

**GÜLERMAK AĞIR SANAYİ
İNŞAAT VE TAAHHÜT A.Ş.,
ITS SUBSIDIARIES,
JOINT ARRANGEMENTS AND
BRANCHES**

CONSOLIDATED
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2025
AND INDEPENDENT
AUDITORS' REPORT

(CONVENIENCE TRANSLATION OF
CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

(CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY
ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş.

Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. (“the Company”), its subsidiaries, joint arrangements and branches (all together “the Group”), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing Issued by the Public Oversight Accounting Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

3) Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Recognition of revenue related to construction contracts</p> <p>As presented in Note 22, the Group's consolidated revenue for the period ended December 31, 2025 to TL 45.532.849.493 of the consolidated revenue was accounted for using the percentage of completion method in accordance with TFRS 15 Revenue from Contracts with Customers ("TFRS 15"). Due the scope of this method, the amounts recorded as revenue and cost of ongoing projects are based on the estimates and assumptions in the budgets of the projects.</p> <p>Recognition of revenue and determination of the results of construction projects with conditions specific to the relevant projects are based on management's estimates and judgments, especially the estimation of the cost to be incurred to complete the projects, the impact of contract income on uncertainties due to the consequences of future events, and the recording of amounts related to project change requests.</p> <p>In addition, these estimations and assumptions mainly consist of compliance with the conditions specified in TFRS 15, the expected costs to be incurred for the completion of the project, the conclusion of the contracts and the estimation of the completion rate.</p> <p>The financial performance of construction contracts is reviewed regularly by management. The management evaluates the effects of contract changes, additional payment demands and penalty conditions on the estimated cost of completion and revenue of the contract, and their expectations that the contract work will be completed within the estimated time while calculating the project profitability.</p> <p>Revenue and profit margin are recorded as of the reporting date by calculating the ratio of the costs occurred until the reporting date for each construction contract, to the estimated total costs, and multiplying the amount determined in accordance with the contract by the percentage of completion reached. As the percentage of completion method includes the management's expectations, estimations and assumptions regarding the cost and profitability estimates that will occur in the future periods regarding the project profitability, it naturally includes the uncertainties regarding the events that will occur during the projects.</p> <p>Recognition of revenue related to construction contracts has been identified as a key audit matter as it relies significantly on management's estimations and judgements.</p> <p>Explanations on the recognition of revenue related to construction contracts are presented in Note 2.6 Summary of Significant Accounting Policies and details of Revenue are presented in Note 22.</p>	<p>The details of the audit procedures we apply for construction contracts are as follows:</p> <p>The processes and controls applied for the calculation of profit margin based on the construction contracts reflected in the financial statements by the Group Management have been understood and evaluated.</p> <p>Major construction contracts were analyzed and have controlled the terms and conditions of the contract and checked whether the conditions specified in the contract are correctly reflected in the accounting records during the accounting of the relevant contracts in accordance with TFRS 15. Changes in amount of construction contracts as a result of project costs and changes in the scope of work have been confirmed in the contracts and their appendices.</p> <p>Cost budgets of major construction projects were analyzed, and the historical accuracy and prudence of these budgets and forecasts were evaluated. The Group Management, including the managers responsible for the construction projects, was inquired about the completion status of the construction projects and the change of the cost budgets, and it was tested whether the budget changes were made based on the supportable developments.</p> <p>The actual construction costs (expenditures for personnel, materials, subcontractors, etc.) were tested by examining the supporting documents by the methods of sampling.</p> <p>Completion percentages calculated by the Group Management were checked. Within the scope of this control, the existence and accuracy of the incurred costs, the additional cost that will have to be incurred to complete the project, the accuracy of the percentage of completion calculation and finally the total calculations have been checked by us through the recalculation method. The expectations in the project schedule were inquired in the meetings held with the accounting and technical teams, and by also inquiring whether the provision amounts calculated for the projects lagging behind the Schedule. If any, we evaluated the reasonables of the provisions within the framework.</p> <p>Subsequent event realizations have been analyzed in order to audit whether the estimations and assumptions used in the year-end reporting have been realized.</p> <p>Collections after the balance sheet date have been controlled in order to reliably measure whether the receivables related to construction projects are collectible.</p> <p>In addition, we have evaluated the adequacy of the disclosures in Note 22, Revenue within the scope of TFRS.</p>

3) Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Application of inflation accounting</p> <p>As explained in Note 2, due to the assessment of the Group's functional currency (Turkish Lira) as a currency of a hyperinflationary economy as of December 31, 2025, the Group has started to apply the "IAS 29 Financial Reporting in Hyperinflationary Economies" standard.</p> <p>In accordance with IAS 29, the financial statements and prior period financial information have been restated to reflect changes in the general purchasing power of the Turkish Lira, and as a result, they are presented in terms of the purchasing power of the Turkish Lira as of the reporting date.</p> <p>In accordance with the guidelines of IAS 29, the Group has used the Turkish consumer price indices to prepare inflation-adjusted financial statements. The principles applied for inflation adjustment are explained in Note 2.</p> <p>Considering the significant impact of IAS 29 on the Group's reported results and financial position, hyperinflation accounting has been considered a key audit matter.</p>	<p>The audit procedures applied are outlined below:</p> <p>Discussions were held with management responsible for financial reporting to review the principles considered during the application of IAS 29, the identification of non-monetary accounts, and the tests performed on the designed IAS 29 models.</p> <p>The inputs and indices used have been tested to ensure the completeness and accuracy of the calculations.</p> <p>The financial statements restated in accordance with IAS 29 and the related financial information have been reviewed.</p> <p>The adequacy of the information provided in the financial statements with inflation accounting applied and the note disclosures related has been evaluated in terms of IAS 29.</p>

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period January 1- December 31, 2025 do not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Emir Taşar.

Additional paragraph for convenience translation to English

In the accompanying consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

Eren Bağımsız Denetim A.Ş.
A member firm of Grant Thornton International



Emir Taşar, CPA
Partner

Ankara, 5 March 2026

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GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

Assets	Notes	Current Period Audited December 31, 2025	Prior Period Audited December 31, 2024
Current Assets		57.211.225.296	48.356.067.768
Cash and Cash Equivalents	5	14.411.673.021	10.802.779.260
Financial Investments	7	480.330.133	498.696.493
Trade Receivables		6.012.934.233	9.156.292.261
- Trade Receivables From Related Parties	6,4	4.071.869	2.524.942
- Trade Receivables From Third Parties	6	6.008.862.364	9.153.767.319
Other Receivables		1.659.584.041	2.060.613.140
- Other Receivables From Related Parties	9,4	1.436.623.197	1.746.611.977
- Other Receivables From Third Parties	9	222.960.844	314.001.163
Costs And Estimated Earnings In Excess Of Billings On Uncompleted Contracts	12	28.986.940.657	20.852.180.943
Financial Assets Related To Service Concession Agreements	17	7.604.188	6.173.739
Inventories	10	508.906.076	295.505.732
Prepaid Expenses	11	3.553.175.615	3.666.878.962
Current Income Tax Assets	27	161.432.978	109.390.722
Other Current Assets	20	1.428.644.354	907.556.516
Non-Current Assets		7.846.087.781	6.248.217.404
Financial Investments	7	754.331	754.331
Trade Receivables		2.795.592	3.659.389
- Trade Receivables From Third Parties	6	2.795.592	3.659.389
Other Receivables		81.318.934	20.442.511
- Other Receivables From Third Parties	9	81.318.934	20.442.511
Investment Properties	14	146.348.848	146.348.848
Property, Plant And Equipment	13	2.893.830.204	2.536.349.812
Right of Use Assets	16	1.496.324.591	422.887.171
Goodwill	15a	765.668.080	448.211.019
Intangible Assets	15b	70.189.448	11.422.002
Financial Assets Related To Service Concession Agreements	17	11.944.642	18.521.206
Prepaid Expenses	11	1.531.169.957	816.683.822
Deferred Tax Assets	27	845.743.154	1.822.937.293
Total Assets		65.057.313.077	54.604.285.172

