		125.000.000	744.045.749	(625.588)	465.596	50.158.516		300.646.939	(234.461.057)	985.230.155	--	985.230.155
Amount After Adjustments		125.000.000	744.045.749	(625.588)	465.596	50.158.516		300.646.939	(234.461.057)	985.230.155	--	985.230.155
Transfers	30	--	47.629.785	--	--	--		(234.461.057)	234.461.057	47.629.785	--	47.629.785
Total Comprehensive Income (Loss)	30	--	--	--	(469.283)	--		--	(85.366.477)	(85.835.760)	--	(85.835.760)
Net Profit (Loss) for the Period	30	--	--	--	--	--		--	(85.366.477)	(85.366.477)	--	(85.366.477)
Total Other Comprehensive Income	30	--	--	--	(469.283)	--		--	--	(469.283)	--	(469.283)
Balances as of 31.03.2024 (end of period)		125.000.000	791.675.534	(625.588)	(3.687)	50.158.516		66.185.882	(85.366.477)	947.024.180	--	947.024.180

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

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
01 JANUARY - 31 MARCH 2025 AUDITED STATEMENT OF CASH FLOWS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise (stated) .

		Current Period 01.01.2025 31.03.2025 TRY	Prior Period 01.01.2024 31.03.2024 TRY
	Note		
A. CASH FLOWS FROM OPERATING ACTIVITIES		495.339.790	11.636.997
Profit/loss for the period (+/-)		(191.026.326)	(85.366.477)
-Profit (Loss) for the Period from Continuing Operations	39	(191.026.326)	(85.366.477)
Adjustments related to reconciliation of profit/loss for the period		(142.480.977)	(9.931.143)
Adjustments related to depreciation and amortization expense	14,17,20	15.451.304	6.019.286
Adjustments related to impairment/reversal of impairment (+/-)	7	27.033.117	--
-Adjustments for Impairment (Reversal) of Receivables	7	27.033.117	--
Adjustments related to provisions (+/-)	25	4.886.015	195.928
-Adjustments for (Reversal of) Provisions for Employee Benefits	25	4.886.015	195.928
Adjustments related to interest income and expenses (+/-)	34.37	49.481.951	--
-Adjustments related to interest income	37	(3.131.173)	--
-Adjustments Related to Interest Expense	37	52.102.373	--
-Deferred Financial Expense on Forward Purchases	34	33.736.522	--
-Unearned finance income from forward sales	34	(33.225.771)	--
Adjustments related to unrealized foreign currency translation differences	46	(267.186)	(530.236)
Adjustments Related to Tax (Income) Expense	40	(237.032.275)	(15.616.121)
Adjustments Related to Losses (Gains) on Disposal of Non-Current Assets	14	(2.033.903)	--
-Adjustments Related to Losses (Gains) on Disposal of Property, Plant and Equipment	14	(2.033.903)	--
Changes in Working Capital		817.773.687	104.658.208
Decrease (Increase) in Financial Investments	8	21.846.343	50.034.070
Adjustments for Decrease (Increase) in Trade Receivables	7	121.587.974	(10.941.210)
-Decrease (Increase) in Trade Receivables from Related Parties	6	--	(12.740.586)
-Decrease (Increase) in Trade Receivables from Third Parties	7	121.587.974	1.799.376
Adjustments for Decrease (Increase) in Other Receivables Related to Operations	9	5.036.586	22.585.731
-Decrease (Increase) in other receivables from related parties	6	2.347.521	--
-Decrease (Increase) in Other Receivables from Third Parties	9	2.689.065	22.585.731
Adjustments for Decrease (Increase) in Inventories	10	520.133.953	367.241.319
Decrease (Increase) in Prepaid Expenses	12	(73.648.833)	60.329.821
Adjustments related to increase (decrease) in trade payables	6.7	(162.856.618)	(252.697.517)
-Decrease (Increase) in trade payables due from third parties	7	(162.856.618)	(252.697.517)
Increase (Decrease) in Employee Benefit Payables	27	2.585.316	4.121.816
Adjustments Related to Increase (Decrease) in Other Payables Related to Operations	9	371.127.779	(12.396.650)
-Increase (Decrease) in Other Payables to Related Parties	6	365.992.209	--
-Increase (Decrease) in Other Payables to Third Parties	8	5.135.570	(12.396.650)
Increase (Decrease) in Deferred Revenue (Excluding Liabilities arising from Customer Contracts)	12	76.949	(7.875.239)
Adjustments for Other Increase (Decrease) in Working Capital		11.884.238	(115.743.933)
-Decrease (Increase) in Other Assets Related to Operations	29	11.884.238	39.549.567
-Increase (Decrease) in Other Operating Liabilities	29	--	(155.293.499)
Net cash flow from operating activities (+/-)		484.266.384	9.360.589
Payments made within the scope of provisions for employee benefits	20	(400.398)	--
Tax Refunds (Payments)	27	1.479.265	(574.439)
Inflation Effect on Business Activities	40	9.994.539	2.850.847
B. CASH FLOWS FROM INVESTING ACTIVITIES		(822.828)	43.297.980
Cash Inflows from Sale of Shares or Capital Reduction of Associates and/or Joint Ventures		--	421.865
Cash outflows due to share purchases or capital increases in associates and/or joint ventures	4	(258.098)	--
Cash inflows from sale of property, plant and equipment and intangible assets	14	41.119.696	--
-Cash inflows from sale of property, plant and equipment	14	41.119.696	--
Cash outflows from the acquisition of property, plant and equipment and intangible assets	14.17	(66.778.976)	(15.864.515)
-Cash outflows from purchase of property, plant and equipment	14	(66.717.415)	(15.854.072)
-Cash outflows from acquisition of intangible assets	17	(61.561)	(10.443)
Inflation Effect on Investing Activities		25.094.550	58.740.630
C. CASH FLOWS FROM FINANCING ACTIVITIES		(409.195.240)	(130.691.769)
Cash Inflows from Borrowing	47	45.591.730	39.264.346
-Cash inflows from loans	47	45.591.730	39.264.346
Cash Outflows Related to Debt Payments	47	(433.701.511)	(126.479.204)
-Cash outflows related to loan repayments	47	(433.701.511)	(126.479.204)
Cash outflows related to debt payments arising from lease agreements	20.47	(54.708.275)	(3.770.235)
Interest Paid	37	(52.102.373)	--
Interest Received	37	3.131.173	--
Inflation Effect on Financing Activities		82.594.016	(39.706.677)
D. Inflation Effect		(56.562.322)	(79.625.787)
BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		28.759.401	(155.382.580)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		28.759.401	(155.382.580)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		12.761.707	255.771.898
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1.166.771	(29.608.338)
G. Inflation Effect on Cash and Cash Equivalents		42.687.879	70.780.980

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

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

General Information

Yükselen Çelik Anonim Şirketi ("the Company") was established on March 20, 1989 in İstanbul with the title "Yükselen Çelik Ticaret Limited Şirketi". Yükselen Çelik Ticaret Limited Şirketi was renamed as Yükselen Çelik Anonim Şirketi with the title change published in the Turkish Trade Registry Gazette dated January 7, 2013 and numbered 8230.

The main activity of the Company is the production, import, export, domestic purchase and sale of carbon, manufacturing, structural, alloyed and unalloyed, alloyed and unalloyed, tool stainless, qualified and unqualified iron and steel products for use in all industrial branches, especially in machinery, automotive, mold, iron and steel, ship, construction and railway industries.

The registered address of the Company is Osmangazi Mahallesi 2647 Sokak No:40/1 Esenyurt İSTANBUL.

Contact Office 1:

Kocaeli Kobi OSB Köseler Mahallesi 4. Cad. No:19 Dilovası/Kocaeli

Contact Office 2:

Mehmet Akif Ersoy 1. Öteyaka Kümeevleri 61/1B Kemalpaşa/İzmir

Contact Office 3:

Ataköy Towers A Blok No:142 Çobançeşme E-5 Yanyol Bakırköy/İSTANBUL

As of March 31, 2025 and December 31, 2024, the share capital and ownership structure are as follows

	March 31, 2025		December 31, 2024	
	Share Amount	Share Percentage	Share Amount	Share Percentage
Bariş GÖKTÜRK	62.016.900	24.81%	70.316.900	28.13%
Yüksel GÖKTÜRK	57.197.383	22.88%	65.246.476	26.10%
Burak GÖKTÜRK	30.961.267	12.38%	35.211.268	14.08%
Ferhan GÖKTÜRK	1.760.563	0.70%	5.281.690	2.11%
Public Section	98.063.887	39.23%	73.943.666	29.58%
Nominal capital	250.000.000	100%	250.000.000	100%
Inflation Adjustment to Share Capital	817.219.792		817.219.792	
Total Capital	1.067.219.792		1.067.219.792	

The The company has accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated 26.05.2017 numbered 22/736. The registered capital ceiling of the Company is TRY 2.500.000.000 and This capital is divided into 2.500.000.000 shares with a nominal value of TRY 1 each . the registered capital ceiling permission granted by the Capital Markets Board is valid for 5 years between 2024 and 2028. After 2028, in order for the Board of Directors to take a capital increase decision , even if it has not reached the permitted registered capital ceiling at the end of 2028, it is obligatory to obtain Authorization from the General Assembly for a new period not exceeding 5 years by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount . In case the said authorization is not obtained , no capital increase can be made with the decision of the Board of

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Directors. The issued capital of the Company is TRY 250.000.000 and the said issued capital has been fully paid free of collusion. This capital is divided into 250.000.000 shares with a nominal value of TRY 1 each. TRY 96.830.984 of this capital is divided into 96.830.984 Group (A) registered shares, each with a nominal value of TRY 1, and TRY 153.169.016 is divided into 153.169.016 Group (B) bearer shares, each with a nominal value of TRY 1, and distributed to the shareholders in proportion to their shares.

The Company's capital is divided into 250.000.000 shares of TRY 1,00 each, with a total value of TRY 250.000.000.00. Of these shares, 96.830.984 are registered shares and 153.169.016 are bearer shares.

1) As of 31.12.2024, 200.000 shares of 0.08% of the publicly traded shares belong to Barış Göktürk and 450.906 shares of 0.18% belong to Yüksel Göktürk.

The transactions regarding the increase of the Company's paid-in capital amount from TRY 125.000.000 to TRY 250.000.000 with a 100% increase by covering TRY 125.000.000 from Retained Earnings to remain within the Registered Capital Ceiling of TRY 600.000.000 have been completed and the new capital and the relevant amendment article of our articles of association have been registered by the Istanbul Trade Registry Office on 02.08.2024.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basis for Presentation

- **Financial reporting standards applied**

The Company and its Turkish subsidiaries maintain their books of accounts and prepare their status financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation . Subsidiaries operating in foreign countries maintain their books of accounts and prepare their status financial statements in the currencies of the countries in which they operate and in accordance with the Legislation of those countries .

The accompanying financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1 " Communiqué on the Principles of Financial Reporting in Capital Markets " (" the Communiqué ") published in the Official Gazette No: 28676 dated September 13, 2013 by the Capital Markets Board ("CMB") and are based on Turkish Accounting Standards ("TAS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") in accordance with Article 5 of the Communiqué .

Of addition , the financial statements and footnotes are presented in accordance with the formats announced by POA on October 04, 2022.

- **Principles of consolidation applied**

The accompanying Financial Statements are presented individually for the periods 31.12.2023, 31.12.2024, 31.03.2025 and as of 31.12.2023, the financial statements of the Company are consolidated by including the Company's Subsidiary Rising Steel Incorporated in the United States of America .

- **Comparative information and prior restoration Period financial statements**

The financial statements of the Company are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends . When the presentation or financial classification statement items are changed , prior Period financial statements are also reclassified accordingly to ensure comparability . Accounting estimates are made based on reliability information and reasonable estimation methods .

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basis for Presentation (Continued)

However, estimates are revised if there is a change in the circumstances in which the estimate was made, new information becomes available or additional developments occur. If the effect of a change in an accounting estimate relates to only one period, it is recognized in the period in which the change is made, and if the effect of a change in an accounting estimate relates to future periods, it is recognized in the financial statements both in the period in which the change is made and prospectively in future periods, in a manner that takes into account in determining the profit or loss for the period. The nature and amount of any change in an accounting estimate that has an effect on the result of operations in the current period or is expected to have an effect on subsequent periods is disclosed in the notes to the financial statements, except where it is not possible to estimate the effect for future periods.

The financial statements of the Company are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends.

In order to provide comparative information, the Company has reclassified "Personnel advances", which was included in "Other current assets" in the previous period, and presented it in "Prepaid expenses". "Expected impairment losses in accordance with TFRS 9" which was presented under 'Other Operating Expenses' in the prior period has been reclassified and presented under 'Expenses from Investing Activities'.

- **Going concern assumption**

The financial statements have been ready to go concern basis , which Assumes That the Company will realize the benefits from its assets and settle its Liabilities within the next year and in the normal course of business .

- **Functional and reporting currency**

Each item in the financial statements of the The company is accounted for for using the currency of the primary Economical environment in which the Company operates (" functional currency "). The financial statements are presented in TRY, which is the functional and presentation currency of the Company .

- **Restatement of finance statements in hyperinflationary periods**

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

Accordingly , the financial statements as of December 31, 2024 and March 31, 2025 are restored in accordance with with TAS 29.

The financial statements and related figures for previous periods have been restated for changes in general purchasing power of the functional currency and , consequently , the financial statements and related figures for previous periods are expressed in terms of the measuring Unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies .

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

• Restatement of finance statements for hyperinflationary periods (Continued)

TAS 29 applies to the financial statements , including the financial statements , of every entity whose functional currency is the currency of a hyperinflationary economy . If an economy is experiencing hyperinflation , TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring Unit current at the end of the reporting period .