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

Liabilities	Notes	Current Period Audited December 31, 2025	Prior Period Audited December 31, 2024
Current Liabilities		26.119.142.683	27.497.145.614
Short Term Borrowings	8	4.913.773.576	5.417.160.354
Lease Liabilities	8	239.813.674	29.732.787
Trade Payables		7.629.665.611	8.811.774.503
- Trade Payables To Third Parties	6	7.629.665.611	8.811.774.503
Liabilities For Employee Benefits	19	455.511.840	338.778.646
Other Payables		639.426.986	1.276.195.003
- Other Payables To Related Parties	9,4	497.926	-
- Other Payables To Third Parties	9	638.929.060	1.276.195.003
Billings In Excess Of Costs And Estimated Earnings On Uncompleted Contracts	12	3.302.460.922	4.037.564.801
Current Income Tax Liabilities		82.216.668	214.111.228
Short Term Provisions		691.016.126	715.034.717
- Short Term Provisions For Employment Benefits	19	220.041.277	141.527.385
- Other Short Term Provisions	18	470.974.849	573.507.332
Deferred Income	11	7.538.696.204	6.317.557.192
Other Current Liabilities	20	626.561.076	339.236.383
Non-Current Liabilities		21.189.021.377	16.329.032.295
Long Term Borrowings	8	8.105.368.493	3.550.819.923
Lease Liabilities	8	946.698.148	44.966.421
Trade Payables		21.252.981	27.474.420
- Trade Payables To Third Parties	6	21.252.981	27.474.420
Other Payables		110.001.435	114.394.259
- Other Payables To Related Parties	9,4	8.106.195	-
- Other Payables To Third Parties	9	101.895.240	114.394.259
Long Term Provisions		73.427.839	81.312.682
- Long Term Provisions For Employment Benefits	19	69.257.601	81.312.682
- Other long term provisions		4.170.238	-
Deferred Tax Liabilities	27	2.969.822.311	2.334.959.341
Deferred Income	11	8.962.450.170	10.175.105.249
Equity Holders Of The Parent		17.746.392.856	10.778.118.528
Paid In Share Capital	21	322.600.000	300.000.000
Inflation Adjustment Of Capital	21	941.143.964	937.154.364
Share premium		3.570.723.613	-
<u>Other Comprehensive Income/Expense Not To Be Reclassified To Profit Or Loss</u>			
- Actuarial Gain/Loss Arising From Defined Benefit Plans	21	35.599.048	16.481.099
<u>Other Comprehensive Income/Expense To Be Reclassified To Profit Or Loss</u>			
- Foreign Currency Translation Reserve	21	(4.177.020.903)	(3.239.879.866)
Restricted Reserves	21	201.865.200	201.865.200
Retained Earnings		12.572.049.271	7.890.576.625
Profit For The Year		4.279.432.663	4.671.921.106
Non-controlling interest		2.756.161	(11.265)
Total Equity		17.749.149.017	10.778.107.263
Total Liabilities And Equity		65.057.313.077	54.604.285.172

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED DECEMBER 31, 2025
(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

		Current Period Audited January 1- December 31, 2025	Prior Period Audited January 1- December 31, 2024
Profit Or Loss			
Revenue	22	45.532.849.493	45.179.167.887
Cost Of Sales (-)	22	(39.785.776.221)	(39.959.606.058)
Gross Profit		5.747.073.272	5.219.561.829
General And Administrative Expenses (-)	23	(809.841.603)	(608.382.255)
Other Operating Income	24	1.207.560.863	1.315.033.358
Other Operating Expenses (-)	24	(956.444.246)	(1.124.008.166)
Operating Profit		5.188.348.286	4.802.204.766
Income From Investing Activities	25	597.038.029	88.297.824
Expense From Investing Activities (-)	25	(7.641.828)	(19.581.513)
Operating Profit Before Financial Income		5.777.744.487	4.870.921.077
Financial Income	26	1.373.779.034	543.383.121
Financial Expense (-)	26	(1.840.792.422)	(791.936.130)
Monetary Gain/ (Loss)	30	821.243.307	1.047.442.811
Profit Before Tax		6.131.974.406	5.669.810.879
Tax Expense From Continued Operations			
- Current Tax Expense For The Year	27	(122.371.385)	(208.177.159)
- Deferred Tax Expense	27	(1.727.402.932)	(790.247.473)
Profit For The Year For Continuing Operations		4.282.200.089	4.671.386.247
Profit For The Year		4.282.200.089	4.671.386.247
Attributable To:			
Equity Holders Of The Parent		4.279.432.663	4.671.921.106
Non-Controlling Interests		2.767.426	(534.859)
Earnings Per Share	28	13,455	20,303
Other Comprehensive Income / (Expense)		(918.023.088)	(925.254.966)
Items Not To Be Reclassified To Profit Or Loss		19.117.949	18.940.104
- Income Arising From Defined Benefit Plans	19	23.897.436	23.675.129
- Deferred Tax Income Expense	27	(4.779.487)	(4.735.025)
Items To Be Reclassified To Profit Or Loss		(937.141.037)	(944.195.070)
- Currency Translation Differences		(937.141.037)	(944.195.070)
Total Comprehensive Income		3.364.177.001	3.746.131.281
Attributable To:			
Non-Controlling Interests		2.767.426	(534.859)
Equity Holders Of The Parent		3.361.409.575	3.746.666.140

**GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31, 2025**

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

				Other comprehensive income/expense not to be reclassified to profit or loss	Other comprehensive income/expense to be reclassified to profit or loss						
	Paid in share capital	Adjustment to share capital	Share premiums (*)	Funds for actuarial gain/loss on employee termination benefits	Foreign currency translation reserve	Restricted reserves	Retained earnings	Profit for the period	Equity holders of the parent	Non Controlling Interests	Total
Balances at January 1, 2024	80.000.000	1.157.154.364	-	(2.459.004)	(2.295.684.796)	201.865.200	5.755.441.922	2.146.843.068	7.043.160.754	-	7.043.160.754
Transfers	-	-	-	-	-	-	2.146.843.068	(2.146.843.068)	-	-	-
Capital increase	220.000.000	(220.000.000)	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	(11.708.365)	-	(11.708.365)	-	(11.708.365)
The impact of initial consolidation	-	-	-	-	-	-	-	-	-	523.594	523.594
Total comprehensive income/ (expenses)	-	-	-	18.940.103	(944.195.070)	-	-	4.671.921.106	3.746.666.139	(534.859)	3.746.131.280
Balances at December 31, 2024	300.000.000	937.154.364	-	16.481.099	(3.239.879.866)	201.865.200	7.890.576.625	4.671.921.106	10.778.118.528	(11.265)	10.778.107.263
Balances at January 1, 2025	300.000.000	937.154.364	-	16.481.099	(3.239.879.866)	201.865.200	7.890.576.625	4.671.921.106	10.778.118.528	(11.265)	10.778.107.263
Transfers	-	-	-	-	-	-	4.671.921.106	(4.671.921.106)	-	-	-
Share premiums (*)	-	-	3.570.723.613	-	-	-	-	-	3.570.723.613	-	3.570.723.613
Capital increase	22.600.000	3.989.600	-	-	-	-	-	-	26.589.600	-	26.589.600
Acquisition of subsidiary	-	-	-	-	-	-	9.551.540	-	9.551.540	-	9.551.540
Total comprehensive income/ (expenses)	-	-	-	19.117.949	(937.141.037)	-	-	4.279.432.663	3.361.409.575	2.767.426	3.364.177.001
Balances at December 31, 2025	322.600.000	941.143.964	3.570.723.613	35.599.048	(4.177.020.903)	201.865.200	12.572.049.271	4.279.432.663	17.746.392.856	2.756.161	17.749.149.017

(*) Shares representing a nominal value of TRY 322.600.000 in Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. were listed by Borsa İstanbul A.Ş. on January 14, 2025, in accordance with Article 8 of the Listing Directive. Publicly offered shares with a nominal value of TRY 38.760.000 began trading on Yıldız Pazar as of January 17, 2025, at a base price of TRY 125 under the ticker symbol "GLRMK" and using the continuous trading method.

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

	Notes	Current Period Audited January 1- December 31, 2025	Prior Period Audited January 1- December 31, 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax - continuing operations		6.131.974.406	5.669.810.879
Adjustments to reconcile net profit before tax and net cash provided by operating activities			
Adjustments for depreciation and amortisation	13	1.161.894.667	1.228.510.556
Adjustment for (gain) / loss on sales of fixed assets, net	25	(19.287.455)	2.320.519
Adjustments for lawsuit provisions	24	12.657.863	23.921.545
Adjustments for retirement pay provision	19	44.105.685	15.599.745
Adjustments for unused vacation liabilities	19	76.398.192	(10.996.379)
Adjustments for doubtful receivables	6	46.000.781	9.108.471
Adjustments for other provisions		(244.601.691)	(13.344.370)
Adjustments for interest expenses	26	1.053.957.748	374.241.436
Adjustments for interest income	26	(612.794.051)	(351.298.650)
Adjustments for discount on receivables and payables	24	(75.372.076)	(97.409.633)
Adjustment for monetary loss		4.928.943.239	4.115.332.041
Changes in working capital			
Change in trade receivables from third parties		2.121.182.299	(6.567.710.587)
Change in trade receivables from related parties		(1.546.927)	(16.453)
Change in other receivables from third parties		30.163.896	(21.244.599)
Change in other receivables from related parties		309.988.780	(31.056.245)
Change in trade payables from third parties		(1.188.330.330)	(903.656.290)
Change in other payables from third parties		(649.764.962)	(3.473.476)
Change in other payables from related parties		8.604.121	-
Change in asset from uncompleted contracts		(8.134.759.714)	(6.916.540.172)
Change in liabilities from uncompleted contracts		(735.103.879)	426.022.051
Change in financial assets related to service concession agreements		5.146.115	14.084.492
Change in liabilities for employee benefits		116.733.194	121.736.024
Change in provisions		133.581.583	43.032.391
Change in deferred income		8.483.933	7.141.013.798
Change in other assets		(521.087.838)	101.798.504
Change in other liabilities		287.324.693	(606.496.427)
Change in prepaid expenses		(652.825.044)	473.454.379
Change in inventories		(213.400.344)	264.613.687
Payments for employment termination benefits	19	(12.193.579)	(3.316.219)
Corporate taxes paid		(254.265.945)	(292.221.226)
Cash provided from operating activities		3.161.807.360	4.205.819.792
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows from the purchase of property, plant and equipment (-)	13	(1.470.469.670)	(2.076.140.467)
Cash inflows from the sales of property, plant and equipment	13-15-16-25	409.004.026	452.798.039
Cash outflows from the purchase of intangible assets (-)	15	(64.913.034)	(7.869.848)
Cash outflow from right of use assets	16	(22.714.304)	(29.337.322)
Cash inflows from the sales of investment properties		-	19.648.066
Change outflow from acquisition for subsidiary		(326.907.835)	(460.581.944)
Cash inflows from changes in financial investments	7	18.366.360	59.109.843
Cash used in investing activities		(1.457.634.457)	(2.042.373.633)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Share premium		2.825.000.000	-
Capital increase		22.600.000	-
Interest received	26	612.794.051	351.298.650
Cash inflow from borrowings	8	3.333.392.388	4.522.581.494
Cash outflow from borrowings	8	(4.604.496.907)	(1.643.208.995)
Cash used in by financing activities		2.189.289.532	3.230.671.149
NET CHANGES IN CASH AND CASH EQUIVALENTS			
Monetary gain on cash and cash equivalents		(3.004.472.235)	(2.579.234.172)
Total effect of the changes in foreign currency		2.719.903.561	(403.802.957)
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	5	10.802.779.260	8.391.699.081
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	14.411.673.021	10.802.779.260

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

1. Organization and Nature of Activities of the Group

Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. (“the Company” or “Gülermak”) was established on March 18, 1976 in Ankara, Turkey. The Company has been active in large-scale and complex infrastructure projects since its establishment in the construction sector and is one of the leading international Engineering Procurement and Construction (“EPC”) contractors. The Company's core business is the execution of turnkey infrastructure and industrial construction projects such as subways, railways, trams, tunnels, roads, bridges, dams, cement factories, glass factories, sugar factories and power plants for public and private institutions in Turkey and abroad. In addition to its headquarters in Turkey, the Company operates in Poland, Romania, Switzerland, the Philippines, North Macedonia, the U.A.E. and India.

Since its establishment in 1976, Gülermak, which traces its roots back to a sole proprietorship founded in 1958 by Vildan Güteryüz, has undertaken many projects in the local and international market in the fields of public transportation and rail systems such as metro, tramway, railway, highway and bridge, as well as industrial projects such as dams, irrigation systems, industrial plants, water and waste water systems and thermal power plants, and steel construction structures. The Company is involved in the realization of investments in different sectors, which provides the Company with a diversity of activities within the construction sector.

The Company's core business consists of turnkey transportation and infrastructure projects and other construction projects, which represent its main line of business, and transportation sector investment projects for which it is responsible for the operation as an investor and maintenance and repair during the operation period.

Shares representing a nominal value of TRY 322.600.000 in Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. were listed by Borsa İstanbul A.Ş. on January 14, 2025, in accordance with Article 8 of the Listing Directive. Publicly offered shares with a nominal value of TRY 38.760.000 began trading on Yıldız Pazar as of January 17, 2025, at a base price of TRY 125 under the ticker symbol “GLRMK” and using the continuous trading method.

The Company’s registered office address is Bahçelievler Mahallesi., Ankara Caddesi, No:111, Gölbaşı, Ankara, Turkey.

Gülermak Ağır Sanayi İnşaat Taahhüt A.Ş. (“the Company”) and its subsidiaries, branches and joint arrangements are all together referred to as the “Group”.

As of December 31, 2025, the number of personnel employed within the Company is 3.492 (2024: 3.847 personnel).

Approval of Consolidated Financial Statements:

The special purpose financial statements have been approved and authorized to be published on March 5, 2026 by the Board of Directors. The General Assembly is authorised to amend the financial statements.

Ongoing projects undertaken by the Group as of December 31, 2025 are summarized below:

Country	Construction Project	Country	Construction Project
Turkey	İzmir Buca Subway Project	Poland	(LK622H) Szczyrzyc–Tymbark Railway Project
Turkey	İzmir HRS Vehicle Storage Facilities Construction	Poland	Krakow S-52 Express Road Project
Turkey	Sabiha Gökçen Subway Project	Poland	Krakow S-7 Express Road Project
Turkey	Ümraniye-Ataşehir-Göztepe Subway Project	Poland	Poznan Tramway Project
Turkey	Halkalı-Ispartakule Railway Project	Poland	Swinoujscie Tunnel Project
Turkey	Çerkezköy-Ispartakule Railway Project	Poland	Warsaw Subway Mory Project
Turkey	Hamzadere Dam Project	Poland	Limanowa – Klęczany Railway
Turkey	Alaşehir Irrigation System Renovation and Completion Project	Poland	Krakow High Speed Tram BOT Project (4th Stage)
Turkey	Mersin Mezitli Subway Project	Poland	Infrastructure - Rzeszów - Express Road S-19
Turkey	Gebze Köseköy Railway Signaling, Telecommunication ve Support Systems Project	Romania	Infrastructure-Cluj Lot 3 Railway
Turkey	Ankara- Dikimevi Natoyolu Light Rail System	Romania	Cluj Railway
India	Kanpur Subway Project	Romania	Bucharest Metro M6 Lot 1.2
India	Pune Subway Project	Philippines	Infrastructure-Package S-07 Railway
India	Surat Subway Project	N.Macedonia	Infrastructure-Rail Corridor VIII, Beljakovce

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

1. Organization and Nature of Activities of the Group (continued)

a) Line by line consolidated subsidiaries, branches and joint arrangements of the Group included in the consolidation as of December 31, 2025 and 2024, are as follows:

Entity	Construction Project	Type of Ownership	Country	Operation	Effective Ownership Rate (%)		
					December 31,		
					2025	2024	
1	Gülermak-Kolin A.O.	Keçiören Subway Project	Joint Arrangement	Turkey	Construction	-	50
2	Gülermak-Kolin A.O.	Başkentray Tramway Project	Joint Arrangement	Turkey	Construction	50	50
3	Gülermak-Kolin-Kalyon A.O.	Mahmutbey-Mecidiyeköy Subway Project	Joint Arrangement	Turkey	Construction	34	34
4	Kolin-Aydeniz-Gülermak A.O.	Hamzadere Dam Project	Joint Arrangement	Turkey	Construction	33	33
5	Astaldi-Gülermak A.O.	Haliç Bridge Project	Joint Arrangement	Turkey	Construction	49	49
6	Avrasya Metro Group A.O.	Kadıköy-Kartal Subway Project	Joint Arrangement	Turkey	Construction	17	17
7	Gülermak-YSE A.O.	Sabiha Gökçen Subway Project	Joint Arrangement	Turkey	Construction	50	50
8	Çelikler-Gülermak-AZD A.O.	Samsun Kalın Railway Project	Joint Arrangement	Turkey	Construction	50	50
9	Gülermak-Nurul-Makyol A.O.	Göztepe-Ümraniye Subway Project	Joint Arrangement	Turkey	Construction	33	33
10	Gülermak-YDA A.O.	Kayseri Tramway Project	Joint Arrangement	Turkey	Construction	51	51
11	Gülermak-Yapıyapı-Taşyapı Ortak Girişimi	Halkalı-Ispartakule Railway Project	Joint Arrangement	Turkey	Construction	40	40
12	Aydeniz-Gülermak Ortak Girişimi	Alaşehir Irrigation Renovation Replenishment Project	Joint Arrangement	Turkey	Construction	40	-
13	Astrag Technology Investment Inc.	-	Subsidiary	Turkey	Engineering Services	60	-
14	Anka Teknik Maden	-	Subsidiary	Turkey	Mining	100	-
15	Budimex - Gulermak s.c.	Limanowa – Kłęczany Railway	Joint Arrangement	Turkey	Construction	50	-
16	GP Mosty S.C.	S2 Highway Project	Joint Arrangement	Poland	Construction	90	90
17	Tunel Swinoujscie S.C.(PORR- Gülermak-Energopol)	Tunnel Swinoujscie Project	Joint Arrangement	Poland	Construction	40	40
18	Tunel Swinoujscie S.C. (PORR- Gülermak)	Tunnel Swinoujscie Project	Joint Arrangement	Poland	Construction	50	50
19	Poznan Tramwaj S.C.	Poznan Tramwaj Project	Joint Arrangement	Poland	Construction	100	100
20	Krakow S-52 S.C.	S-52 Express Road Project	Joint Arrangement	Poland	Construction	100	100
21	Gülermak Invest Sp. Z.o.o.	-	Subsidiary	Poland	Construction	100	100
22	Gülermak S.A.	Brodno, Mory, Wola Subway, S7 Express Road Projects	Subsidiary	Poland	Construction	100	100
23	Carrigan Investments Sp. z.o.o.	K.Pomorski Municipal Infrastructure Project	Subsidiary	Poland	Construction	100	100
24	Gülermak Poland Branch	West, Brodno, Mory, Wola Subway Projects	Branch	Poland	Construction	100	100
25	PPP Solutions Polska 2 Sp.z.o.o.	PPP Project of Krakow Fast Tram (Stage IV) Project	Subsidiary	Poland	Construction	100	100
26	Gulermak - Budimex s.c.	S19 Jawornik – Lutcza Highway Project	Joint Arrangement	Poland	Construction	50	-
27	Brodnicza Sp. Z o.o.	-	Subsidiary	Poland	Energy Production	100	-
28	Powidz Green Sp. Z.o.o.	-	Subsidiary	Poland	Energy Production	100	-
29	Glinnik Green Sp. z o.o.	-	Subsidiary	Poland	Energy Production	100	-
30	Budimex - Gulermak H.S.C	(LK622H) Szczyrzyc–Tymbark Railway Project	Joint Arrangement	Poland	Construction	50	-
31	Gülermak-TATA U JV	Pune Subway Project	Joint Arrangement	India	Construction	50	50
32	Gulermak India Private Ltd.	-	Subsidiary	India	Construction	100	100
33	Gulermak-Sam India Kanpur Metro JV	Kanpur Subway Project	Joint Arrangement	India	Construction	100	100
34	Gulermak-Sam India Surat Metro UG P1 JV	Surat Subway Project	Joint Arrangement	India	Construction	100	100
35	Gulermak Suisse SA	-	Subsidiary	Switzerland	Trade	100	100
36	Acciona – Gülermak JV	Dubai Subway Project	Joint Arrangement	U.A.E.	Construction	40	40
37	Gülermak Dubai Branch	-	Branch	U.A.E.	Construction	100	100
38	Gülermak Sweden Branch	Kista KG40 Tramway Project	Branch	Sweden	Construction	100	100
39	Gülermak Europe Sweden Branch	Kista KG40 Tramway Project	Branch	Sweden	Construction	100	100
40	Gülermak Romania Branch	Cluj Subway, Bükreş Subway M6 Lot 1.2, Cluj Lot 3 Railway	Branch	Romania	Construction	100	100
41	Gülermak Romania S.A	-	Subsidiary	Romania	Construction	100	-
42	Gülermak Philippines Branch	-	Branch	Philippines	Construction	100	100
43	Lotte-Gulermak-EEI JV	Infrastructure-Package S-07 Railway	Joint Arrangement	Philippines	Construction	35	35
44	Gülermak N.Macedonia Branch	Infrastructure-Rail Corridor VIII, Beljakovce	Branch	N.Macedonia	Construction	100	100
45	Gülermak Serbia Branch	-	Branch	Serbia	Construction	100	-
46	Hanningfield 1 Limited	-	Subsidiary	England	Energy Production	100	-
47	Gülermak Renewables Ltd. (*)	-	Subsidiary	England	Investment	100	-
48	Corshellach Energy Storage Ltd.	-	Subsidiary	England	Energy Production	100	-
49	Gulermak Renewables Deutschland Holding GmbH	-	Subsidiary	Germany	Energy Production	100	-