The table below shows the inflation rates for the relevant years calculated based on the Consumer Price Indices published by the Turkish Statistical Institute (TUIK):

Date	Index	Correction coefficient
31.03.2025	2.954,69	1,000
31.12.2024	2.684,55	1,10

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

- As of the Balance sheet date , all item other than those stated in current terms purchasing power are restated by using the relevant price index coefficients . Prior years ' worth of money are also rested in the Same way .
- Monetary assets and Liabilities are not restored since they are expressed in terms of the purchasing Power at the Balance sheet date .Monetary item are cash and item to be received or paid in cash .
- Fixed assets , investments in associates and similar assets are rested at their Armature values , which do not exceed their market values . Depreciation has been adjusted to a similar manner . amounts included in shareholders ' equity have been restated by general price applied indices for the in which periods they were contributed to or arose within the Company .
- All items in the income statement , except for the effect of non-monetary items in the Balance on the sheet income statement , have been restated by applying the multiples calculated over the in which periods the income and Expense accounts Were initially recognized in the financial statements .
- The gain or loss on net currency position as a result of general inflation is the difference between the restatement effect on non-monetary assets , equity item and income statement accounts . This gain or loss on net currency position is included in net profit .

The impact of the application of IAS 29 Inflation Accounting is summarized below :

Restatement of the Statement of Financial Position

Amounts in the financial statement position That are not expressed in terms of the measuring Unit current at the end of the reporting Period are restated . Accordingly , monetary item are not restored because they are expressed in the currency of the reporting period .

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1) Basis of Presentation (Continued)

- **Restatement of finance statements for hyperinflationary periods (Continued)**

Non-monetary item are required to be restored unless they are expressed in terms of the currency in effect at the end of the reporting period .

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

Restatement of the Statement of Profit or Loss

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

Cost of inventory sold has been restated using the restated inventory balance .

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

Restatement of the Statement of Cash Flows

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

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the Parent company . If such a subsidiary is a foreign subsidiary , its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting Period ends , all items , whether monetary or non-monetary , are restored in accordance with with the measuring Unit current at the date of the consolidated financial statements .

Comparative figures

Relevant figures for the previous reporting Period are restated by applying the general price index so That the comparative financial statements are presented in the measuring Unit current at the end of the reporting period . Information declared for prior periods are also expressed in terms of the measuring Unit current at the end of the reporting period .

- **Changes in Accounting Policies**

Of the event of changes in accounting Policies and accounting estimates and errors , significant changes and significant accounting errors are applied retrospectively and prior Period financial statements are restated . If changes in accounting Policies Affect prior periods , such Policies are applied retrospectively in the financial statements as if the policies had always been in use . There has been no change in the Group's accounting policies .

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Amendments to Turkish Financial Reporting Standards Changes

2.2) Amendments to Turkish Financial Reporting Standards

As at March 31, 2025, the accounting Policies adopted in preparation of the condensed financial statements for the year ended March 31, 2025 are consistent with those of the previous financial year , except for the new adoption and amended Turkish Accounting Standards ("TAS ")/ TFRS and interpretations of TAS/TFRS effective as of January 1, 2025. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs .

As at March 31, 2025, the new standards , amendments and interpretations to existing standards are effective :

- Amendments to IAS 21 - Non-exchangeability

In May 2024, POA issued Amendments to IAS 21.The Amendments clarify how to assessed whether a currency is not exchangeable and how to determine the exchange rate when a currency is not exchangeable . According to the Amendments , when Estimating the exchange rate because a currency is not exchangeable , the entity discloses information That enables users of the financial statements to understand how inability to exchange what's that currency for another currency has affected , or is expected to Affect , the entity's performance , financial position and cash flows . When the Amendments are applied , comparative information is not restored .

The Amendments Did n't have a significant impact on the financial position or performance of the Company .

As at March 31, 2025, the accounting Policies adopted in preparation of the condensed financial statements for the year ended March 31, 2025 are consistent with those of the previous financial year , except for the new adoption and amended Turkish Accounting Standards ("TAS ")/ TFRS and TAS/TFRS interpretations effective as of January 1, 2025. The effects of these standards and interpretations on the financial position and performance of the Company are disclosed in the related paragraphs .

As at March 31, 2025, the new standards , amendments and interpretations to existing standards are effective :

- Amendments to IAS 21 - Non-exchangeability

In May 2024, POA issued Amendments to IAS 21.The Amendments clarify how to assessed whether a currency is not exchangeable and how to determine the exchange rate when a currency is not exchangeable . According to the Amendments , when Estimating the exchange rate because a currency is not exchangeable , the entity discloses information That enables users of the financial statements to understand how inability to exchange what's that currency for another currency has affected , or is expected to Affect , the entity's performance , financial position and cash flows . When the Amendments are applied , comparative information is not restored .

The Amendments Did n't have a significant impact on the financial position or performance of the Company .

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

Standards and amendments published but not yet effective as of March 31, 2025:

- **Amendments to TFRS 10 and TMS 28: Sales or Contributions of Assets by an Investor to an Associate or Joint Venture**

The KGK postponed the effective date of the amendments made to TFRS 10 and TMS 28 indefinitely in December 2017, to be changed depending on the ongoing research project outputs on the equity method. However, it still allows early application.

The Company will evaluate the impact of such changes after the said standards are finalized.

- **IFRS 17 – New Insurance Contracts Standard**

Insurance in February 2019 contracts for accounting And measurement , presentation And Explanation including a comprehensive new accounting standard TFRS 17 has been published . TFRS 17 is both insurance from their contracts born your obligations current balance values with both the measurement and the abdomen of services provided period along accounting providing It brings a model . By KGK done with the announcement The standard compulsory force on or after January 1, 2026 starting bill Periods aspect has been postponed .

The effects of this change on the Company's financial position and performance are being evaluated.

International Accounting Standards By the Institution (UMSK) published but by the KGK unpublished changes

The two amendments to IFRS 9 and IFRS 7 and the Annual Improvements to IFRS Accounting Standards and IFRS 18 and IFRS 19 Standards specified below have been published by the IASB but have not yet been adapted/published to IFRS by the POA . Therefore, they do not constitute a part of IFRS . The Company will make the necessary changes in the financial statements and footnotes after this Standard and amendments enter into force in IFRS .

- **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments**

In May 2024, the IASB published amendments (related to IFRS 9 and IFRS 7) regarding the classification and measurement of financial instruments. The amendment clarified that financial liabilities will be derecognized at the "delivery date" . However, the amendment introduces an accounting policy preference for derecognizing financial liabilities fulfilled through an electronic payment system before the delivery date, provided that certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets with Environmental, Social Governance (ESG) or other similar conditional features, as well as applications for non-callable assets and contractually interconnected financial instruments. In addition , with this amendment , additional disclosures have been added to IFRS 7 for financial assets and liabilities that contain contractual provisions referencing a contingent event (including those related to ESG) and equity-based financial instruments measured at fair value through other comprehensive income.

The company does not expect a material impact on its financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

- Annual Improvements to IFRS Accounting Standards – 11th Amendment

"Annual Improvements to IFRS Accounting Standards / 11th Amendment" was published by IASB in July 2024, including the following changes:

- First Application of IFRS 1 International Financial Reporting Standards : Hedge accounting by an entity that is applying IFRSs for the first time: The amendment was made to eliminate the potential confusion created by the inconsistency between the statements in IFRS 1 and the provisions regarding hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures: Gains or losses on derecognition: In IFRS 7, the expression of unobservable inputs has been changed and a reference has been added to IFRS 13.
- IFRS 9 Financial Instruments: Transaction price with derecognition of lease obligation by the lessee: When the lease obligation is eliminated from the lessee's financial statements, IFRS 9 has been amended to clarify that the resulting gain or loss will be recognized in profit or loss, together with the requirement for the lessee to apply the derecognition provisions in IFRS 9. In addition, IFRS 9 has been amended to remove the reference to "transaction price" .
- IFRS 10 Consolidated Financial Statements: Determination of the "actual agent": Amendments have been made to the Standard in order to eliminate the inconsistencies in the IFRS 10 paragraphs.
- IAS 7 Cash Flow Statement: Cost method: After the removal of the term "cost method" with the previous amendments, the said term in the Standard was deleted.

The Company does not expect a material impact on the financial statements.

- TAS 21 (Amendments) Lack of Exchangeability

These amendments include guidance on determining when a currency is convertible and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The effects of this change on the Company's financial position and performance are being evaluated.

- Amendments to TFRS 10 and TMS 28: Sales of Assets by an Investor to an Associate or Joint Venture or Contributions

The KGK has postponed the effective date of the amendments made in December 2017 to IFRS 10 and IAS 28 indefinitely, to be changed depending on the ongoing research project outputs related to the equity method. However, it still allows early application. The Company will evaluate the effects of these amendments after the standards are finalized.

The effects of this change on the Company's financial position and performance are being evaluated.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

International Accounting Standards By the Institution (UMSK) published but by the KGK unpublished changes

The two amendments to IFRS 9 and IFRS 7 and the Annual Improvements to IFRS Accounting Standards and IFRS 18 and IFRS 19 Standards specified below have been published by the IASB but have not yet been adapted/published to IFRS by the POA . Therefore, they do not constitute a part of IFRS . The Company will make the necessary changes in the financial statements and footnotes after this Standard and amendments enter into force in IFRS .

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB published amendments (related to IFRS 9 and IFRS 7) regarding the classification and measurement of financial instruments. The amendment clarified that financial liabilities will be derecognized at the "delivery date" . However, the amendment introduces an accounting policy preference for derecognizing financial liabilities fulfilled through an electronic payment system before the delivery date, provided that certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets with Environmental, Social Governance (ESG) or other similar conditional features, as well as applications for non-callable assets and contractually interconnected financial instruments. In addition , with this amendment , additional disclosures have been added to IFRS 7 for financial assets and liabilities that contain contractual provisions referencing a contingent event (including those related to ESG) and equity-based financial instruments measured at fair value through other comprehensive income.

The company does not expect a material impact on its financial statements.

- Annual Improvements to IFRS Accounting Standards – 11th Amendment

"Annual Improvements to IFRS Accounting Standards / 11th Amendment" was published by IASB in July 2024, including the following changes:

- First Application of IFRS 1 International Financial Reporting Standards : Hedge accounting by an entity that is applying IFRSs for the first time: The amendment was made to eliminate the potential confusion created by the inconsistency between the statements in IFRS 1 and the provisions regarding hedge accounting in IFRS 9.

- IFRS 7 Financial Instruments: Disclosures: Gains or losses on derecognition: In IFRS 7, the expression of unobservable inputs has been changed and a reference has been added to IFRS 13.

- IFRS 9 Financial Instruments: Transaction price with derecognition of lease obligation by the lessee: When the lease obligation is eliminated from the lessee's financial statements, IFRS 9 has been amended to clarify that the resulting gain or loss will be recognized in profit or loss, together with the requirement for the lessee to apply the derecognition provisions in IFRS 9. In addition, IFRS 9 has been amended to remove the reference to "transaction price" .

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

Annual Improvements to IFRS Accounting Standards – 11th Amendment (Continued)

- IFRS 10 Consolidated Financial Statements: Determination of the "actual agent": Amendments have been made to the Standard in order to eliminate the inconsistencies in the IFRS 10 paragraphs.

- IAS 7 Cash Flow Statement: Cost method: After the removal of the term "cost method" with the previous amendments, the said term in the Standard was deleted.

The company does not expect a material impact on its financial statements.

- IFRS 9 and IFRS 7 Amendments – Natural From sources Produced Electricity Subject Acquirer Contracts

IASB, December 2024 " Natural From sources Produced Electricity Subject Acquirer Contracts " amendment (related to IFRS 9 and IFRS 7) has been published . The amendment , " its for " use " exception oriented provisions implementation to the open to reunite And This type contracts protection intermediary aspect to be used in case of protection to accounting permission Changes are made . also , this contracts of the business financial performance And cash flows on it the effect of investors by to be understood to ensure new statement for the purpose provisions brings .

Company financial Tables on important One effect is not waiting .

- IFRS 18 – New Financial In the tables Presentation And Explanations The standard

In April 2024, the IASB will replace IAS 1 IFRS 18 Standard IFRS 18 has published certain total and subtotals to be given included , snow or damage table of to the presentation New provisions regarding IFRS 18 brings profit or damage in the table place given all income And expenses , basic activities , investment activities , financing activities , income taxes And stopped activities to be as follows five from category someone in to present compulsory It makes the standard Moreover management by set performance criteria to be explained requires And this well order original financial Tables with footnotes for defined to the roles suitable in this way financial information to be consolidated or separation New provisions for With the publication of IFRS 18, together with UMS 7, UMS 8 and UMS34 other financial reporting certain standards changes occur has arrived .

Promise subject The standard The company's financial situation And performance on it effects is being evaluated .

- IFRS 19 – New Public Bill Deliverability Not Found Connected Partnerships : Disclosures The standard

In May 2024 , the IASB will Businesses for , in IFRS financial tabulation , measurement And presentation provisions of while applying reduced Explanations to be given option IFRS 19 has been published . Unless otherwise stated , IFRS 19 is not applicable. choosing scope within businesses other In IFRS explanation provisions of to the application necessary will not remain connected . partnership in the nature of to the public bill availability not available And public to use open in this way With IFRS compatible Consolidated financial Tables prepared by the parent company (intermediate or final) found One business implements IFRS 19 will be able to choose .

Promise subject The standard The company's financial situation And performance on it effects is being evaluated

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

Standards and amendments published but not yet effective as of March 31, 2025:

- Amendments to TFRS 10 and TMS 28: Sales or Contributions of Assets by an Investor to an Associate or Joint Venture

The KGK postponed the effective date of the amendments made to TFRS 10 and TMS 28 indefinitely in December 2017, to be changed depending on the ongoing research project outputs on the equity method. However, it still allows early application.

The Company will evaluate the impact of such changes after the said standards are finalized.

- IFRS 17 – New Insurance Contracts Standard

Insurance in February 2019 contracts for accounting And measurement , presentation And Explanation including a comprehensive new accounting standard TFRS 17 has been published . TFRS 17 is both insurance from their contracts born your obligations current balance values with both the measurement and the abdomen of services provided period along accounting providing It brings a model . By KGK done with the announcement The standard compulsory force on or after January 1, 2026 starting bill Periods aspect has been postponed .

The effects of this change on the Company's financial position and performance are being evaluated.

International Accounting Standards By the Institution (UMSK) published but by the KGK unpublished changes

The two amendments to IFRS 9 and IFRS 7 and the Annual Improvements to IFRS Accounting Standards and IFRS 18 and IFRS 19 Standards specified below have been published by the IASB but have not yet been adapted/published to IFRS by the POA . Therefore, they do not constitute a part of IFRS . The Company will make the necessary changes in the financial statements and footnotes after this Standard and amendments enter into force in IFRS .

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB published amendments (related to IFRS 9 and IFRS 7) regarding the classification and measurement of financial instruments. The amendment clarified that financial liabilities will be derecognized at the "delivery date" . However, the amendment introduces an accounting policy preference for derecognizing financial liabilities fulfilled through an electronic payment system before the delivery date, provided that certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets with Environmental, Social Governance (ESG) or other similar conditional features, as well as applications for non-callable assets and contractually interconnected financial instruments. In addition , with this amendment , additional disclosures have been added to IFRS 7 for financial assets and liabilities that contain contractual provisions referencing a contingent event (including those related to ESG) and equity-based financial instruments measured at fair value through other comprehensive income.

The company does not expect a material impact on its financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

- TAS 21 (Amendments) Lack of Exchangeability

These amendments include guidance on determining when a currency is convertible and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The effects of this change on the Company's financial position and performance are being evaluated.

- Amendments to TFRS 10 and TMS 28: Sales of Assets by an Investor to an Associate or Joint Venture or Contributions

The KGK has postponed the effective date of the amendments made in December 2017 to IFRS 10 and IAS 28 indefinitely, to be changed depending on the ongoing research project outputs related to the equity method. However, it still allows early application. The Company will evaluate the effects of these amendments after the standards are finalized.

The effects of this change on the Company's financial position and performance are being evaluated.

The effects of this change on the Company's financial position and performance are being evaluated.

International Accounting Standards By the Institution (UMSK) published but by the KGK unpublished changes

The two amendments to IFRS 9 and IFRS 7 and the Annual Improvements to IFRS Accounting Standards and IFRS 18 and IFRS 19 Standards specified below have been published by the IASB but have not yet been adapted/published to IFRS by the POA . Therefore, they do not constitute a part of IFRS . The Company will make the necessary changes in the financial statements and footnotes after this Standard and amendments enter into force in IFRS .

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In May 2024, the IASB published amendments (related to IFRS 9 and IFRS 7) regarding the classification and measurement of financial instruments. The amendment clarified that financial liabilities will be derecognized at the "delivery date" . However, the amendment introduces an accounting policy preference for derecognizing financial liabilities fulfilled through an electronic payment system before the delivery date, provided that certain conditions are met. In addition, the amendment introduces explanatory provisions on how to evaluate the contractual cash flow characteristics of financial assets with Environmental, Social Governance (ESG) or other similar conditional features, as well as applications for non-callable assets and contractually interconnected financial instruments. In addition , with this amendment , additional disclosures have been added to IFRS 7 for financial assets and liabilities that contain contractual provisions referencing a contingent event (including those related to ESG) and equity-based financial instruments measured at fair value through other comprehensive income.

The company does not expect a material impact on its financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2) Amendments to Turkish Financial Reporting Standards (Continued)

- IFRS 9 and IFRS 7 Amendments – Natural From sources Produced Electricity Subject Acquirer Contracts

IASB, December 2024 “ Natural From sources Produced Electricity Subject Acquirer Contracts ” amendment (related to IFRS 9 and IFRS 7) has been published . The amendment , “ its for “ use ” exception oriented provisions implementation to the open to reunite And This type contracts protection intermediary aspect to be used in case of protection to the accounting permission Changes are made . also , this contracts of the business financial performance And cash flows on it the effect of investors by to be understood to ensure new statement for the purpose provisions brings .

Company financial Tables on important One effect is not waiting .

- IFRS 18 – New Financial In the tables Presentation And Explanations The standard

In April 2024, the IASB will replace IAS 1 IFRS 18 Standard IFRS 18 has published certain total and subtotals to be given included , snow or damage table of to the presentation New provisions regarding IFRS 18 brings profit or damage in the table place given all income And expenses , basic activities , investment activities , financing activities , income taxes And stopped activities to be as follows five from category someone in to present compulsory It makes the standard Moreover management by set performance criteria to be explained requires And this well order original financial Tables with footnotes for defined to the roles suitable in this way financial information to be consolidated or separation New provisions for With the publication of IFRS 18, together with UMS 7, UMS 8 and UMS34 other financial reporting certain standards changes occur has arrived .

Promise subject The standard The company's financial situation And performance on it effects is being evaluated .

- IFRS 19 – New Public Bill Deliverability Not Found Connected Partnerships : Disclosures The standard

In May 2024 , the IASB will Businesses for , in IFRS financial tabulation , measurement And presentation provisions of while applying reduced Explanations to be given option IFRS 19 has been published . Unless otherwise stated , IFRS 19 is not applicable. choosing scope within businesses other In IFRS explanation provisions of to the application necessary will not remain connected . partnership in the nature of to the public bill availability not available And public to use open in this way With IFRS compatible Consolidated financial Tables prepared by the parent company (intermediate or final) found One business implements IFRS 19 will be able to choose .

Promise subject The standard The company's financial situation And performance on it effects is being evaluated .

2.3) Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits held in financial institutions, other short-term highly liquid investments with original maturities of three months or less that can be easily converted into a certain amount of cash, and current accounts with banks (Note 53).

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Financial assets

Classification

The Company classifies its financial assets in three categories: "accounted for at amortized cost", "fair value difference reflected in other comprehensive income statement" and "financial assets at fair value difference reflected in profit or loss". The classification is made based on the business model used by the company for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Company classifies its financial assets on the date they are purchased.

Financial assets are not reclassified after their initial recognition, except in cases where the business model used by the Company in managing financial assets changes; in the event of a change in the business model, financial assets are reclassified on the first day of the following reporting period following the change.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets that are held within the scope of a business model aimed at collecting contractual cash flows and that have cash flows that include only principal and interest payments arising from the principal balance on certain dates under the terms of the contract. The Company's financial assets measured at amortized cost include "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". The relevant assets are measured at their fair values in the initial recognition in the financial statements and at their discounted values using the effective interest rate method in subsequent recognitions. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the profit or loss statement.

"Financial assets at fair value through other comprehensive income" are non-derivative financial assets that are held within the scope of a business model that aims to collect contractual cash flows and sell the financial asset and that have cash flows that include only principal and interest payments arising from the principal balance on certain dates under the terms of the contract. From the gains or losses arising from the relevant financial assets, the remaining gains or losses due to impairment and exchange rate difference income or expenses are reflected in other comprehensive income.

The Company may irrevocably choose the method of reflecting subsequent changes in fair value to other comprehensive income for investments in equity-based financial assets during initial recognition in the financial statements. In the event of such preference, dividends received from the relevant investments are recognized in the profit or loss statement. "Financial assets at fair value through profit or loss" consist of financial assets other than financial assets measured at amortized cost and whose fair value through other comprehensive income is recognized. Gains and losses resulting from the valuation of such assets are recognized in the income statement.

Derecognition

The Company removes the financial asset from its records when its rights to the cash flows arising under the contract related to the financial asset expire or when it transfers the relevant rights and ownership of all risks and rewards related to this financial asset through a purchase and sale transaction. Any rights created or retained in the financial assets transferred by the Company are accounted for as a separate asset or liability.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Impairment

Financial assets and contract assets are calculated with the “Expected Credit Loss” (ECL) model for impairment. The impairment model is applied to amortized cost financial assets and contract assets. Loss provisions are measured on the following basis; Lifetime ECL measurement is applied if the credit risk related to a financial asset has increased significantly since the initial recognition date. In all other cases where the relevant increase has not occurred, the 12-month ECL calculation has been applied. If the credit risk of the financial asset has a low credit risk at the reporting date, the Company may determine that the credit risk of the financial asset has not increased significantly. However, the lifetime ECL measurement (simplified approach) is always valid for trade receivables and contract assets without a significant financing element.

Trade receivables

Trade receivables arising from the provision of products or services to the buyer are recognized at the amortized value of the amounts to be obtained in the following periods of the receivables recorded at the original invoice value. Short-term receivables without a specified interest rate are shown at the invoice amount, provided that the effect of the original effective interest rate is not significant. The “simplified approach” is applied within the scope of the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not include a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses), loss provisions related to trade receivables are measured at an amount equal to the “lifetime expected credit losses”. If the entire or a portion of the receivable amount that is impaired is collected following the allocation of the impairment provision, the collected amount is deducted from the allocated impairment provision and recorded as other income from main activities. Maturity difference income/expenses and exchange rate difference profits/losses related to commercial transactions are recognized in the “Other Income/Expenses from Main Activities” account in the profit or loss statement.

Trade payables

Trade payables are payments required to be made for goods and services provided by suppliers for the Company's ordinary activities. If the expected payment period for trade payables is 1 year or less (or longer but within the normal operating cycle of the Company), these payables are classified as short-term payables. Otherwise, they are classified as long-term payables.

Trade payables are recorded at their fair value and are subsequently accounted for by setting aside a provision for impairment at their discounted value using the effective interest rate method.

Stocks

Stocks are valued at the lower of net realizable value or cost value. The cost determination method is the weighted average of entries for all stocks, and semi-finished and finished goods are included in the production costs. Net realizable value is the value after deducting the expenses incurred to prepare the stocks for sale, marketing and sales expenses from the estimated sales price. A provision for impairment is recorded for stocks that are unusable or unsellable.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are accounted for at cost, minus accumulated depreciation and any accumulated impairment provision. When tangible fixed assets are sold, the income or expense arising after the cost of the asset, accumulated depreciation and any impairment provision are deducted from the relevant accounts is included in the profit or loss statement.

The cost value of a tangible fixed asset consists of the purchase price, import duties and non-refundable taxes, and the expenses incurred to make the tangible fixed asset ready for use. Expenses such as repair and maintenance incurred after the tangible fixed asset has been used are recorded as expenses in the period in which they are incurred. If the expenses incurred provide an economic increase in the relevant tangible fixed asset in its future use, these expenses are added to the cost of the asset.

Depreciable assets are depreciated using the straight-line method, with rates based on their estimated economic life. The economic life and depreciation method are reviewed regularly, and accordingly, it is checked whether the method and the depreciation period are parallel to the economic benefits to be obtained from the relevant asset.

If there is an indication that the value of the asset has decreased, the net realizable value of the relevant asset is re-estimated and the impairment provision is reflected in the financial statements.

If the carrying amount of an asset is higher than its recoverable amount, the carrying amount is immediately reduced to its recoverable amount. The recoverable amount is the higher of the net selling price or the value in use of the asset. The net selling price is determined by deducting the costs to be incurred to make the sale from the fair value of the asset. The value in use is determined by adding the residual values to the estimated future cash flows to be obtained by continuing to use the asset as of the reporting period date. Gains and losses arising from the sale of tangible fixed assets are included in the income and expenses from investment activities accounts.

Intangible fixed assets

Purchased intangible assets

Purchased intangible assets are shown at their cost values after deducting accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method according to their expected economic lives. The expected economic lives and amortization methods are reviewed annually to determine the possible effects of changes in estimates, and changes in estimates are accounted for prospectively. The costs in question include acquisition costs and are amortized according to their economic lives.

Computer software

Purchased computer software is capitalized based on the costs incurred during purchase and from the time of purchase until it is ready for use. Such costs are amortized according to their economic life (3-15 years). Costs associated with developing and maintaining computer software are recorded in the comprehensive income statement in the period in which they are incurred. Expenses that are directly attributable to identifiable and unique software products that are under the control of the Company and that will provide economic benefits above their cost for more than one year are considered intangible assets. Costs also include the costs of employees developing the software and a portion of general production expenses. Computer software development costs, which are considered intangible assets, are amortized over their economic life.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Impairment of non-financial assets

The Company evaluates all tangible and intangible fixed assets at each reporting date to see if there is any indication that the asset is impaired. If such an indication exists, the asset's carrying value is compared with the net realizable value, which is the higher of the amounts that can be obtained through use or sale. If the recorded value of the asset or any cash-generating unit to which the asset belongs is higher than the amount that can be recovered through use or sale, then a loss has occurred. In such a case, any impairment losses are recognized in the profit or loss statement.

The increase in the registered value of the asset (or cash generating unit) due to the cancellation of the impairment must not exceed the book value (net amount remaining after depreciation) that would have occurred if the impairment had not been recognized in the financial statements in previous years. The cancellation of the impairment is recognized in the profit or loss statement.

Financial Leases

Operating lease (as tenant)

Leases in which a significant portion of the risks and rewards of ownership belong to the lessor are classified as operating leases. Payments made as operating leases (after deducting incentives received from the lessor) are recorded as expenses in the profit or loss statement on a straight-line basis over the lease period.

Operating lease (as lessor)

In operating leases, leased assets, except for real estate, land and investment properties, are classified under tangible fixed assets in the statement of financial position and the rental income obtained is reflected in the profit or loss statement in equal amounts during the lease period. Rental income is reflected in the profit or loss statement with the straight-line method during the lease period.

Revenue recognition

The company's suppliers are qualified steel rolling mills and forging factories that produce from liquid steel or ingot. The company purchases rolled or forged round steel, flat and square steel from its suppliers based on its own specifications, developed in accordance with its own customer portfolio. These steels are sold domestically after the company's own facilities have completed their sizing , surface treatment and other mechanical processes.

The Company has started to use the five-stage model below in accounting for revenue in line with TFRS 15 "Revenue from Customer Contracts Standard", which came into effect on January 1, 2018.

- Defining contracts with customers
- Defining performance obligations in contracts
- Determination of transaction price in contracts
- Distribution of transaction price to performance obligations
- Revenue recognition

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Revenue recognition (Continued)

According to this model, first of all, the goods or services promised in each contract made with customers are evaluated and each commitment given to transfer the goods or services in question is determined as a separate performance obligation. Then, it is determined whether the performance obligations will be fulfilled over time or at a certain time. If the company transfers control of a good or service over time and therefore fulfills the performance obligations related to the relevant sales over time, it measures the progress towards the full fulfillment of the performance obligations in question and includes the revenue in the financial statements over time.