(*) As of December 31, 2025, the company has consolidated Gülermak Renewables Ltd., which it had previously consolidated at cost, using the full consolidation method.

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

1. Organization and Nature of Activities of the Group (continued)

b) Equity method consolidated joint arrangements of the Group included in consolidation and the effective rates of ownership as of December 31, 2025 and 2024, are as follows:

Entity	Operation Status	Type of Ownership	Country	Operation	Effective Ownership Rate (%)	
					December 31,	
					2025	2024
1. Avrasya Metro Group S.r.l	Inactive	Associate	Italy	Investment	50	50
2. Gülermak Renewables Ltd. (*)	Active	Subsidiary	England	Investment	-	100
3. Gülermak AB	Inactive	Subsidiary	Sweden	Construction	100	100
4. PPP Solutions Polska 1 Sp.z.o.o.	Inactive	Subsidiary	Poland	PPP Investment	100	100
5. PPP Solutions Polska 3 Sp.z.o.o.	Inactive	Subsidiary	Poland	PPP Investment	100	100
6. PPP Solutions Polska 5 Sp.z.o.o.	Inactive	Subsidiary	Poland	PPP Investment	100	100
7. PPP Solutions Polska 7 Sp.z.o.o.	Inactive	Subsidiary	Poland	PPP Investment	100	100

(*) As of December 31, 2025, the company has consolidated Gülermak Renewables Ltd., which it had previously consolidated at cost, using the full consolidation method.

2. Basis of Presentation of the Consolidated Financial Statements

2.1 Basis of Presentation

Statement of Compliance with TFRS

The Parent Company and its subsidiaries maintain their statutory books of account in accordance with the Turkish Commercial Code No. 6102 (“TCC”), tax legislation, and the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Treasury and Finance.

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Accounting Standards (TAS) issued by the Public Oversight Accounting and Auditing Standards Authority (POA), as enforced under the provisions of the Capital Markets Board of Turkey (CMB) Communiqué on Principles of Financial Reporting in the Capital Markets (Communiqué No. II-14.1), published in the Official Gazette dated June 13, 2013 and numbered 28676. TAS comprises the Turkish Accounting Standards, Turkish Financial Reporting Standards (TFRS), and the related annexes and interpretations. TFRS are updated through communiqués to ensure alignment with the changes introduced in the International Financial Reporting Standards (IFRS). The Group’s accompanying consolidated financial statements have also been prepared in compliance with the CMB’s announcement dated June 7, 2013 titled “Announcement on Financial Statement and Footnote Formats,” and with its Board Resolutions dated February 8, 2024 (No. 9/221) and March 7, 2024 (No. 14/382). Additionally, the accompanying consolidated financial statements have been presented in accordance with the 2016 TAS Taxonomy, which was approved by the POA Board Resolution No. 30 dated June 2, 2016, issued based on Article 9(b) of Decree Law No. 660.

Pursuant to the Capital Markets Board of Turkey (CMB) decision dated December 28, 2023 (No. 81/1820) and the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, along with the published “Implementation Guide on Financial Reporting in Hyperinflationary Economies,” it has been decided that issuers and capital market institutions subject to financial reporting regulations based on TAS / TFRS shall apply inflation accounting in accordance with the provisions of TAS 29, starting from the annual financial reports for the accounting periods ending on December 31, 2023.

The consolidated financial statements have been prepared on the historical cost basis, except for the presentation of certain financial assets at fair value. In determining the historical cost, the fair values paid for the assets are taken into consideration.

The Parent Company and its subsidiaries maintain their statutory books in accordance with the Turkish Commercial Code No. 6102 (“TCC”), tax legislation, and the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Treasury and Finance.

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Currency Used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional and presentation currency of the Group is accepted as Turkish Lira “TL”.

Group companies and branches the use the local currency as its functional currency because the local currency typically drives sales prices in the local market and the majority of costs are denominated and settled in the local currency. For consolidation purposes, amounts are translated from the functional currency into the Group’s reporting currency using the exchange rates.

Group companies whose functional currency is a currency other than Turkish Lira (TRY) are disclosed in this note. The companies use as their functional currency the currency that mainly influences their operations or reflects the primary economic environment in which they operate. In this context, the Group companies whose functional currency is other than TRY, as determined in accordance with TAS 21 (“The Effects of Changes in Foreign Exchange Rates”), are listed below.

Name of The Company	Functional Currency	Name of The Company	Functional Currency
Avrasya Metro Grubu S.r.l	Euro (EUR)	Gülermak Sp. Z.o.o.	Poland Zloty (PLN)
Çelikler - Gülermak - AZD A.O.	Euro (EUR)	GP Mosty S.C.	Poland Zloty (PLN)
Gülermak - YDA A.O.	Euro (EUR)	Tunel Swinoujscie S.C.	Poland Zloty (PLN)
Gülermak - Kolin A.O. (Başkentray)	Euro (EUR)	Poznan Tramwaj S.C.	Poland Zloty (PLN)
Gulermak Suisse SA	Switzerland Frank (CHF)	Krakow S-52 S.C.	Poland Zloty (PLN)
Gülermak Renewables Ltd	U.K. Sterlin (GBP)	Carrigan Investments Sp. z.o.o.	Poland Zloty (PLN)
Gülermak AB	Sweden SEK (SEK)	Gülermak Poland Branch	Poland Zloty (PLN)
Gülermak Europe Sweden Branch	Sweden SEK (SEK)	PPP Solutions Polska 1 Sp. z.o.o.	Poland Zloty (PLN)
Gülermak Sweden Branch	Sweden SEK (SEK)	PPP Solutions Polska 2 Sp. z.o.o.	Poland Zloty (PLN)
AGN Haga AB	Sweden SEK (SEK)	PPP Solutions Polska 3 Sp. z.o.o.	Poland Zloty (PLN)
Acciona – Gülermak JV	U.A.E Dirhem (AED)	PPP Solutions Polska 5 Sp. z.o.o.	Poland Zloty (PLN)
Shibumi International DMCC	U.A.E Dirhem (AED)	PPP Solutions Polska 6 Sp. z.o.o.	Poland Zloty (PLN)
Gülermak Dubai Branch	U.A.E Dirhem (AED)	PPP Solutions Polska 7 Sp. z.o.o.	Poland Zloty (PLN)
Gülermak - TATA U JV (Pune Metro)	Indian Rupee (INR)	Budimex-Gulermak s.c.	Poland Zloty (PLN)
Gulermak India Private Ltd	Indian Rupee (INR)	Gulermak-Budimex s.c.	Poland Zloty (PLN)
Gulermak - Sam India Kanpur Metro JV	Indian Rupee (INR)	Glinnik Green 3 Sp. Z.o.o.	Poland Zloty (PLN)
Gulermak - Sam India Surat Metro Ug P1 JV	Indian Rupee (INR)	Gülermak Romania Branch	Romanian Leu (RON)
Gülermak Sırbistan Şube	Serbian Dinar (RSD)	Gülermak N.Macedonia Branch	N.Macedonia Denar (MKD)
Gülermak Inv. Sp. Z.o.o.	Poland Zloty (PLN)	Gülermak Philippines Branch	Philippines Peso (PHP)
Brodnica 3 Sp. z.o.o.	Poland Zloty (PLN)	Lotte-Gulermak-EEI JV	Philippines Peso (PHP)
Powidz Green 3 Sp. Z.o.o.	Poland Zloty (PLN)	Hanningfield 1 Limited	British Pound (GBP)
Gülermak S.A.	Poland Zloty (PLN)	Corshellach Energy Storage Ltd.	British Pound (GBP)