Revenue related to performance obligations that are commitments to transfer goods or services are recognized when control of the goods or services passes to the customers.

When evaluating the transfer of control of the goods or services sold to the customer, the Company:

- The Company's right to collect the goods or services,
- The customer has legal title to the goods or services,
- Transfer of possession of goods or services,
- The customer's ownership of significant risks and rewards arising from ownership of the goods or services,
- It takes into account the conditions under which the customer accepts the goods or services.

If the company anticipates that the period between the transfer date of the goods or services promised to the customer and the date the customer pays for these goods or services will be one year or less at the beginning of the contract, it does not make an adjustment for the effect of a significant financing component in the committed price. On the other hand, if there is a significant financing component in the revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing component. The difference is recorded in the relevant periods as other income from main activities on an accrual basis.

Interest income

Interest income is accrued in the relevant period based on the effective interest method, which brings the remaining principal balance and the estimated cash inflows to be obtained from the relevant financial asset during its expected life to the net book value of the asset in question.

Interest income and exchange rate difference income related to commercial transactions are recognized as other income from main activities.

Dividend income

Dividend income from stock investments is reflected in the financial statements when shareholders have the right to receive dividends. Dividend payables are reflected in the financial statements as a liability after the approval of the general assembly as an element of profit distribution.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Borrowings

Borrowings are initially recognized at fair value after deducting the transaction costs incurred. Borrowings are measured at amortized cost after initial recognition. The difference between the amount collected (net of transaction costs) and the amount received back is recognized in profit or loss during the period using the effective interest method. Fees paid for the provision of credit facilities are recognized as transaction costs of the credit if it is probable that some or all of the credit facility will be used. In such cases, these fees are deferred until the credit is used. When there is no evidence that it is probable that some or all of the credit facility will be used, these fees are capitalized as advance payment for the liquidity service and are amortized over the period to which the credit facility is related.

Borrowing costs

The costs of general and special purpose borrowings that can be directly related to the acquisition, construction or production of a specific asset are capitalized as part of the cost of the relevant asset for the period required to prepare these assets for their intended use or sale. Such costs are included in the cost of the asset if they can be measured reliably and if it is probable that the enterprise will benefit from their economic benefits in the future. Investment income earned by temporarily accruing interest on specific purpose borrowings expected to be spent on specific assets is deducted from borrowing costs that meet the conditions for capitalization. Borrowing costs that are not included in this scope are expensed when they are incurred.

Period tax expense and deferred tax

Current tax expense includes current tax expense and deferred tax expense. Current tax and deferred tax are recorded as income or expense in the statement of profit or loss, provided that the tax is not directly related to a transaction recognized in equity or other comprehensive income. In such a case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax expense is calculated by taking into account the tax laws that are in effect or are close to being in effect in the countries where the Company and its subsidiaries operate. The Company periodically evaluates its tax return if the current tax law is open to interpretation and, if deemed necessary, provisions are made for debts to be paid to the tax authorities.

Deferred tax is calculated using the liability method, based on the temporary differences between the values of assets and liabilities in the financial statements and their tax values. Deferred tax assets and liabilities are calculated based on the tax rates expected to be applied in the period in which the tax asset will be realized or the liability will be fulfilled, taking into account the tax rates and tax legislation in effect or enacted as of the balance sheet date. Deferred tax assets are calculated on the condition that it is highly probable to benefit from temporary differences by earning taxable profit in the future.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Period tax expense and deferred tax (Continued)

The Company calculates deferred tax liabilities for all taxable temporary differences related to its subsidiaries, unless the Company can control the timing of closing of taxable temporary differences and it is not probable that the temporary difference will be closed within a foreseeable period.

The Company offsets deferred tax assets and deferred tax liabilities only if it has the legal right to offset period tax assets against period tax liabilities and if the deferred tax assets and deferred tax liabilities of the same taxpayer or different taxpayers who intend to show their deferred tax assets or liabilities net are the same as the tax administration that made the above-mentioned legal arrangement.

Severance pay provision

In accordance with the current labor law, the Company is obliged to pay a certain amount of severance pay to employees who have left their jobs due to retirement or whose employment is terminated for reasons other than resignation or misconduct and who have served at least one year.

The Company has calculated the severance pay provision in the accompanying financial statements using the "Projection Method" and based on the Company's experience in completing the personnel service period and earning severance pay rights in previous years, and has discounted it with the government bond earning rate on the balance sheet date.

Current service cost for defined benefit plans, reflected in the income statement as employee expenses, represents the increase in the defined benefit obligation, benefit change curtailments and payments resulting from employee services in the current year, excluding those added to the cost of an asset. Past service costs are recorded in the income statement in the period in which they are incurred.

Net interest expense is calculated by applying the discount rate to the net value of the defined benefit obligation and the fair value of the plan asset. This cost is recognized under employee expenses in the statement of profit or loss.

Defined benefit plan remeasurement gains and losses arising from actuarial assumption changes and adjustments between actuarial assumptions and actual results are reflected in equity as other comprehensive income in the period in which they occur.

Unused leave allowance

Accrued unused leave rights in the financial statements represent the estimated total provision for possible future liabilities related to the unused earned leave days of employees as of the balance sheet date.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Earnings per share

Earnings per share stated in the profit or loss statement is calculated by dividing net profit by the weighted average number of shares outstanding in the market during the reporting period.

In Türkiye, companies can increase their capital through "free shares" distributed to their existing shareholders from their previous year's earnings and inflation adjustment differences. Such "free shares" distributions are evaluated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is found by taking into account the retrospective effects of the stock distributions in question.

Provisions, Contingent Assets and Liabilities

A provision is made in the financial statements if there is a present obligation arising from past events, it is probable that the obligation will be fulfilled, and the amount of the obligation can be estimated reliably.

The amount set aside as a provision is calculated by estimating the expenditure to be made to fulfill the liability as of the report date, taking into account the risks and uncertainties related to the liability.

In cases where the time value of money is significant, the provision amount is determined as the present value of the expenses expected to be required to fulfill the obligation. In determining the discount rate to be used in discounting the provisions to their present value, the interest rate in the relevant markets and the risk related to the obligation in question are taken into account. The discount rate in question is determined pre-tax and does not include the risk related to the estimate of future cash flows.

In cases where some or all of the economic benefit required for the payment of the provision is expected to be provided by third parties, the amount to be collected is recognized as an asset if the collection of the relevant amount is almost certain and can be measured reliably.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Foreign currency transactions

The financial statements of each company's business are presented in the currency of the primary economic environment in which they operate (functional currency). The financial position and operating results of each business are expressed in Turkish Lira ("TRY"), which is the Company's functional currency and the presentation currency for the financial statements. During the preparation of the financial statements of each business, transactions in foreign currencies (currencies other than TRY or currencies other than the functional currency of the relevant business) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the financial position statement are converted to TRY using the exchange rates valid on the report date.

Non-monetary items recorded in foreign currency and monitored at fair value are converted to TRY based on the exchange rates on the date the fair value was determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to re-translation.

The assets and liabilities of the Company in its foreign operations are expressed in TRY using the exchange rates valid on the reporting date in the financial statements. Income and expense items are translated using the average exchange rates for the period, unless there is a significant fluctuation in the exchange rates during the period in which the exchange rates on the date of the transactions should be used (in the event of significant fluctuation, the exchange rates on the date of the transaction are used). The resulting exchange rate difference is classified as equity and transferred to the Company's foreign currency translation difference fund. Such translation differences are recorded in the profit or loss statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated using the end-of-period exchange rate.

Clarification

The offsetting of a financial asset and a liability and showing the net amount in the balance sheet is possible only if the company has a legal right to offset the recognized amounts and intends to make payments on a net basis or to realize the transactions of obtaining the asset and paying the liability simultaneously. The legal right should not depend on a future event, should be exercisable in the normal course of operations and should be exercisable even in the event of default, insolvency or bankruptcy of the company or the counterparty.

Government Incentives and Aids

Government grants are recorded at fair value when there is reasonable assurance that the grants will be received and that the Company meets the conditions to which it is obliged to comply.

Events after the balance sheet date

Events after the balance sheet date include all events between the balance sheet date and the date of authorization for the publication of the balance sheet, even if they occur after any announcement regarding the profit for the period or after the public disclosure of other selected financial information. In the event that events requiring correction occur after the balance sheet date, the Company adjusts the amounts included in the financial statements in accordance with this new situation.

Matters that do not require adjustment and have arisen since the balance sheet date are disclosed in the financial statement footnotes if they affect the economic decisions of financial statement users.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3) Summary of significant accounting policies (Continued)

Related parties

A party is deemed to be affiliated with the Company if one of the following criteria is met :

- (a) The party in question, directly or indirectly through one or more intermediaries:
 - (i) Controls, is controlled by or is under common control with the enterprise (including parents, subsidiaries and affiliated companies in the same business);
 - (ii) has an interest in the Company that would give it significant influence over the Company ; or (iii) has joint control over the Company;
- (b) the Party is a subsidiary of the Company;
- € The Party is a joint venture in which the Company is a joint venturer;
- (d) The Party is a member of the key management personnel of the Company or its parent;
- € The party is a close family member of any individual referred to in (a) or (d);
- (f) The party is an entity in which any individual referred to in (d) or € controls, is under common control or significant influence, or in which any individual referred to in (d) or € has, directly or indirectly, significant voting rights ; or,
- (g) The party must have a post-employment benefit plan for employees of the business or a related party to the business.

Cash Flow Statement

The Company prepares a cash flow statement as an integral part of other financial statements in order to inform financial statement users about the changes in its net assets, its financial structure and its ability to direct cash flows in terms of changing conditions in terms of the amount and timing. Cash flows related to the period are classified as operating, investing and financing activities.

Cash flows from operating activities show the cash flows from the Company's activities. The Company has chosen to present the cash inflows and outflows from operating activities in the financial statements using the net (indirect) method.

Cash flows from investing activities show the cash flows used and obtained by the Company in its investing activities (fixed investments and financial investments).

Cash flows from financing activities show the resources used by the Company in financing activities and the repayments of these resources.

2.4) Changes and Errors in Accounting Estimates

Changes in accounting estimates, if they are related to only one period, are applied prospectively in the current period in which the change is made, and if they are related to future periods, they are applied prospectively in both the period in which the change is made and in future periods. Significant estimates used in the preparation of the consolidated financial statements for the period ending December 31, 2024 are consistent with the estimates used in the preparation of the consolidated financial statements for the period ending December 31, 2023. Significant accounting errors identified are applied retrospectively and the prior period financial statements are restated.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5) Significant accounting judgments, estimates and assumptions

In preparing the financial statements, the Company's management is required to make assumptions and estimates that will affect the reported asset and liability amounts, determine the probable liabilities and commitments that will occur as of the reporting period date, and the income and expense amounts as of the reporting period. Actual results may differ from the estimates. Estimates are reviewed regularly, necessary corrections are made, and are reflected in the profit or loss statement in the period in which they are realized.

The assumptions made by taking into consideration the main sources of the comments and estimates that exist at the balance sheet date or may occur in the future and that may have a significant impact on the amounts reflected in the financial statements are as follows:

- actuarial assumptions such as discount rates, future salary increases and employee turnover . Estimates include significant uncertainties arising from these long-term plans.
- When making provisions for lawsuits, the probability of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Company management by taking the opinions of the Company's Legal Counsel and experts. The Company management determines the amount of the lawsuit provision based on the best estimates.
- The Company's management has made some important assumptions based on the experience of technical personnel in determining the useful life of tangible and intangible assets.
- Deferred tax assets and liabilities are recorded using the tax rates generally used for temporary differences between the carrying amounts and bases of assets and liabilities. Based on available evidence, it is assessed that it is probable that all or a portion of the deferred tax assets will or will not be able to be converted into cash. Key factors considered include the potential for future revenues, accumulated losses from prior years, tax planning strategies that will be implemented if necessary, and the nature of the proceeds available to convert the deferred tax asset into cash.

NOTE 3 – BUSINESS THEIR MERGER

None. (December 31, 2024 – None.)

NOTE 4 – IN OTHER BUSINESSES SHARES

Details of Investments in Affiliates, Joint Ventures and Subsidiaries are as follows;

	31.03.2025	31.12.2024
Subsidiaries	1.514.194	1.527.596
Total	1.514.194	1.527.596

* Rising Steel GmbH. was established and started its operations on 07.09.2023 in Düsseldorf, Germany.

NOTE 5 - SEGMENT REPORTING

The Company's field of activity, the nature and economic characteristics of the services, the classification of customers according to risks and the methods used in the distribution of services are similar. In addition, the Company's organizational structure is considered as a section of a single activity rather than the Company being managed as separate sections containing different activities, and the Company's activity results, the determination of the resources to be allocated to these activities and the examination of the performance of these activities are evaluated within this framework.

NOTE 6 - RELATED PARTY DISCLOSURES

Details of transactions between the Company and other related parties are explained below.

• Other Short-Term Receivables

	31.03.2025	31.12.2024
Rising Stahl Gmbh	6.366.021	4.356.771
Total	6.366.021	4.356.771

(a) Other Short-Term Liabilities

	31.03.2025	31.12.2024
Debts to partners	365.992.209	--
Total	365.992.209	--

(1) During the reporting period, the partners provided resources to the Company by providing a total of TRY 365.992.209 interest-free loan, TRY 153.000.000 of which originated from the transfer of Group B shares , and 30% of the relevant amount was used for working capital purposes and 70% for the payment of the Company's bank debts.

• Liabilities Arising from Short-Term Leasing Transactions

	31.03.2025	31.12.2024
Right of use obligations	6.830.464	--
Total	6.830.464	--

• Liabilities Arising from Long-Term Leases

	31.03.2025	31.12.2024
Right of use obligations	9.708.871	--
Total	9.708.871	--

NOTE 6 – RELATED PARTY EXPLANATIONS (Continued)

• **Purchases**

Details of the Company's purchases from related parties are as follows:

	31.03.2025	31.12.2024
SKY Fuarçılık A.Ş. (*)	--	479.250
Gerçek Kişi Ortaklar (**)	1.830.000	8.849.046
Bariş Göktürk Metal Yatırımları A.Ş. (***)	--	438.050
Göktürkler Çelik A.Ş. (****)	--	89.023
Total	1.830.000	9.855.369

(*) (31.12.2024: (*) SKY Fuarçılık A.Ş. debt relationship with the related party arises from the rental expense.)