Exchange rates used for translation of financials to Turkish Lira (TL) of group companies during consolidation are as follows:

	Year-end Rates		Average Rates	
	December 31, 2025	December 31, 2024	2025	2024
US Dollars (USD)	42,8623	35,2233	39,4384	32,7825
Euro (EUR)	50,4532	36,7429	44,6577	35,4779
Poland Zloty (PLN)	11,9381	8,6407	10,5364	8,2487
U.A.E. Dirhem (AED)	11,6054	9,5361	10,6774	8,8754
Indian Rupee (INR)	0,4778	0,4123	0,4528	0,3921
Sweden SEK (SEK)	4,6486	3,1890	4,0221	3,0899
Romanian Leu (RON)	9,8463	7,3414	8,8015	7,0917
N.Macedonia Denar (MKD)	0,8199	0,6088	0,7260	0,5766
Philippines Peso (PHP)	0,7293	0,5986	0,6866	0,5728
Switzerland Frank (CHF)	54,2141	38,9510	47,5824	37,1790
British Pound (GBP)	57,8159	44,2458	51,9686	41,8466
Serbian Dinar (RSD)	0,4304	0,3144	0,3813	0.3038

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Currency Used (continued)

Restatement of financial statements during periods of high inflation

The consolidated financial statements and the relevant figures for prior periods have been restated to reflect changes in the general purchasing power of the functional currency and, as a result, have been expressed in terms of the measuring unit current at the end of the reporting period, in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies." Accordingly, the Group has presented its consolidated financial statements as of December 31, 2024, based on the purchasing power as of December 31, 2025, as it has also applied the necessary indexation adjustments to the prior period financial statements.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to 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.

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

POA made a announcement on November 23, 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after December 31, 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance 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 to their annual financial statements for the accounting periods ending on December 31, 2024.

In this framework, while preparing the consolidated financial statements dated December 31, 2025 inflation adjustment has been made in accordance with TAS 29.

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2025	3.513,87	1,00000	211%
31.12.2024	2.684,55	1,30899	291%

The main components of the Group's restatement for financial reporting in hyperinflationary economies are as follows:

- The current period consolidated financial statements prepared in Turkish Lira are expressed in terms of the purchasing power as of the balance sheet date, and the figures for prior reporting periods have also been restated to reflect the purchasing power at the end of the reporting period. As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Currency Used (continued)

Restatement of financial statements during periods of high inflation (continued)

- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.
- Inflation accounting has not been applied for the Group's foreign branches, joint ventures, subsidiaries, and associates whose functional currency is not Turkish Lira. The items in the statements of financial position of these foreign entities have been translated into Turkish Lira using the closing exchange rates at year-end, while the items in the statements of profit or loss have been translated using the annual average exchange rates for the respective years, and have been included in the consolidation accordingly.

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 the 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 monetary and non-monetary items are restated in accordance 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 applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

Going Concern

The consolidated financial statements including the accounts of the parent Company, its subsidiaries, foreign branches and joint arrangements have been prepared assuming that the Group will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Comparative Information and Adjustment of Consolidated Financial Statements of Previous Period

In order for allowing the determination of financial status and performance trends, the Group's current period financial statements were prepared as comparative with the previous period. In terms of providing compliance with the presentation of financial statements for the current period, the comparative information is re-classified if required.

Principles of Consolidation

Subsidiaries

As of December 31, 2025 and 2024, the details of the Group's subsidiaries are provided in Note 1.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved when the Group:

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

If an event or circumstance arises that may lead to a change in any of the criteria listed above, The Company reassesses whether it has control over the investee.

Even though the Group has voting rights less than a majority, if it has ability to manage the operation of the investee unintentionally, then the Group assess that it has control over that investee. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- comparison of voting rights of the Group and the others,
- potential voting rights held by the Group, and others,
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Group has, or does have, the current ability to direct the relevant activities at the time that decisions need to be made (including voting patterns at previous shareholders' meeting).

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Each item of profit or loss and other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to along with the Group accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income and expenses, profits and losses and cash flows relating to transactions between members of the Group are eliminated during consolidation.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Principles of Consolidation (continued)

Subsidiaries (continued)

Changes in the Group's Ownership Interest in Existing Subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

If the Group loses control over a subsidiary, the gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary at the date of loss of control. Amounts previously recognized in other comprehensive income and accumulated in equity in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities (i.e., reclassified to profit or loss or transferred to retained earnings in accordance with the relevant TFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TFRS 9 Financial Instruments, or, when applicable, the cost on initial recognition of an investment in an associate or a joint arrangement.

Investments in Associates and Joint arrangements

As of December 31, 2025 and December 31, 2024, the details of the Group's associates and joint arrangements are disclosed in Note 1.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control of those policies.

A joint arrangement is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an economic activity, and it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In the accompanying financial statements, the results of operations and the assets and liabilities of associates and joint arrangements, other than those classified as held for sale in accordance with TFRS 5, are accounted for using the equity method. Under the equity method, investments in associates and joint arrangements are recognized in the consolidated balance sheet at cost, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate or joint arrangement, less any impairment in the value of individual investments. Losses of an associate or joint arrangement in excess of the Group's interest in the associate or joint arrangement (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint arrangement) are not recognized. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint arrangement.

Profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate or joint arrangement.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.1 Basis of Presentation (continued)

Principles of Consolidation (continued)

Interest in Joint Arrangements

As of December 31, 2025 and 2024, the details of the Group's joint arrangements are disclosed in Note 1.

A joint arrangement is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control over an economic activity, and it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Where the activities of a Group entity are conducted through joint arrangements, the Group recognizes in its financial statements, in proportion to its share in the joint arrangement:

- its share of the assets held jointly, together with its own assets;
- its share of any liabilities incurred jointly, together with its own liabilities;
- its share of the revenue from the sale of the output arising from the joint arrangement;
- its share of the revenue from the sale of the joint output; and
- its share of any expenses incurred jointly, as well as its own expenses.

The Group accounts for its share of the joint arrangement's assets, liabilities, revenues, and expenses in accordance with the relevant TFRS that apply to the particular assets, liabilities, income, and expenses.

2.2 Significant Change in the Accounting Policies

Accounting policies are amended if the Group's financial position, performance or cash flows and the effects of events are likely to result in a more appropriate and reliable presentation of the financial statements. If the amendments to the accounting policies affect previous periods, the policy is applied retroactively in the financial statements as if the policy have always been exercised. Accounting policy changes arising from the application of a new standard shall be applied retroactively or in accordance with the transition provisions of the standard, if any. Changes that are not covered by any transitional provision are applied retrospectively. There is no change in the accounting policies in the current year.

2.3 Restatement and Errors in the Accounting Policies Estimates

The Group captures, values and presents financial statements of similar transactions, events and circumstances consistently. Significant accounting errors are applied retrospectively and the prior period financial statements are restated. The Group has applied its accounting policies consistent with the previous year.

Changes in the accounting estimates are applied prospectively only in the period in which the change is made and in the future if it relates to a future period in the current period in which the change is made. The significant estimates used in preparing the financial statements for the periods ended December 31, 2025 is consistent with the estimates applied during the preparation of the financial statements for the year ended December 31, 2024.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.4 New and Amended Turkish Financial Reporting Standards

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.4 New and Amended Turkish Financial Reporting Standards (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group

Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after January 1 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements to TFRSs – Volume 11

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

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

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.4 New and Amended Turkish Financial Reporting Standards (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Annual Improvements to TFRSs – Volume 11 (continued)

- *TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent'*: The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.

- *TAS 7 Statement of Cash Flows – Cost Method*: The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

Improvements are effective for annual reporting periods beginning on or after January 1 2026. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendment will be effective for annual periods beginning on or after January 1 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the ‘own use’ requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

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

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.4 New and Amended Turkish Financial Reporting Standards (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

TFRS 19 – The new Standard for Subsidiaries without Public Accountability: Disclosures

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

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

2.5 Summary of Significant Accounting Policies

Related Parties

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

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity;
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. Basis of Presentation of the Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Related Parties (continued)

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding it is with or without a value.

Revenue

Revenue is recognized in the consolidated financial statements within the scope of the five step model described below.

- Definition of contracts with customers,
- Definition of liabilities in contracts,
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group evaluates the goods or services it undertakes in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance obligation will be fulfilled over time or at a certain time. If the Group transfers the control of a good or service over time and thus fulfils the performance obligations related to the related sales over time, it measures the progress of the fulfilment of the performance obligations and recognizes the revenue in the financial statements.

Revenue related to performance obligations involving the transfer of goods or services is recognized when control of the goods or services is transferred to the customer.

- a) The Company's entitlement to payment for the goods or services,
- b) The customer's legal title to the goods or services,
- c) The transfer of physical possession of the goods or services,
- d) The customer's assumption of the significant risks and rewards of ownership,
- e) The customer's acceptance of the goods or services.

At the inception of the contract, if the Company expects that the period between the transfer of the promised good or service and the payment by the customer will be one year or less, no adjustment is made for the effects of a significant financing component in the transaction price. On the other hand, if a significant financing component is determined to be present in the revenue arrangement, the amount of revenue is calculated by discounting the future cash inflows using the interest rate implicit in the financing component. The difference is recognized on an accrual basis as other income from operating activities over the relevant periods.