(**) Includes the rent paid for the office rented from the company partners Barış Göktürk, Ferhan Göktürk and Yüksel Göktürk.

(***) (31.12.2024 : Barış Göktürk Metal Yatırımları A.Ş. debt relationship with the related party arises from the rental expense.)

(**** *) (31.12.2024 Göktürkler Çelik A.Ş. The debt relationship with the related party consists of 70.884 TRY of goods purchase and 10.000 TRY of rental fee.)

• **Sales**

	31.03.2025	31.12.2024
Göktürkler Çelik A.Ş. (*)	--	1.981.130
Total	--	1.981.130

(*) (31.12.2024: Göktürkler Çelik A.Ş. related party receivables arise from the sale of tangible fixed assets and other assets.)

• **Fees and Similar Benefits Provided to Senior Executives**

Details of the remuneration and similar benefits provided to the company's senior executives are as follows:

	31.03.2025	31.12.2024
Salary and allowance payments	3.177.925	5.573.111
Total	3.177.925	5.573.111

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

• Short Term Trade Receivables

The details of the company's short-term trade receivables are as follows:

	31.03.2025	31.12.2024
Trade receivables	123.832.780	167.089.610
Notes receivable	235.303.297	370.837.065
Rediscount on notes receivable (-)	(27.320.314)	(32.579.414)
Trade receivables IFRS 9 expected credit loss (-)	(3.199.486)	(4.145.085)
Doubtful trade receivables	29.008.641	2.982.177
Provision for doubtful receivables (-)	(29.008.641)	(2.982.177)
Total	328.616.277	501.202.175

The average collection period for trade receivables is 165 days (31.12.2024; 165 days). The Company sets aside a loss provision for trade receivables that have become problematic. The provision amounts cover receivables that the relevant customers cannot repay or that the value of the collateral received for such receivables is not considered to be realizable.

The Company has a credit insurance policy with Euler Hermes Sigorta A.Ş. for the insurance of trade receivables within Turkey.

-The policy is valid between June 1, 2024 and May 31, 2025 and is issued for 1 year.

- As of March 31, 2025, the Company's Euler Hermes Sigorta A.Ş. has an insurance coverage limit of 10.382.378 USD allocated for 538 customers and 1.100.700 EUR allocated for 31 customers. In addition, the Company has a DBS coverage limit of 153.789.618 TRY for 177 customers, which is 100% bank secured and allocated to its customers in 13 banks. In addition, there is a total guarantee letter limit of 1.000.000 TRY for 1 customer.

The movement table of the Provision for Doubtful Receivables is explained below.

	31.03.2025	31.12.2024
Beginning of the term	2.982.177	3.263.357
Increase during the period	27.033.117	2.964.938
Responses that are no longer relevant	--	(2.236.879)
Presentation Inf . Difference	(1.006.653)	(1.009.238)
End of Term	29.008.641	2.982.177

NOTE 7- TRADE RECEIVABLES AND DEBTS (Continued)

• **Short Term Trade Payables**

The details of the company's trade payables are as follows:

	31.03.2025	31.12.2024
Sellers	108.568.558	327.103.167
Debt securities	20.540.211	1.545.314
Other commercial payables	2.933.822	3.126.914
Debt rediscount (-)	(3.625.012)	(7.061.856)
Total	128.417.579	324.713.539

The average payment term for commercial payables is 82 days (31.12.2024: 60 days).

The Company has no Long-Term Trade Payables as of March 31, 2025 and December 31, 2024.

NOTE 8 – FINANCIAL INVESTMENTS

	31.03.2025	31.12.2024
Private sector bonds and bills	--	20.016.302
Total	--	20.016.302

The Company does not have any restricted bank balance as of March 31, 2025. (The Company's December 31, 2024: Yes).

NOTE 9 – OTHER RECEIVABLES AND DEBTS

• **Other Short-Term Receivables**

Details of the Company's other short-term receivables are as follows:

	31.03.2025	31.12.2024
Deposits and guarantees given	99.379	97.060
Receivables from personnel	847.950	900.203
Other Receivables from Related Parties (Note: 6)	6.366.021	4.356.771
Other miscellaneous receivables*	1.986.096	7.781.748
Total	9.299.446	13.135.782

*Other miscellaneous receivables consist of receivables from the tax office.

• **Other Long-Term Receivables and Other Payables**

None. (December 31, 2024 – None.)

NOTE 9 – OTHER RECEIVABLES AND DEBTS(Continued)

• **Other Short-Term Liabilities**

	31.03.2025	31.12.2024
Taxes and Funds to be Paid	6.727.796	1.458.847
Other Payables to Related Parties (Note: 6)	365.992.209	--
Total	372.720.005	1.458.847

NOTE 10 – STOCK

The details of the company's stocks are as follows:

	31.03.2025	31.12.2024
Commercial goods	403.324.484	728.793.474
Total	403.324.484	728.793.474

The Company does not have any inventory impairment as of March 31, 2025 and December 31, 2024 .

NOTE 11 – LIVE ASSETS

None. (December 31, 2024 – None.)

NOTE 12 – PREPAID EXPENSES AND DEFERRED INCOME

• **Short-Term Prepaid Expenses**

The details of the company's short-term prepaid expenses are as follows:

	31.03.2025	31.12.2024
Order Advances Given	70.072.402	10.911.598
Expenses for Future Months	10.699.911	2.405.203
Personnel advances	58.000	--
Total	80.830.313	13.316.801

• **Long Term Prepaid Expenses**

None. (December 31, 2024 – None.)

NOTE 12 – PREPAID EXPENSES AND DEFERRED REVENUES (Continued)

• **Short-Term Deferred Revenues**

The details of the company's short-term deferred revenues are as follows:

	31.03.2025	31.12.2024
Obligations arising from customer contracts	5.257.984	4.742.036
Total	5.257.984	4.742.036

NOTE 13 – FOR INVESTMENT PURPOSES REAL ESTATE

None. (December 31, 2024 – None.)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 14 – TANGIBLE ASSETS ASSETS

the tangible assets of the company and the related accumulated depreciation The movements that occur are as follows: is as follows:

	01.01.2024	Additions	Transfers	Outputs	31.12.2024	Additions	Outputs	31.03.2025
Cost								
Land and Plots	79.865.583	--	--	--	79.865.583	--	--	79.865.583
Buildings	--	--	135.124.786	--	135.124.786	--	(35.826.502)	99.298.284
Machinery, facilities and equipment	54.077.523	--	17.530.791	(6.988.381)	64.619.933	900.000	(1.392.904)	64.127.028
Vehicles	79.424.438	30.580.849	--	(15.435.749)	94.569.538	1.274.965	(2.543.448)	93.301.055
Fixed Assets	38.909.607	1.368.763	20.375.733	(246.027)	60.408.076	64.542.450	(1.356.841)	123.593.685
Investments in progress	153.846.171	8.313.776	(162.159.947)	--	--	--	--	--
	406.123.322	40.263.388	10.871.363	(22.670.157)	434.587.915	66.717.415	(41.119.696)	460.185.634
Accumulated depreciation								
Buildings	--	(675.624)	--	--	(675.624)	(675.624)	358.265	(992.982)
Machinery, facilities and equipment	(26.158.848)	(4.852.936)	--	3.787.006	(27.224.778)	(1.393.348)	172.374	(28.445.752)
Vehicles	(30.235.787)	(16.671.627)	--	12.865.058	(34.042.355)	(4.163.380)	2.325.220	(35.880.515)
Fixed Assets	(18.955.179)	(5.450.879)	(6.276.887)	189.918	(30.493.028)	(3.287.170)	7.530	(33.772.668)
	(75.349.814)	(27.651.066)	(6.276.887)	16.841.982	(92.435.785)	(9.519.521)	2.863.390	(99.091.916)
Net book value	330.773.508				342.152.130			361.093.718

The Company has no pledges or mortgages on its Tangible Fixed Assets as of March 31, 2025.

NOTE 15 – RIGHTS TO SHARES ARISING FROM DECOMMISSIONING, RESTORATION AND ENVIRONMENTAL REHABILITATION FUNDS

None. (December 31, 2024 – None.)

NOTE 16 – MEMBERS' SHARES IN COOPERATIVE ENTERPRISES AND SIMILAR FINANCIAL TOOLS

None. (December 31, 2024 – None.)

NOTE 17 – INTANGIBLE FIXED ASSETS ASSETS

the company's intangible assets and related amortization The movements that occur are as follows: is as follows:

	01.01.2024	Additions	Outputs	31.12.2024	Additions	Outputs	31.03.2025
Cost							
Rights	2.884.167	152.081	--	3.036.249	61.561	--	3.097.810
Total	2.884.167	152.081	--	3.036.249	61.561	--	3.097.810
Accumulated amortization							
Rights	(1.646.065)	(224.506)	--	(1.870.571)	(55.958)	--	(1.926.529)
Total	(1.646.065)	(224.506)	--	(1.870.571)	(55.958)	--	(1.926.529)
Net book value	1.238.103			1.165.678			1.171.281

NOTE 18 – GOODWILL

None. (December 31, 2024 – None.)

NOTE 19 – EXPLORATION OF MINERAL RESOURCES AND EVALUATION

None. (December 31, 2024 – None.)

NOTE 20 – RENTING PROCEDURES

• Right-of-Use Assets (TFRS-16)

The balances of right-of-use assets as of January 1, 2025 and March 31, 2025 and the depreciation and amortization expenses in the relevant period are as follows:

	01.01.2024	Additions	Outputs	Transfers	31.12.2024	Additions	Outputs	31.03.2025
Cost								
Right of Use Assets	111.715.082	--	(53.760.036)	--	57.955.045	21.896.259	--	79.851.305
Special Cost	90.057.176	15.566.767	(8.187.615)	(10.871.363)	86.564.965	70.000	--	86.634.965
Total	201.772.258	15.566.767	-61.947.652	(10.871.363)	144.520.010	21.966.259	--	166.486.269
Right of Use Assets	(28.313.866)	(23.909.207)	23.245.551	--	(28.977.521)	(4.064.313)	--	(33.041.834)
Special Cost	(73.605.850)	(9.833.004)	8.188.430	6.276.887	(68.973.537)	(1.811.512)	--	(70.785.049)
Total	(101.919.716)	(33.742.211)	31.433.981	6.276.887	(97.951.058)	(5.875.825)	--	(103.826.883)
Net book value	99.852.542				46.568.952			62.659.387

As of March 31, 2025, the total future minimum rental obligation under non-cancellable operating leases is as follows;

	31.03.2025	31.12.2024
Payables from lease transactions (Short term)	10.749.583	4.892.873
Payables from lease transactions (Long term)	20.399.541	6.350.595
Total	31.149.124	11.243.468

Payables from leasing transactions consist of borrowings within the scope of "TFRS-16 Leases" provision for the lease of Ataköy office and Head Office building as a right of use asset. (31.12.2024: Payables from leasing transactions consist of borrowings within the scope of "TFRS-16 Leases" provision for the lease of Izmir office, Dudullu office, Representative office, Ataköy office and Head Office building as a right of use asset.)

NOTE 21 – PRIVILEGED SERVICE AGREEMENTS

None. (December 31, 2024 – None.)

NOTE 22 – VALUE OF ASSETS LOWER

	31.03.2025	31.12.2024
Doubtful trade receivables	29.008.641	2.982.177
Total	29.008.641	2.982.177

NOTE 23 – STATE INCENTIVES AND THEIR HELP

None. (December 31, 2024 – None.)

NOTE 24 – BORROWINGS COSTS

There are no borrowing costs added to the asset cost directly related to the assets in the accounting period ending on 31 March 2025. (31 December 2024 – None) Borrowing costs are included in the profit or loss statement.

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND DEBTS

Details of the company's provisions are as follows:

- **Short-Term Provisions for Employee Benefits**

Details of the Company's short-term provisions for employee benefits are as follows:

	31.03.2025	31.12.2024
Unused leave liability	2.191.765	760.511
Total	2.191.765	760.511

- **Other Short-Term Provisions**

None. (December 31, 2024 – None.)

- **Long-Term Provisions for Employee Benefits**

Details of the Company's long-term provisions for employee benefits are as follows:

	31.03.2025	31.12.2024
Severance pay provision	5.218.065	1.040.558
Total	5.218.065	1.040.558

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service and achieves the retirement age (58 for women and 60 for men). As of March 31, 2025, the amount payable consists of severance pay subject to a ceiling of TRY 46.655,43 per month (December 31, 2024: TRY 41.828,42).

NOTE 25 – PROVISIONS, CONTINGENT ASSETS AND DEBTS (Continued)

The severance pay obligation is not subject to any legal funding. The severance pay provision is calculated by estimating the present value of the Company's future probable liability arising from the retirement of employees. TMS 19 Employee Benefits requires the development of the Company's liabilities using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

	31.03.2025	31.12.2024
Inflation Rate:	25,77%	25,77%
Interest rate:	28,84%	28,84%
Discount Rate:	2,44%	2,44%

The main assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of March 31, 2025, the provisions in the accompanying financial statements are calculated by estimating the present value of the probable future liability arising from the retirement of employees.

Important estimates used in calculating severance pay liability are the discount rate and the probability of voluntary separation.

	01.01.2024- 31.03.2025	01.01.2024- 31.12.2024
Beginning of Term	1.040.558	3.869.632
Service Cost	5.612.773	(1.366.985)
Interest Cost	5.690	67.754
Severance Pay Paid	(400.398)	(440.689)
Monetary (gain) / loss	(945.422)	100.284
Presentation Inf . Difference	(95.136)	(1.189.437)
End of Term	5.218.065	1.040.558

NOTE 26 – COMMITMENTS

• **Guarantees Received**

	31.03.2025	31.12.2024
Letters of Guarantee Received	1.000.000	1.595.910
Total	1.000.000	1.595.910

As of 31.03.2025 and 31.12.2024, there is no mortgage on the Company's assets.

NOTE 26 – COMMITMENTS (Continued)

• **Guarantees Given**

	31.03.2025	31.12.2024
Letters of Guarantee Given	172.526.312	132.708.524
Pledges given	--	170.597
Total	172.526.312	132.879.121

Information regarding the Company's collateral position is as follows :

	31.03.2025	31.12.2024
Total amount of GPMs given on behalf of its own legal entity	172.526.312	132.879.121
Total amount of GPMs given in favor of the partnerships included in the scope of full consolidation	--	--
Total amount of GPMs given to secure the debts of other third parties for the purpose of carrying out ordinary commercial activities.	--	--
Total amount of other given GPMs	--	--
Total amount of GPMs given in favor of the main partner	--	--
Total amount of GPMs given in favor of other group companies not included in the scope of items B and C.	--	--
Total amount of GPMs given in favor of third parties not included in the scope of Article C.	--	--
Total	172.526.312	132.879.121
Ratio of other CPMs to the Company's equity	0%	0%

NOTE 27 – LIABILITIES RELATING TO EMPLOYEE BENEFITS

• **Liabilities Under Employee Benefits**

The details of the company's employee benefits payables are as follows:

	31.03.2025	31.12.2024
Payables to Personnel	2.470.956	1.491.135
Social Security Deductions to be Paid	3.327.725	1.453.050
Total	5.798.681	2.944.185

NOTE 28 – ACCORDING TO THEIR QUALIFICATIONS EXPENSES

•General Administrative Expenses (-)

The details of the company's general administrative expenses are as follows:

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Personnel Expenses	(12.731.463)	(10.820.406)
Office Expenses	(5.428.517)	(2.373.882)
Depreciation and Depletion Shares	(3.302.144)	(3.512.511)
Insurance Expenses	(2.782.069)	(1.338.077)
Taxes, Duties and Charges Expenses	(292.562)	(350.659)
Electricity, Water, Natural Gas Expenses	(287.317)	(296.706)
Communication Expenses	(123.470)	(82.020)
Other Expenses	(1.146.361)	(10.613.179)
Total	(26.093.903)	(29.387.441)

•Marketing, Sales and Distribution Expenses

The details of the company's marketing, sales and distribution expenses are as follows:

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Personnel Expenses	(17.616.607)	(11.941.845)
Depreciation and Depletion Shares	(5.556.728)	(2.506.775)
Outsourced Benefits and Services	(1.397.315)	(6.710.164)
Shipping and Cargo Expenses	(1.335.924)	(2.624.719)
Travel Expenses	(627.873)	(355.967)
Vehicle Expenses	(394.378)	(449.495)
Maintenance and Repair Expenses	(124.598)	(64.771)
Other Expenses	(1.665.382)	(7.649.948)
Total	(28.718.805)	(32.303.683)

•Research and Development Expenses (-)

None. (December 31, 2024 – None.)

NOTE 29 – OTHER ASSETS AND LIABILITIES

•Other Current Assets

Details of the company's other current assets are as follows:

	31.03.2025	31.12.2024
Value Added Tax Transferred	--	10.888.710
Total	--	10.888.710

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY

•Paid-in Capital

The partnership structure of the company is as follows: has been explained.

	March 31, 2025		December 31, 2024	
	Share Amount	Share Percentage	Share Amount	Share Percentage
Bariş GÖKTÜRK	62.016.900	24,81%	70.316.900	28,13%
Yüksel GÖKTÜRK	57.197.383	22,88%	65.246.476	26,10%
Burak GÖKTÜRK	30.961.267	12,38%	35.211.268	14,08%
Ferhan GÖKTÜRK	1.760.563	0,70%	5.281.690	2,11%
Public Part	98.063.887	39,23%	73.943.666	29,58%
Nominal capital	250.000.000	100%	250.000.000	100%
Capital Inflation Adjustment Difference	817.219.792		817.219.792	
Total Capital	1.067.219.792		1.067.219.792	

The Company has accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated 26.05.2017 and numbered 22/736. The registered capital ceiling of the Company is TRY 2.500.000.000 , and this capital is divided into 2.500.000.000 shares, each with a nominal value of TRY 1. The registered capital ceiling permission granted by the Capital Markets Board is valid for 5 years between 2024 and 2028. Even if the permitted registered capital ceiling is not reached by the end of 2028, in order for the Board of Directors to make a capital increase decision after 2028; it is mandatory to obtain permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount and to obtain authorization from the General Assembly for a new period not exceeding 5 years. If the said authorization is not obtained, the capital increase cannot be made by the decision of the Board of Directors. The issued capital of the company is 250.000.000 TRY and the said issued capital has been fully paid free from collusion. This capital is divided into 250.000.000 shares, each with a nominal value of 1 TRY . Of this capital, 96.830.984 TRY, each with a nominal value of 1 TRY, are 96.830.984 (A) group registered shares and 153.169.016 TRY. It was divided into 153.169.016 (B) group bearer shares , each with a nominal value of 1 TRY , and distributed to the partners in proportion to their shares.

The company's capital is divided into 250.000.000 shares, each with a par value of 1,00 TRY, with a total value of 250.000.000,00 TRY. 96.830.984 of these shares are registered and 153.169.016 are bearer shares.

(*) Within the publicly held portion as of 31.12.2024 and 31.03.2025, 450.000 shares corresponding to 0,36% belong to Barış Gökçürk, 290.797 shares corresponding to 0,23% belong to Yüksel Gökçürk, and 100.068 shares corresponding to 0,08% belong to Ferhan Gökçürk.

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY (Continued)

The transactions regarding the increase of the paid-in capital amount of TRY 125.000.000 to TRY 250.000.000 by 100%, in order to cover TRY 125.000.000 from the Retained Earnings, within the Registered Capital Ceiling of TRY 600.000.000, have been completed and the new capital and the relevant amendment article of our articles of association have been registered by the Istanbul Trade Registry Office on 02.08.2024.

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

31.03.2025

Equity	PPI Indexed Legal Records	CPI Indexed Legal Records	Differences to be Tracked in Prior Years' Profits/Losses
Capital Adjustment Differences	1.092.768.715	817.219.792	(275.548.923)
Restricted Reserves Allocated from Profit	47.438.160	50.158.515	2.720.355

•Premiums/(Discounts) Relating to Shares

None. (December 31, 2024 – None.)

•Accumulated Other Comprehensive Income or Expense Not to Be Reclassified to Profit or Loss

	31.03.2025	31.12.2024
Defined benefit plans remeasurement gains/(losses) (*)	(636.728)	(700.800)
Total	(636.728)	(700.800)

(*) With the amendment in TMS 19 "Employee Benefits" standard, the actuarial loss and gains taken into account in the calculation of severance pay provision are not allowed to be recognized in the income statement. Losses and gains resulting from changes in actuarial assumptions are recognized in equity. The severance pay provision actuarial loss/gain fund is not reclassifiable in profit or loss.

•Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss

	31.03.2025	31.12.2024
Foreign Currency Conversion Differences	255.287	388.880
Total	255.287	388.880

NOTE 30 – CAPITAL, RESERVES AND OTHER EQUITY (Continued)

•Previous Years Profits/(Losses)

The details of the company's retained earnings/losses account are as follows:

	31.03.2025	31.12.2024
Retained earnings/(losses)	(501.515.990)	(72.527.657)
Extraordinary Reserves	2.795.185	3.076.459
Total	(498.720.805)	(69.451.198)

Public companies distribute dividends in accordance with the CMB's II- 19.1 Profit Share Communiqué , which entered into force on February 1, 2015. Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the relevant legislation by a decision of the general assembly. No minimum distribution rate has been determined within the scope of the said communiqué. Companies pay dividends as determined in their articles of association or profit distribution policies . In addition, dividends may be paid in equal or different installments and cash dividend advances may be distributed based on the profit included in the interim financial statements.

Unless the reserve funds that must be set aside according to the TCC and the dividend determined for the shareholders in the articles of association or the dividend distribution policy are set aside; no other reserve funds can be set aside, no profit can be transferred to the following year, no dividend share can be distributed to the dividend share holders, board members, partnership employees and persons other than shareholders, and no dividend share can be distributed to these persons unless the dividend share determined for the shareholders is paid in cash. The portion of the partnership's losses from previous years exceeding the total of the amounts resulting from the adjustment of previous years' profits, general legal reserve funds including premiums related to shares, equity items excluding capital according to inflation accounting is taken into account as a discount item in the calculation of the net distributable profit for the period.

•Restricted Reserves Allocated from Profit

The details of the company's reserves account separated from profit are as follows;

	31.03.2025	31.12.2024
Legal reserves	50.158.515	50.158.515
Total	50.158.515	50.158.515

• Capital Adjustment Differences

	31.03.2025	31.12.2024
Capital adjustment differences	817.219.792	817.219.792
Total	817.219.792	817.219.792

NOTE 31 - SALES AND COST OF SALES

The details of the company's sales and cost of sales accounts are as follows:

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Domestic Sales	248.384.945	516.548.799
Overseas Sales	16.590.061	10.055.564
Other Sales	637.239	757.704
Gross Sales	265.612.245	527.362.066
Sales returns (-)	(1.685.102)	(4.235.568)
Sales discounts (-)	(5.251)	(22.518)
Other discounts (-)	--	--
Net Sales	263.921.892	523.103.980
Goods sold (-)	(400.214.126)	(588.258.165)
Cost of Sales (-)	(400.214.126)	(588.258.165)
GROSS PROFIT/LOSS	(136.292.234)	(65.154.185)

NOTE 32 – CONSTRUCTION CONTRACTS

None. (2024: None.)

NOTE 33 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

The company's general administrative expenses, marketing expenses, research and development expenses accounts are as follows:

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
General Administrative Expenses (-)	(26.093.903)	(29.387.441)
Marketing Expenses (-)	(28.718.805)	(32.303.683)
Total	(54.812.708)	(61.691.124)

NOTE 34 - OTHER OPERATING INCOME AND EXPENSES

The details of the company's other income and expense accounts from main activities are as follows:

•Other Income from Main Activities

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Rediscount Income	33.225.771	9.950.755
Exchange Rate Income	1.713.807	23.307.510
Provisions No Longer Subject	734.000	2.734.093
Other Income and Profits	629.988	2.817.458
Total	36.303.566	38.809.816

•Other Expenses from Main Activities (-)

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Exchange Rate Expenses	(943.700)	(28.870.759)
Rediscount Interest Expense	(33.736.522)	(907.766)
Doubtful Receivables Provision Expenses	(27.033.117)	--
Other Expenses	(5.486.739)	(1.396.506)
Total	(67.200.078)	(31.175.031)

NOTE 35 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

•Other Income from Investment Activities

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Fixed Asset Sales Profit	2.033.903	10.798.783
Total	2.033.903	10.798.783

NOTE 35 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES (Continued)

• **Other Expenses from Investment Activities**

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Loss on Sale of Securities	--	(158.654)
Total	--	(158.654)

• **Impairment Gains (Losses) Determined in Accordance with TFRS 9**

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Impairment Gains (Losses) Determined in Accordance with TFRS 9	(566.624)	--
Total	(566.624)	--

NOTE 36 – EXPENSES CLASSIFIED BY TYPE

Depreciation and Amortization Expenses

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
General Administrative Expenses	(9.218.953)	(3.512.511)
Marketing, Sales and Distribution Expenses	(5.556.728)	(2.506.775)
Cost of Goods Sold	(675.624)	--
Total	(15.451.304)	(6.019.286)

NOTE 37 – FINANCE EXPENSES/(INCOMES)

• **Financing Income**

The details of the company's financial income account are as follows;

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Interest Income	3.131.173	12.709.215
Exchange rate difference income	279.971	449.170
Total	3.411.144	13.158.385

NOTE 37 – FINANCIAL EXPENSES/(INCOMES) (Continued)

- **Financing Expenses**

The details of the company's financial expense account are as follows:

	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Interest Expenses	(52.102.373)	(62.890.436)
Exchange Rate Expenses	(198.955)	(3.317.494)
Total	(52.301.328)	(66.207.930)

NOTE 38 – OTHER COMPREHENSIVE INCOME ITEMS ANALYSIS

Items to be Reclassified to Profit or Loss

	31.03.2025	31.03.2024
Gains (Losses) from Foreign Currency Conversion Differences Related to the Conversion of Foreign Operations	(69.701)	(69.701)
Total	(69.701)	(69.701)

NOTE 39 – FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (March 31, 2024 – None.)

NOTE 40 – INCOME TAXES (DEFERRED TAX ASSETS AND INCLUDING LIABILITIES)

•Corporate Tax

Turkey started to adopt the OECD's Global Minimum complementary Corporate tax regulations (Pillar 2) with a Legislative Proposal submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations entered into force with the Law No. 7524 published in the Official Gazette No. 32620 dated 02.08.2024. The Turkish practice is broadly in line with the OECD's Pillar 2 Model rules, with similarities in scope, exemptions, consolidation, tax calculations and filing periods. The secondary regulation on calculation details and method of application has not yet been published. Specific issues such as Turkey's unique circumstances and existing incentives are expected to be clarified in the secondary legislation of the relevant ministry. These amendments did not have a significant impact on the financial position or performance of the Group.

In addition, with Article 36 of Law No. 7524, Article 32/C titled 'Domestic minimum corporate tax' has been added to the Corporate Tax Law. According to this regulation regarding the domestic minimum corporate tax application, the corporate tax calculated within the framework of Articles 32 and 32/A will not be less than 10% of the corporate income before the application of discounts and exemptions. The General Communiqué on Corporate Tax Serial No. 23 was published in the Official Gazette dated 28.09.2024 and numbered 32676.

The Company is subject to corporate tax in Turkey. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the current period. Turkish tax legislation does not permit a parent company, the Company, to file a tax return on the financial statements of its subsidiaries.

The corporate tax rate to be accrued on taxable corporate income is calculated on the tax base remaining after the addition of non-deductible expenses and deducting tax-exempt earnings, non-taxable income and other deductions (prior year losses, if any, and investment incentives used if preferred). The effective tax rate applied in 2024 is 25% (December 31, 2023: 25%).