2. Basis of Presentation of the Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Revenue (continued)

Construction contract works

Contract revenue and costs are recognized as revenue and expenses, respectively, when the outcome of a construction contract can be estimated reliably. Contract revenues are recognized in the consolidated financial statements using the percentage of completion method. The percentage of completion is determined by the ratio of the total contract costs incurred to date to the estimated total contract costs, and this percentage is used to recognize the portion of the total contract revenue attributable to the current period in the consolidated financial statements. Contracts to manage, supervise or coordinate the construction activity of others are recognized only to the extent of the fee revenue.

Contract costs include all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the income statements as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Additional claims are recognized as revenue on an accrual basis when the amounts can be measured reliably based on the best available information and it is probable that the economic benefits associated with the claims will be realized. If it is determined that the realization of additional claims is no longer probable, the amounts previously recognized in the financial statements are reversed through the statement of profit or loss in the subsequent reporting period.

For ongoing construction contracts, the Group compares the gross amount due from customers with the recognized revenue calculated by adding the profit (or deducting the loss) attributable to the costs incurred. If the gross amount due from customers exceeds the calculated revenue, the excess is presented as an asset under “receivables from unbilled construction projects” within trade receivables. Unpaid certified amounts and retention amounts withheld by customers based on certified progress are also presented under trade receivables. If the gross amount due from customers is less than the calculated revenue, the difference is presented as a liability under “payables from unbilled construction projects” within trade payables.

Receivables from ongoing construction contracts represent the excess of revenue recognized in the consolidated financial statements over the amounts invoiced, while liabilities from ongoing construction contracts represent the excess of amounts invoiced over the revenue recognized in the consolidated financial statements

Interest income

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

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labour and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses for the repair of property, plant and equipment are normally charged against income. They are, however, capitalized in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Gain or losses on disposal of property, plant and equipment are included in the related operating income or expense line item and are determined as the difference between the carrying value and amounts received.

Leased assets are subject to similar amortization procedures, as with the other property, plant and equipment on the shorter of the related leasing period and economic life of the asset.

Cost amounts of property, plant and equipment assets excluding land and construction in progress are subject to amortization by using the straight-line and balance method in accordance with their expected useful life. There is no depreciation allocated for lands due to indefinite useful lives. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Useful Lives</u>
Buildings	10-50 years
Land improvements	5-25 years
Machinery and equipment	3-17 years
Motor vehicles	5 years
Furniture, fixtures and other equipment	4-50 years

Intangible Assets

Intangible assets which are mainly software licenses measured initially at cost. An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably.

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line and balance method over their estimated useful economic lives (5-10 years).

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the fair value of its identifiable net assets at the acquisition date. The Group does not amortize goodwill. Instead, goodwill is reviewed for impairment at least annually or whenever circumstances indicate that its carrying amount may not be recoverable.

Goodwill arising from the acquisition of foreign operations, along with the fair value adjustments made to the carrying amounts of the assets and liabilities of those foreign operations at the acquisition date, is treated as part of the assets and liabilities of the foreign operation. Accordingly, such goodwill is expressed in the functional currency of the foreign operation and translated using the closing exchange rate at the reporting date.

Investment Properties

Land held to earn rentals or for the capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment properties are carried at cost less accumulated depreciation. Investment properties (except land) are depreciated on a straight-line basis. Depreciation is calculated on the values of investment properties. The depreciation periods for investment property, which approximate the economic useful lives of such assets, are 50 years. Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment of Assets

The carrying amounts of the Group's assets other than goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. When an indication of impairment exists, the Group compares the carrying amount of the asset with its net realizable value which is the higher of value in use or fair value less costs to sell. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. An impairment loss is recognized immediately in the comprehensive statement of income

The increase in carrying value of the assets (or a cash generated unit) due to the reversal of recognized impairment loss shall not exceed the carrying amount of the asset (net of amortization amount) in case where the impairment loss was reflected in the financial statements in prior periods. Such a reversal is accounted for in the comprehensive statement of income.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Leases (continued)

The Group as lessee (continued)

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

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TMS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Leases (continued)

The Group as lessee (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TMS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in ‘Other expenses’ in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of TFRS 9, recognising an allowance for expected credit losses on the lease receivables. Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Borrowing Costs

In the case of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, borrowing costs that are directly attributable to the acquisition, construction, or production of such assets are capitalized as part of the cost of the asset until the asset is ready for its intended use or sale.

Investment income earned on the temporary investment of the unutilized portion of borrowings specifically obtained for the purpose of financing a qualifying asset is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in profit or loss in the period in which they are incurred.

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial Assets

At initial recognition, the Group measures a financial asset at its fair value, except for trade receivables that do not contain significant financing component. The Group measure trade receivables at their transaction price if the trade receivables do not contain a significant financing component in accordance with TFRS 15 (or when the entity applies the practical expedient) at initial recognition.

At initial recognition, Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. When the Group uses settlement date accounting for an asset that is subsequently measured at amortised cost, the asset is recognised initially at its fair value on the trade date.

The Group classifies its financial assets based on:

- (a) the business model used for managing the financial assets, and
- (b) the characteristics of the contractual cash flows of the financial asset.

Accordingly, financial assets are classified and subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

The Group classifies its financial assets based on (continued);

An entity reclassifies financial assets only when it changes its business model for managing those financial assets. All affected financial assets are reclassified prospectively from the reclassification date. In such cases, no adjustments are made to previously recognized gains, losses (including impairment gains or losses), or interest.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial Assets (continued)

Financial assets measured at amortised cost (continued)

Interest revenue of financial assets measured at amortised cost is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- (a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.
- (b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Group accounts for the cumulative gain or loss that was previously recognised in other comprehensive income in consolidated financial statements. Interest calculated using the effective interest method is recognised in profit or loss.

At initial recognition, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

Financial assets measured at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Financial Assets (continued)

Financial assets measured at fair value through profit or loss (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Financial liabilities

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for:

- (a) financial liabilities at fair value through profit or loss: Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.
- (b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Group recognises any income on the transferred asset and any expense incurred on the financial liability.
- (c) contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. Such contingent consideration is subsequently be measured at fair value with changes recognised in profit or loss.

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Trade Receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other operating income.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank deposits with original maturities of more than three months are classified under short-term financial investments.

Trade Payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Provisions, Contingent Assets and Liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions

Foreign Currency Transactions and Balances

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated into TL at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences arising from transactions to hedge foreign currency exposures (accounting policies for hedging are described below);
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Earnings Per Share

Earnings per share disclosed in the accompanying statement of income is determined by dividing net income by the weighted average number of shares circulating during the year concerned. In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “Bonus Share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events After the Reporting Date

The Group adjusts the amounts recognized in its financial statements to reflect adjusting events occurring after the reporting date. If non-adjusting events after the reporting date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the financial statements.

Onerous Contracts

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Group. Present obligations arising under onerous contracts are measured and recognized as a provision.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Government Grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the required conditions.

Current Income Tax and Deferred Tax

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the balance sheet date.

Taxation of foreign branches and activities

Foreign branches, which are consolidated in the accompanying consolidated financial statements, are subject to corporate tax and income tax withholding in the countries in which they operate. (Official) tax rates applicable in the countries in which the Group operates are disclosed in Note 27.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.5 Summary of Significant Accounting Policies (continued)

Deferred tax (continued)

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

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized directly in equity, in which case, the current and deferred tax are also recognized directly in equity.

Employee Benefits

Termination and retirement benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) *Employee Benefits* (“TAS 19”).

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

Service Concession Arrangements

Revenue relating to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period in which the services are provided by the Group. The Group provides construction works in a service concession arrangement. The consideration for the services delivered is calculated by reference to the service concession arrangement. TFRS Interpretation 12 gives guidance on the accounting by operators for public-to-private service concession arrangements. The service concession arrangements signed with the Municipality of Kamień Pomorski/Poland (“the Grantor”) for the works concerning reconstruction of roads, are accounted for in accordance with TFRS Interpretation 12.

The Group applies TFRS Interpretation 12 for the accounting of revenues as the agreement between the Group and the Municipality of Kamień Pomorski/Poland constitutes a service concession agreement. Based on the decision criteria in TFRS Interpretation 12, the “Financial asset model” is used for such revenue streams. The Group is responsible for providing the works concerning reconstruction of roads mentioned in the agreement

2.6 Significant Accounting Judgments, Estimates and Assumptions

Statement of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investing and financing activities.

Share Capital and Dividends

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

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.6 Significant Accounting Judgments, Estimates and Assumptions (continued)

Share Capital and Dividends (continued)

The preparation of financial statements in conformity with TFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below):

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. In light of the evidence obtained, the Group believes that taxable profit will be available sufficient to utilize these deferred tax assets, therefore all of the deferred tax assets are recognized.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of its property, plant and equipment at the end of each reporting period. The Group takes into consideration the intended use of the property, plant and equipment, the advancement in technology related to the particular type of property, plant and equipment as well as other factors that may require management to extend or shorten the useful lives and the assets' related depreciation.

Legal provisions

While allocating provisions for the lawsuits, the possibilities of losing the lawsuits and liabilities that will arise in case of a loss have been evaluated by the Group management by taking the legal counsel and expert opinions of the Company and its subsidiaries. The Group Management determines the lawsuit provisions based on the best estimates.