Law numbered 7061 "Law on Amendments to Certain Tax Laws and Certain Other Laws" was published in the Official Gazette dated December 5, 2017 and numbered 30261. Article 89 of this Law amends Article 5 of the Corporate Tax Law titled "Exemptions". With the subparagraph (a) of the first paragraph of the Article, the 75% exemption applied to the gains arising from the sale of immovable properties held in the assets of corporations for two full years has been reduced to 50%. This regulation entered into force as of December 5, 2017.

The company's The tax expenses are as follows :

	31.03.2025	31.12.2024
Prepaid Taxes and Funds	207.966	1.545.894
Prepaid Taxes and Funds	207.966	1.545.894
	01.01.2025- 31.03.2025	01.01.2024- 31.03.2024
Tax income / (expense) in the income statement		
Provision for corporate tax	--	(2.897.840)
Deferred tax income / (expense), net	113.087.750	12.432.772
Total tax revenue / (expense), net	113.087.750	9.534.933

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 40 – INCOME TAXES (DEFERRED TAX ASSETS AND INCLUDING LIABILITIES) (Continued)

•Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for the financial statements prepared in accordance with TAS and tax legislation. As per the Law No. 7316 "Law on Collection Procedure of Public Receivables and Amendments to Certain Laws" published in the Official Gazette dated April 22, 2021, the corporate tax rate for the years 2025 and 2024 will be 25% and 25%, respectively. Within the scope of the aforementioned law, deferred tax assets and liabilities in the financial statements dated December 31, 2024 are calculated with a tax rate of 25% for the temporary differences that will have a tax effect for the year 2024 and 25% for the year 2025.

	31.03.2025		31.12.2024	
	Total	Deferred tax	Total	Deferred tax
	temporary differences	existence / (obligation)	temporary differences	existence / (obligation)
Deferred tax assets:				
Doubtful trade receivables	28.992.978	7.248.245	3.544.620	886.155
Receivables discounts	27.320.314	6.830.079	32.579.414	8.144.854
Regulations regarding rentals	31.149.124	7.787.281	20.584.706	5.146.176
Expected credit loss (receivables)	3.199.486	799.872	4.145.085	1.036.271
Exchange rate differences	--	--	99.227	24.807
Unused leave provisions	2.191.765	547.941	760.511	190.128
Severance pay provisions	5.218.065	1.304.516	1.040.558	260.139
TPL valuation adjustment (building)	51.561.037	12.890.259	56.749.504	14.187.376
TPL valuation adjustment (other)	4.778.974	1.194.744	5.259.871	657.484
Bank Loans	17.893.794	4.473.449	18.910.761	4.727.690
IFRS Inflation Adjustments	616.187.743	154.046.936	597.872.135	149.468.034
Deferred tax assets	788.493.281	197.123.320	741.546.391	184.729.114
Deferred tax liability:				
Depreciation Adjustments	(56.095.885)	(14.023.971)	(22.244.972)	(2.780.621)
Tangible and intangible fixed assets arrangements	--	--	(2.948.168)	(368.521)
Income Written VUK Revaluation Funds	(5.985.916)	(1.496.479)	(6.588.265)	(823.533)
Exchange rate differences	--	--	(89.408)	(22.352)
Debt discounts	(3.625.012)	(906.253)	(7.061.856)	(1.765.464)
Regulations regarding stocks	(170.505.066)	(42.626.267)	(470.965.157)	(117.741.289)
TPL Inflation Adjustment Cancellations - Lands	(17.246.449)	(2.155.806)	(18.981.919)	(2.372.740)
TPL Inflation Adjustment Cancellations	(103.453.088)	(25.863.272)	(248.786.508)	(62.196.627)
Deferred tax liabilities	(356.911.416)	(87.072.048)	(777.666.252)	(188.071.148)
Deferred tax assets / (liabilities), net		110.051.272		(3.342.034)

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI**AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 41 – PER SHARE EARNING

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares of the Company's shares during the period.

The company's earnings per share calculation is as follows.

	01.01.2025 31.03.2025	01.01.2024– 31.03.2024
Net Profit/Loss Attributable to Shareholders	(191.017.996)	(85.366.477)
Latest Period Profit of the Parent Company	(191.017.996)	(85.366.477)
Number of Issued Shares	250.000.000	250.000.000
Earnings/(Loss) Per Share	(0,76)	(0,34)
Net Profit/Loss Attributable to Shareholders	(191.017.996)	(85.366.477)
Diluted shares	177.083.333	177.083.333
Earnings/(loss) per share (Diluted)	(1,08)	(0,48)

NOTE 42 – SHARE BASED PAYMENTS

None. (March 31, 2024 – None)

NOTE 43 – INSURANCE CONTRACTS

None. (March 31, 2024 – None)

NOTE 44 – CHANGE OF EXCHANGE RATE EFFECTS

The Company's foreign currency risk as of March 31, 2025 is shown in the table in Note: 48 and the foreign exchange gains and foreign exchange losses for the year ended March 31, 2025 are presented in other operating income/expenses and financial income/expenses in the accompanying financial statements.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI**AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 45 – IN A HIGH INFLATIONARY ECONOMY REPORTING

The details of the Company's Net Monetary Position Gains (Losses) are as follows;

NON-MONEY ITEMS	31.03.2025
A) Financial Position Statement Items	
Stocks	19.352.875
Investments in Subsidiaries	126.262
Right of Use Assets ³	5.118.657
Tangible Fixed Assets ³	19.928.935
Intangible Fixed Assets	69.797
Paid-in Capital	(96.534.238)
Accumulated Other Comprehensive Income (Expense) That Will Not Be Reclassified to Profit or Loss	
Defined Benefit Plans Remeasurement Gains (Losses)	--
Accumulated Other Comprehensive Income (Expense) to be Reclassified to Profit or Loss	
Cash Flow Hedge Gains (Losses)	--
Restricted Reserves Allocated from Profit	(4.585.868)
Previous Years' Profits/Losses	21.087.509
B) Profit or Loss Statement Items	
Revenues	(4.268.908)
Cost of Sales	(448.403)
Income/Expenses from Investment Activities	(42.704)
Marketing, sales and distribution expenses	2.085.637
General Administrative Expenses	617.528
Financing Income / Expenses	1.669.955
Deferred Tax Income / Expenses	
C) Other Comprehensive Income Statement Items	--
NET MONETARY POSITION GAINS (LOSSES) (A+B+C)	(35.822.965)

NOTE 46 – DERIVATIVE VEHICLES

None. (31.12.2024: None.)

NOTE 47 – FINANCIAL INSTRUMENTS**•Short Term Borrowings**

Details of the company's short-term borrowings are as follows:

	31.03.2025	31.12.2024
Bank loans	240.126.037	125.540.356
Other Financial Liabilities	3.514.765	26.577.148
Total	243.640.802	152.117.504

NOTE 47 – FINANCIAL INSTRUMENTS (Continued)

- **Short-Term Portions of Long-Term Borrowings**

	31.03.2025	31.12.2024
Bank loans	135.363.980	508.507.830
Total	135.363.980	508.507.830

- **Long Term Borrowings**

	31.03.2025	31.12.2024
Bank loans	44.448.497	63.859.107
Total	44.448.497	63.859.107

The maturities of bank loans are presented below;

	31.03.2025	31.12.2024
To be paid within 1 year	379.004.782	660.625.335
To be paid within 1 - 2 years	44.448.497	63.859.107
Total	423.453.279	724.484.442

- **Liabilities Arising from Leasing Transactions**

	31.03.2025	31.12.2024
Payables from lease transactions (Short term)	10.749.583	4.892.873
Payables from lease transactions (Long term)	20.399.541	6.350.595
Total	31.149.124	11.243.468

NOTE 48 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company's principal financial instruments consist of bank borrowings, cash and short-term deposits. The main purpose of these financial instruments is to finance the Company's operating activities. The Company also has other financial instruments such as trade payables and trade receivables arising directly from operating activities.

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)**•Capital Risk Management**

The Company's objectives in managing capital are to maintain the most appropriate capital structure and to ensure the continuity of the Company's activities in order to provide benefits to its partners and reduce the cost of capital.

The debt capital ratio is calculated by dividing the net debt, calculated by deducting the company's cash and cash equivalents and short-term financial investments from financial liabilities, by the total capital, as follows:

	31.03.2025	31.12.2024
Total Debts	974.314.350	1.074.729.619
Less: Cash and Cash Equivalents	(42.795.747)	(12.761.707)
Net Debt	931.518.603	1.061.967.912
Total Equity	427.258.065	618.345.582
Debt/Equity Ratio	2,18	1,72

	31.03.2025	31.12.2024
Total financial liabilities	974.314.350	1.074.729.619
Less: Cash and Cash Equivalents	(42.795.747)	(12.761.707)
Net financial debt	931.518.603	1.061.967.912
Total Equity	427.258.065	618.345.582
Invested Capital	250.000.000	250.000.000
Net Financial Debt/Investment Capital Ratio	3,73	4,25

•Financial Risk Factors

The main risks brought by the Company's financial instruments are interest rate risk, liquidity risk, foreign exchange risk and credit risk. The Company's management and board of directors review and accept the policies regarding the management of the risks specified below. The Company also takes into account the market value risk of all its financial instruments.

(1) Liquidity Risk

Liquidity risk is the risk of a company not being able to meet its funding needs. The table below shows the maturity distribution of the Company's non-derivative and derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and based on the earliest payment dates. The interests to be paid on these liabilities are included in the table below.

Derivative financial liabilities are arranged according to undiscounted net cash inflows and outflows. Forward transaction instruments are paid net for futures transactions that require gross payment and are realized based on undiscounted, gross cash inflows and outflows. When receivables or payables are not fixed, the disclosed amount is determined using the interest rate obtained from the yield curves on the report date.

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)**•Financial Risk Factors (Continued)**

31.03.2025	Book value	Cash outflow from contract	0-1 Year	1- 5 years
Non-derivative financial liabilities :	930.497.412	930.497.412	(128.039.351)	44.448.497
Financial Debts	423.453.279	423.453.279	379.004.782	44.448.497
Liabilities Under Employee Benefits	5.798.681	5.798.681	(5.798.681)	
Commercial and Other Payables	501.245.452	501.245.452	(501.245.452)	
Derivative financial liabilities :				
Total	930.497.412	930.497.412	-128.039.351	44.448.497

31.12.2024	Book value	Cash outflow from contract	0-1 Year	1- 5 years
Non-derivative financial liabilities :	1.053.601.013	1.053.601.013	331.508.764	63.859.107
Financial Debts	724.484.442	724.484.442	660.625.335	63.859.107
Liabilities Under Employee Benefits	2.944.185	2.944.185	(2.944.185)	--
Commercial and Other Payables	326.172.386	326.172.386	(326.172.386)	--
Derivative financial liabilities :	--	--	--	--
Total	1.053.601.013	1.053.601.013	331.508.764	63.859.107

(2) Market Risk Management

The Company's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below. In order to control the risks associated with foreign exchange rates and interest rates, the Company uses various non-derivative financial instruments. Market risks are also assessed through sensitivity analysis.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)

- Currency Risk Management**

Foreign currency transactions give rise to exchange rate risk. The distribution of the Company's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities as of the balance sheet date is as follows:

	31.03.2025			31.12.2024		
	TRY Equivalent	USD	Euro	TRY Equivalent	USD	Euro
1. Trade Receivables	5.566.272	74.808	67.346	9.237.601	164.797	93.192
2a . Monetary Financial Assets (Including Cash, Bank Accounts)	1.637.398	13.670	27.545	6.020.124	89.086	78.319
2b. Non-monetary Financial Assets	--	--	--	--	--	--
3. Other	15.837.097	242.890	163.732	6.674.769	60.047	124.027
4. Current Assets (1+2+3)	23.040.768	331.368	258.623	21.932.494	313.930	295.538
5. Trade Receivables	--	--	--	--	--	--
6a . Monetary Financial Assets	--	--	--	--	--	--
6b. Non-monetary Financial Assets	--	--	--	--	--	--
7. Other	--	--	--	--	--	--
8. Fixed Assets (5+6+7)	--	--	--	--	--	--
9. Total Assets (4+8)	23.040.768	331.368	258.623	21.932.494	313.930	295.538
10. Trade Payables	7.533.765	192.267	6.700	24.927.677	689.499	15.166
11. Financial Liabilities	--	--	--	--	--	--
12a . Other Monetary Liabilities	2.364.486	61.451	1.075	1.610.630	44.856	686
12b. Other Non-Monetary Liabilities	--	--	--	--	--	--
13. Short-Term Liabilities (10+11+12)	9.898.251	253.717	7.775	26.538.307	734.355	15.852
14. Trade Payables	--	--	--	--	--	--
15. Financial Liabilities	--	--	--	--	--	--
16 a. Other Monetary Liabilities	--	--	--	--	--	--
16 b. Other Non-Monetary Liabilities	--	--	--	--	--	--
17. Long-Term Liabilities (14+15+16)	--	--	--	--	--	--
18. Total Liabilities (13+17)	9.898.251	253.717	7.775	26.538.307	734.355	15.852
Net Asset / (Liability) Position of Off-balance sheet Derivative Instruments (19a -19b)	--	--	--	--	--	--
19a . Amount of Off-Balance Sheet Foreign Currency Derivatives with Active Character	--	--	--	--	--	--
19b. Amount of Off-Balance Sheet Foreign Currency Derivatives with Passive Character	--	--	--	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	13.142.517	77.651	250.848	(4.605.813)	(420.425)	279.686
21. Monetary Items Net Foreign Exchange Asset / (Liability) Position (TFRS 7.B23) (=1+ 2a +5+ 6a -10-11- 12a -14-15- 16a)	(2.694.580)	(165.239)	87.116	(11.280.581)	(480.472)	155.658
Total Fair Value of Financial Instruments Used for Currency Hedging	--	--	--	--	--	--
23. Amount of Hedged Portion of Foreign Exchange Assets	--	--	--	--	--	--
24. Amount of Hedged Portion of Foreign Currency Liabilities	--	--	--	--	--	--
25.Export	16.238.825	50.651	329.317	229.997.950	7.561.460	2.148.442
26.Import	9.116.910	255.090	--	1.361.846.212	52.530.219	5.955.532

The Company is mainly exposed to foreign currency risk in USD and EUR.