Employment termination benefits and seniority incentive bonus

Employment termination benefits and seniority incentive bonus are determined with actuarial assumptions (discount rate, future salary increase and turnover rates) (Note 19).

2. Basis of Presentation of the Consolidated Financial Statements (continued)

2.6 Significant Accounting Judgments, Estimates and Assumptions (continued)

Share Capital and Dividends (continued)

Change of contract price

Modifications to contracts for construction projects are recognised when they can be measured reliably and it is probable that they will result in revenue. This requires management to make judgements based on previous experience, the application of contract terms and its relationship with the counterparty. Contract modifications generally include material, labour, general and administrative expenses incurred for various reasons such as extension of time, change in project scope and change in materials used in the project. In the calculations made within the scope of these changes, the Group management makes an assessment at the end of each period by utilising the information received from the project management and past experiences and reflected in the consolidated financial statements.

Percentage of completion

The Company uses the percentage of completion method in accounting for construction contracts. According to this method, the ratio of the contract expense incurred until a certain date to the estimated total cost of the contract is calculated.

Construction cost estimates

The Group calculates the remaining project costs in construction contracts through internally developed estimation mechanisms. Factors such as increases in raw material prices, labour and other costs are included in these estimates based on the best estimate as of the balance sheet date. In subsequent periods, it is necessary to reassess the remaining costs of construction contracts for unexpected increases that may occur.

2.7 Restatement of prior period financial statements

Comparative information and restatement of financial statements for prior periods The Company's accounting records and statutory financial statements are prepared in accordance with the principles and conditions issued by the Capital Markets Board (CMB), applicable commercial and regulatory legislation, and CMB circulars. To enable the identification of financial position and performance trends, the Company's financial statements are prepared on a comparative basis with the previous period. While there are no retrospective adjustments, the classification made in the Company's financial position statement as of December 31, 2024 is as follows.

- Other receivables amounting to TL 27.675.034, which were previously recorded under “Other receivables from related parties,” have been reclassified and recorded under the “Other receivables from unrelated parties” account. This reclassification has no effect on the cash flow statement.

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

3. Segment Reporting

The Group management monitors its operations in three main segments: Turkey, West and East. The Western segment includes Poland, while the Eastern segment includes India, Philippines, North Macedonia, Romania and the results are as follows:

January 1-December 31, 2025	Turkey	West	East	Eliminations	Total
Revenue	9.873.358.714	30.490.458.649	14.601.391.140	(9.432.359.010)	45.532.849.493
Cost of sales (-)	(8.730.486.372)	(27.351.044.349)	(13.117.210.444)	9.412.964.944	(39.785.776.221)
Gross profit	1.142.872.342	3.139.414.300	1.484.180.696	(19.394.066)	5.747.073.272
Operating expenses (-)	(52.799.273)	(300.414.189)	(476.022.207)	19.394.066	(809.841.603)
Other operating income / (expenses), net	311.031.976	(11.269.478)	(22.197.497)	(26.448.384)	251.116.617
Operating profit	1.401.105.045	2.827.730.633	985.960.992	(26.448.384)	5.188.348.286
Income / (expenses) from investing activities, net	565.190.582	131.289.800	2.034.286	(109.118.467)	589.396.201
Operating Profit Before Financial Income	1.966.295.627	2.959.020.433	987.995.278	(135.566.851)	5.777.744.487
Financial income / (expenses), net	(45.097.560)	(531.148.914)	109.233.086	-	(467.013.388)
Monetary Gain/(Loss)	1.033.099.868	(125.561.136)	(86.295.425)	-	821.243.307
Profit/(loss) before tax from continued operations	2.954.297.935	2.302.310.383	1.010.932.939	(135.566.851)	6.131.974.406
Tax expense for the year	-	43.113.219	(165.484.604)	-	(122.371.385)
Deferred tax income / (expense), net	(647.631.103)	(1.064.577.578)	(15.194.251)	-	(1.727.402.932)
Net profit/(loss) for the year from continuing operations	2.306.666.832	1.280.846.024	830.254.084	(135.566.851)	4.282.200.089
December 31, 2025	Turkey	West	East	Eliminations	Total
Total assets	26.900.117.398	37.406.489.557	25.216.769.449	(24.466.063.327)	65.057.313.077
Total liabilities	26.900.117.398	37.406.489.557	25.216.769.449	(24.466.063.327)	65.057.313.077

GÜLERMAK AĞIR SANAYİ İNŞAAT VE TAAHHÜT A.Ş., ITS SUBSIDIARIES, JOINT ARRANGEMENTS AND BRANCHES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2025

(Amounts are expressed in the purchasing power of the Turkish Lira (TL) as of December 31, 2025, unless otherwise stated.)

3. Segment Reporting (continued)

January 1-December 31, 2024	Turkey	West	East	Eliminations	Total
Revenue	11.672.150.146	33.182.688.069	10.705.901.181	(10.381.571.509)	45.179.167.887
Cost of sales (-)	(10.269.895.464)	(31.490.994.247)	(8.580.287.856)	10.381.571.509	(39.959.606.058)
Gross profit	1.402.254.682	1.691.693.822	2.125.613.325	-	5.219.561.829
Operating expenses (-)	(170.234.996)	(146.432.221)	(291.715.038)	-	(608.382.255)
Other operating income / (expenses), net	143.350.484	24.789.716	22.884.992	-	191.025.192
Operating profit	1.375.370.170	1.570.051.317	1.856.783.279	-	4.802.204.766
Income / (expenses) from investing activities, net	24.274.912	42.941.201	1.500.198	-	68.716.311
Operating Profit Before Financial Income	1.399.645.082	1.612.992.518	1.858.283.477	-	4.870.921.077
Financial income / (expenses), net	(976.112)	(401.732.121)	154.155.224	-	(248.553.009)
Monetary Gain/(Loss)	1.409.299.229	(148.171.726)	(213.684.692)	-	1.047.442.811
Profit/(loss) before tax from continued operations	2.807.968.199	1.063.088.671	1.798.754.009	-	5.669.810.879
Tax expense for the year	-	(97.088.120)	(111.089.039)	-	(208.177.159)
Deferred tax income / (expense), net	(846.441.455)	189.807.333	(133.613.351)	-	(790.247.473)
Net profit/(loss) for the year from continuing operations	1.961.526.744	1.155.807.884	1.554.051.619	-	4.671.386.247
December 31, 2024	Turkey	West	East	Eliminations	Total
Total assets	21.895.382.441	29.320.936.512	26.260.259.772	(22.872.293.553)	54.604.285.172
Total liabilities	21.895.382.441	29.320.936.512	26.260.259.772	(22.872.293.553)	54.604.285.172

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4. Related Party Disclosures

Balances and transactions between the Company and branches, joint arrangements and subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Trade receivables from related parties arise mainly from sale transactions and these receivables are unsecured in nature and bear no interest. Trade payables to related parties arise mainly from purchase transactions and these payables are unsecured in nature and bear no interest. . Other receivables from related parties mainly arise from share sales and financing transactions and are not unsecured. Other payables to related parties arise from intra-group financing transactions and are not subject to collateral. As at December 31, 2025, the interest rate used in the calculation of interest rate for foreign currency receivables is 3.78% and the interest rate used in the calculation of interest rate for Turkish Lira receivables is 42,25%.

Current trade receivables from related parties	December 31, 2025	December 31, 2024
Innovative Stone Tech. B.V. Hollanda Ankara Merkez Şubesi (2)	4.071.869	2.524.942
	4.071.869	2.524.942
Other current receivables from related parties	December 31, 2025	December 31, 2024
Tilton Investment Sp Zoo (*) (2)	1.063.387.888	983.388.374
Innovative Stone Tech. B.V. Holland Ankara Branch (2)	367.502.565	190.533.400
Gülermak Emlak Yapı İnşaat Yatırım A.Ş. (1)	5.362.865	257.107.266
Avrasya Metro Grubu SRL (3)	207.407	271.492
Gülermak İnovasyon Mühendislik Yüzey Tasarım A.Ş. (3)	78.560	-
Gülermak Çelik Konstrüksiyon San. ve Tic. A.Ş. (2)	64.972	111.839
Gülermak Emlak-Gülermak Turizm Ortak Girişimi (2)	18.940	85.648
Gülermak Turizm İşletme Yatırımı A.Ş. (1)	-	313.730.776
Gülermak Gölbaşı Çelik Sanayi ve Ticaret A.Ş. (2)	-	1.383.182
	1.436.623.197	1.746.611.977

(*) Consists of receivables arising from the sale of Shibumi DMCC shares owned by Gulermak Suisse SA, an affiliate of the Company, to Tilton Investment Sp. z o.o.