The following table details the Company's sensitivity to a 10% increase and decrease in the USD and Euro exchange rates. 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. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at year-end and adjusts their translation at year-end for a 10% change in foreign currency rates. A positive value indicates an increase in profit/loss and other equity items.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI

AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)

• **Financial Risk Factors (Continued)**

	Profit/Loss		Equities	
	Appreciation of Foreign Currency	Foreign Currency Depreciation	Appreciation of Foreign Currency	Foreign Currency Depreciation
31.03.2025				
US Dollar exchange rate changes by 20% :				
1- US Dollar net asset/liability	293.253	(293.253)	293.253	(293.253)
2- Part protected from US Dollar risk (-)	--	--	--	--
3- US Dollar Net Effect (1+2)	293.253	(293.253)	293.253	(293.253)
the Euro exchange rate changes by 20% :				
4- Euro net asset/liability	1.020.999	(1.020.999)	1.020.999	(1.020.999)
5- Part protected from Euro risk (-)	--	--	--	--
6- Euro Net Effect (4+5)	1.020.999	(1.020.999)	1.020.999	(1.020.999)
Average of other exchange rates In case of 20% change:				
7- Other foreign currency net asset/liability	--	--	--	--
8- Part protected from other exchange rate risk (-)	--	--	--	--
9- Other Foreign Exchange Assets Net Effect (7+8)	--	--	--	--
TOTAL (3+6+9)	1.314.252	(1.314.252)	1.314.252	(1.314.252)

31.12.2024				
US Dollar exchange rate changes by 20% :				
1- US Dollar net asset/liability	(2.966.544)	2.966.544	(2.966.544)	2.966.544
2- Part protected from US Dollar risk (-)	--	--	--	--
3- US Dollar Net Effect (1+2)	(2.966.544)	2.966.544	(2.966.544)	2.966.544
the Euro exchange rate changes by 20% :				
4- Euro net asset/liability	2.054.920	(2.054.920)	2.054.920	(2.054.920)
5- Part protected from Euro risk (-)	--	--	--	--
6- Euro Net Effect (4+5)	2.054.920	(2.054.920)	2.054.920	(2.054.920)
Average of other exchange rates In case of 20% change:				
7- Other foreign currency net asset/liability	--	--	--	--
8- Part protected from other exchange rate risk (-)	--	--	--	--
9- Other Foreign Exchange Assets Net Effect (7+8)	--	--	--	--
TOTAL (3+6+9)	(911.624)	911.624	(911.624)	911.624

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)

- Interest Rate Risk Management**

The Company's borrowings at fixed interest rates expose it to interest rate risk. These risks are managed using natural hedges that arise from offsetting interest rate dependent assets and liabilities. Interest rates of financial assets and liabilities are disclosed in the related notes. The Company's interest rate sensitive financial instruments are as follows:

	31.03.2025	31.12.2024
Fixed interest instruments		
Financial liabilities	399.207.886	724.484.442
Total	399.207.886	724.484.442
Variable interest instruments		
Financial liabilities	24.245.393	11.243.469
Total	24.245.393	11.243.469

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)

• **Financial Risk Factors (Continued)**

• **Credit Risk Management**

	Receivables					Total
	Trade Receivables		Other Receivables		Bank	
	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	
31.03.2025						
Maximum credit risk exposure as of the reporting date	--	328.616.277	6.366.021	2.933.425	13.437.121	351.352.844
- The part of the maximum risk that is secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are neither past due nor impaired	--	328.616.277	--	2.933.425	13.437.121	344.986.823
B- Book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired.	--	--	--	--	--	--
C- Net book value of assets that are overdue but not impaired	--	--	--	--	--	--
D- Net book values of assets that are impaired	--	--	--	--	--	--
- Overdue	--	29.008.641	--	--	--	29.008.641
- Impairment	--	(29.008.641)	--	--	--	(29.008.641)
E- Off-balance sheet elements containing credit risk	--	--	--	--	--	--

NOTE 48 – NATURE AND RISKS ARISING FROM FINANCIAL INSTRUMENTS LEVEL (Continued)

• **Financial Risk Factors (Continued)**

• **Credit Risk Management (Continued)**

	Receivables					Total
	Trade Receivables		Other Receivables		Bank	
31.12.2024	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	
Maximum credit risk exposure as of the reporting date	--	328.616.277	6.366.021	2.933.425	10.945.888	348.861.611
- The part of the maximum risk that is secured by collateral	--	--	--	--	--	--
A- Net book value of financial assets that are neither past due nor impaired	--	328.616.277	6.366.021	2.933.425	10.945.888	348.861.611
B- Book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired.	--	--	--	--	--	--
C- Net book value of assets that are overdue but not impaired	--	--	--	--	--	--
D- Net book values of assets that are impaired	--	--	--	--	--	--
-Overdue	--	2.982.177	--	--	--	2.982.177
- impairment	--	(2.982.177)	--	--	--	(2.982.177)
E- Off-balance sheet elements containing credit risk	--	--	--	--	--	--

Credit risk is the risk that a party to a financial instrument will default on a contractual obligation, resulting in a financial loss to the Company. The Company's financial instruments that are subject to significant concentrations of credit risk mainly consist of cash and cash equivalents and trade receivables. The maximum exposure to credit risk is the amount recognized in the financial statements.

The Company has cash and cash equivalents in various financial institutions. The Company manages this risk by continuously assessing the reliability of the financial institutions with which it has relationships.

The credit risk arising from trade receivables is limited due to the high volume of customers and the limited amount of credit applied to customers by the Company management. The allowance for doubtful receivables for financial assets has been determined based on past experience of uncollectibility. As of the balance sheet date, there is no collateral received for overdue trade receivables for which an allowance has been recognized.

NOTE 49 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER HEDGE ACCOUNTING)

Fair value is the price at which a financial instrument could be exchanged between willing parties in a current transaction, other than in a forced sale or liquidation. The quoted market price, if any, is the price that best reflects the fair value of a financial instrument. The fair values of the Company's financial instruments have been estimated to the extent that relevant and reliable information is available from financial markets in Turkey. The estimates presented herein may not necessarily reflect the amounts the Company could realize in a market transaction. The following methods and assumptions were used in estimating the fair values of the Company's financial instruments.

The following methods and assumptions are used to estimate the fair values of financial instruments for which it is practicable to estimate fair values:

Financial Actives

Monetary assets whose fair value approximates their carrying amount:

- Foreign currency balances are translated at period-end exchange rates.
- The fair values of certain financial assets (cash and cash equivalents) carried at cost in the statement of financial position are considered to approximate their respective carrying values.
- The fair value of trade receivables, net of allowances, is estimated to approximate their carrying value.

Financial Passives

Monetary liabilities whose fair value approximates their carrying amount:

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

The fair value of long-term liabilities denominated in foreign currencies and translated at period-end exchange rates is assumed to approximate their carrying amounts.

- The carrying amounts of trade payables and accrued expenses representing estimated amounts payable to third parties are assumed to approximate their fair values.

Market price value measurements hierarchy table

The Company classifies the fair value measurements of financial instruments carried at fair value in the financial statements according to the source of the inputs for each class of financial instruments, using a three-level hierarchy, as follows

First Level: Financial assets and liabilities are valued at quoted market prices in active markets for identical assets and liabilities.

Second level: Financial assets and financial liabilities are valued using inputs other than quoted market prices included in First Level that are observable for the asset or liability, either directly or indirectly.

Third Level: Financial assets and liabilities are valued using inputs that are not based on observable market data used to determine the fair value of the asset or liability.

YÜKSELEN ÇELİK ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI
AS OF MARCH 31, 2025 NOTES TO THE AUDITED FINANCIAL STATEMENTS

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TRY") as of March 31, 2025, unless otherwise stated).

NOTE 49 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING EXPLANATIONS) (Continued)

31.03.2025	Financial assets at fair value through profit or loss	Ready for sale financial assets	Redeemed from its value financials shown financial assets	Redeemed from its value financials shown responsibilities	Book value	Note
Financial assets						
Cash and cash equivalents	--	--	42.795.747	--	42.795.747	53
Trade receivables	--	--	328.616.277	--	328.616.277	7
Other receivables	--	--	9.299.446	--	9.299.446	9
Receivables from related parties	--	--	6.366.021	--	6.366.021	6
Other financial assets	--	--	--	--	--	8
Financial liabilities						
Financial liabilities	--	--	--	423.453.279	423.453.279	47
Trade payables	--	--	--	128.417.579	128.417.579	7
Other debts	--	--	--	372.827.873	372.827.873	9
Payables from related parties	--	--	--	366.100.077	366.100.077	6
Other financial liabilities	--	--	--	--	--	8

31.12.2024	Financial assets at fair value through profit or loss	Ready for sale financial assets	Redeemed from its value financials shown financial assets	Redeemed from its value financials shown responsibilities	Book value	Note
Financial assets						
Cash and cash equivalents	--	--	12.761.707	--	12.761.707	53
Trade receivables	--	--	501.202.175	--	501.202.175	7
Other receivables	--	--	13.135.782	--	13.135.782	9
Receivables from related parties	--	--	4.356.771	--	4.356.771	6
Other financial assets	--	--	--	--	--	8
Financial liabilities						
Financial liabilities	--	--	--	724.484.441	724.484.441	47
Trade payables	--	--	--	324.713.539	324.713.539	7
Other debts	--	--	--	1.458.847	1.458.847	9
Payables from related parties	--	--	--	--	--	6
Other financial liabilities	--	--	--	--	--	8

The Company management believes that the carrying values of its financial instruments reflect their fair values.

NOTE 50 - EVENTS AFTER THE REPORTING PERIOD

None. (31.12.2024: Based on the decision of the Company's Board of Directors dated 27.11.2024, the Company's application to the Capital Markets Board for the issuance of debt instruments and instruments denominated in Turkish Lira, with a nominal value up to TRY 1.500.000.000, in various orders and maturities, in one or more times, in various orders and maturities, in the form of sales to qualified investors without public offering in the domestic market, was approved by the Board in its bulletin dated 06.02.2025 and numbered 2025/7).

The Company's Board of Directors has applied to the Capital Markets Board on 16.12.2024 in accordance with the "Communiqué on Registered Capital System" numbered II-18.1 for the amendment of Article 6 of the Company's Articles of Association titled "Type and Transfer of Capital and Shares" in order to increase the registered capital ceiling from the current TL 600.000.000 to TL 2.500.000.000 and to update the validity period to cover the years 2024-2028 as permitted by the Capital Markets Board and the relevant application has been approved by the "Board" on 31.12.2024. 1 numbered "Registered Capital System Communiqué" to the Capital Markets Board on 16.12.2024 and the relevant application was approved by the "Board" on 31.12.2024 and the registration was realized with the general assembly decision made on 16.04.2025 based on the permission granted by the Ministry of Trade.

NOTE 51 – EFFECTS THAT MATERIALLY AFFECT THE FINANCIAL STATEMENTS OR FINANCIAL STATEMENTS SHOULD BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE THE OTHER THING THAT NEEDS TO BE EXPLAINED IN TERMS OF ISSUES

None. (March 31, 2024 - None.)

NOTE 52 – FIRST IMPLEMENTATION OF TURKISH FINANCIAL REPORTING STANDARDS

None. (March 31, 2024 – None.)

NOTE 53 – RELATED TO CASH FLOW STATEMENT EXPLANATIONS

The Company's cash and cash equivalents are as follows: is as follows:

	31.03.2025	31.12.2024
Cash	50.320	66.497
Banks	13.329.253	12.047.347
-Demand deposit	3.923.380	10.874.051
-Time deposit	9.405.873	71.837
Bills received without demand	28.616.125	--
Other Liquid Assets	692.181	647.864
Total	42.687.879	12.761.707

As of the balance sheet date, the details of the term deposit accounts are as follows;

	31.03.2025	Start Date	End Date	Interest rate	Amount TRY
Halkbank Vadeli Hesap (1*376)		09.05.2024	14.04.2025	5.00%	5.824
İş Bankası TL Mevduat Hesabı		31.03.2025	2.04.2025	TRY+REF+%3+%37	9.400.000

Total	9.405.824
--------------	------------------

NOTE 53 – RELATED TO CASH FLOW STATEMENT EXPLANATIONS (Continued)

As of the balance sheet date, the details of the term deposit accounts are as follows;

	31.12.2024	Start Date	End Date	Interest rate	Amount TRY
Vakıfbank TRY Deposit Account		31.12.2024	02.01.2025	4.75%	66.013
Halk Bankası TRY Deposit Account		30.12.2024	03.02.2025	5.00%	5.824
Total					71.837

NOTE 54 – FINANCIAL TABLES IMPORTANT SIGNIFICANTLY AFFECTING OR FINANCIAL STATEMENTS OPEN, INTERPRETABLE AND UNDERSTANDABLE TO BE FROM THE ANGLE OF EXPLANATION OTHER REQUIRED ISSUES

• **Fees for Services Received from Independent Auditors/Independent Auditing Firms**

The Group's statement regarding the fees for services provided by independent auditing firms, prepared based on the Board Decision published in the official gazette on March 30, 2021 and based on the KGK letter dated August 19, 2021, is as follows:

	31.03.2025	31.12.2024
Independent audit fee for the reporting period	137.500	385.220
Other assurance services for the reporting period	--	--
Tax consultancy services for the reporting period	--	--
Other non-independent audit services for the reporting period	--	--
Total	137.500	385.220

(*) Independent audit fee is the audit fee for the period 01.01.2025 - 31.03.2025 and is excluding VAT.

(**) Previous period report fees are indexed with the inflation presentation index.

NOTE 55 – REGARDING THE STATEMENT OF CHANGES IN EQUITY EXPLANATIONS

Accumulated profit/loss account with the effect of changes in accounting policies explained in Note 2 and other accumulated income that will not be reclassified as profit or loss in other comprehensive income comprehensive income/expenses effective statement of changes in equity shown.

----- / -----