Other current payables to related parties	December 31, 2025	December 31, 2024
Gülermak Turizm İşletme Yatırımı A.Ş. (1)	497.926	-
	497.926	-
Other non-current payables to related parties	December 31, 2025	December 31, 2024
Gülermak Gölbaşı Çelik Sanayi ve Ticaret A.Ş. (2)	8.106.195	-
	8.106.195	-

- 1 Main shareholder
- 2 Other subsidiary of the main shareholder
- 3 Other

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4. Related Party Disclosures (continued)

Related party transactions

January 1-December 31, 2025	Sales	Purchases	Income/Expense	Rent income/expense	Interest income/expense
Tilton Investment Sp Zoo (2)	-	-	-	-	26.531.773
Innovative Stone Technologies B.V.	308.842	-	-	-	4.743.997
Gülermak Gölbaşı Çelik Sanayi ve Ticaret A.Ş. (2)	1.806.042	-	-	-	-
Gülermak İnovasyon Mühendislik Yüzey Tasarım A.Ş. (3)	6.000	-	-	-	-
	2.120.884	-	-	-	31.275.770

January 1-December 31, 2024	Sales	Purchases	Income/Expense	Rent income/expense	Interest income/expense
Gülermak Emlak Yapı İnşaat Yatırım A.Ş. (1)	-	-	-	-	4.648.233
Gülermak Turizm İşletme Yatırımı A.Ş. (1)	-	-	-	-	3.807.179
Innovative Stone Technologies B.V. Holland Ankara Branch (3)	-	-	-	-	2.689.539
Tilton Investment Sp Zoo (2)	1.161	21.581	-	-	29.662.901
Gülermak İnovasyon Mühendislik Yüzey Tasarım A.Ş. (3)	-	-	7.854	-	-
	1.161	21.581	7.854	-	40.807.852

- 1 Main shareholder
2 Other subsidiary of the main shareholder
3 Other

Key management personnel compensation

The Group consists of key management personnel, members of the board of directors. Benefits for key management include salaries and bonuses etc..

	January 1-December 31, 2025	January 1-December 31, 2024
Short-term benefits	59.399.958	51.066.655
	59.399.958	51.066.655

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5. Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	299.670.549	11.822.716
Cash at banks	12.705.946.615	10.790.956.544
Demand deposits	4.868.842.987	1.469.567.530
-Turkish Lira	60.096.600	14.190.036
-USD	188.217.916	68.483.436
-EUR	496.352.672	420.039.237
-PLN	3.663.925.629	406.176.324
-MKD	4.697.695	57.813.600
-INR	41.473.629	300.728.720
-SEK	17.421.636	5.842.355
-AED	363.013.559	1.848.396
-RON	4.685.733	3.865.262
-Other currency	28.957.918	190.580.164
Time deposits with a maturity of 3 months or less	7.837.103.628	9.321.389.014
-Turkish Lira	126.605.586	80.012.875
-USD	119.370.766	156.882.287
-EUR	3.963.055.902	1.842.947.020
-PHP	426.472.339	836.110.660
-PLN	3.103.005	1.958.306.318
-RON	665.644.253	4.447.129.854
-RSD	2.532.851.777	-
Other liquid assets (*)	1.406.055.857	-
Total	14.411.673.021	10.802.779.260

(*) As of December 31, 2025, investment funds consist of money market and liquid investment funds.

The effective interest rates for the Group's bank deposits with maturity of less than 3 months is between 42% for TL, 3,50% for USD, 1,80% for EUR, 2,76% for PHP, 4,50% for PLN, 4,80% for RON (2024: 43% for TL, 3,90% for PHP, 3,50-5,60% for RON)

The nature and level of risks related to cash and cash equivalents are explained in Note 29.

6. Trade Receivables and Payables

Current trade receivables	December 31, 2025	December 31, 2024
Trade receivables	5.113.556.563	8.545.742.599
Trade receivables from related parties (Note 4)	4.071.869	2.524.942
Income accruals	895.305.801	608.024.720
Doubtful receivables	71.872.754	35.504.021
Provision for doubtful receivables (-)	(71.872.754)	(35.504.021)
Total	6.012.934.233	9.156.292.261

The effective interest rates for discount of the receivables are 38,75% for TL, 3,87% for USD and 1,92% for EUR (2024: 48,25% for TL, 5,4% for USD and 3,9% for EUR).

The Group allocates a provision for customer-specific allowance for trade receivables based on past experience of uncollectability and future expectations. Provisions amount includes receivables that are not expected to be collected from related customers.

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6. Trade Receivables and Payables (continued)

The movements of the provision for doubtful receivables as of December 31, 2025 and 2024 are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Opening balance, January 1	35.504.021	33.041.794
Provisions during the period (Note 24)	46.000.781	9.108.471
Inflation effect	(9.632.048)	(6.646.244)
Closing balance, December 31	71.872.754	35.504.021
Non current trade receivables	December 31, 2025	December 31, 2024
Trade receivables	2.795.592	3.659.389
	2.795.592	3.659.389

Trade receivables consist of receivables from customers for services rendered that are sold in the normal course of business. The maturity of trade receivables is generally 40-45 days (2024: 40-45 days)

Details on the credit risk, currency risk and impairment of the Group's trade receivables are disclosed in Note 29.

Current trade payables	December 31, 2025	December 31, 2024
Trade payables	7.422.938.700	8.554.489.669
Notes payable	206.726.911	257.284.834
Total	7.629.665.611	8.811.774.503
Non current trade payables	December 31, 2025	December 31, 2024
Trade payables	21.252.981	27.474.420
Total	21.252.981	27.474.420

Trade payables are comprised mainly of purchases of construction materials, machinery and subcontractor service purchases. The collection for payment period for payables are 40-45 days (2024: 40-45 days). There is no interest payment for the trade payables which are paid after the due date.

The effective interest rates for discount of the payables are 38,75% for TL, 3,87% for USD and 1,92% for EUR (2024: 48,25% for TL, 5,4% for USD and 3,9% for EUR).

7. Financial Investments

	December 31, 2025	December 31, 2024
Current		
Investment funds	-	30.372.765
Restricted bank balances (*)	480.330.133	468.323.728
Total	480.330.133	498.696.493

(*) Restricted bank balances have comprised due to the cash deposit given to the bank until the final guarantee is provided for the Group's Romania projects.

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7. Financial Investments (continued)

	December 31, 2025	December 31, 2024
Non current		
Avrasya Metro Grubu S.R.L.	60.603	60.603
PPP Solutions Polska 5 Sp. z.o.o.	137.497	137.497
PPP Solutions Polska 7 Sp. z.o.o.	136.052	136.052
PPP Solutions Polska 1 Sp. z.o.o.	132.442	132.442
PPP Solutions Polska 3 Sp. z.o.o.	132.442	132.442
Gulermak AB	155.295	155.295
Total	754.331	754.331

8. Financial Liabilities

Current financial liabilities	December 31, 2025	December 31, 2024
Short-term borrowings	4.913.773.576	5.417.160.354
Financial lease payables	239.813.674	29.732.787
Total	5.153.587.250	5.446.893.141
Non current financial liabilities	December 31, 2025	December 31, 2024
Long-term borrowings	8.105.368.493	3.550.819.923
Financial lease payables	946.698.148	44.966.421
Total non current financial liabilities	9.052.066.641	3.595.786.344
Total financial liabilities	14.205.653.891	9.042.679.485

The repayment schedule of the financial liabilities is as follows:

Financial liabilities	December 31, 2025	December 31, 2024
Within 1 year	5.153.587.250	5.446.893.141
1 - 2 years	3.656.820.670	1.454.559.055
2 - 3 years	877.003.637	450.689.696
3 - 4 years	409.708.698	386.308.648
More than 5 year	4.108.533.636	1.304.228.945
Total	14.205.653.891	9.042.679.485

The Group's bank loans amounting to TL 7,400,087,647 consist of secured project loans used by PPP Solutions Polska 2 Spolka z.o.o., a project company (special purpose vehicle) established and operating under Polish law, for the purpose of carrying out the construction, operation, and maintenance of the fourth phase of the Krakow High-Speed Tramway Project.

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8. Financial Liabilities (continued)

	Interest Rate %		Original currency		Amount "TL"	
	December 31		December 31		December 31	
	2025	2024	2025	2024	2025	2024
Current borrowings:						
- EUR bank borrowings	2,50-6,10%	3,20-6,58%	57.852.038	96.412.125	2.918.820.459	3.542.461.069
- PLN bank borrowings	1,55%	1,55%	167.108.095	216.961.506	1.994.953.151	1.874.699.286
Current financial lease payables:						
- EUR financial lease payables			384.075	426.255	19.377.817	15.661.839
- PLN financial lease payables			17.955.780	1.601.576	214.357.903	13.838.740
- MKD financial lease payables			-	387.943	-	232.207
- GBP financial lease payables			8.334.252	-	6.077.920	-
					5.153.587.250	5.446.893.141
Non current borrowings:						
- EUR bank borrowings	2,50-6,10%	3,20-6,58%	12.342.386	30.179.899	622.712.882	1.108.897.022
- PLN bank borrowings	1,55%	1,55%	626.787.813	282.607.069	7.482.655.590	2.441.922.901
Non current financial lease payables:						
- TL financial lease payables			11.841.240	27.074.621	11.841.240	27.074.620
- PLN financial lease payables			57.098.069	1.092.037	681.642.458	9.435.961
- MKD financial lease payables			-	14.126.971	-	8.455.840
- GBP financial lease payables			21.210.617	-	253.214.471	-
					9.052.066.641	3.595.786.344

The Group's guarantees and liabilities related to the financial liabilities are explained in Note 18.

9. Other Receivables and Payables

Other current payables	December 31, 2025	December 31, 2024
Deposits and guarantees received	638.929.060	1.270.213.156
Other current payables to related parties (Note 4)	497.926	-
Other	-	5.981.847
Total	639.426.986	1.276.195.003
Other non current payables	December 31, 2025	December 31, 2024
Deposits and guarantees received	81.592.396	101.206.486
Other non-current payables to related parties (Note 4)	8.106.195	-
Other	20.302.844	13.187.773
Total	110.001.435	114.394.259
Other current receivables	December 31, 2025	December 31, 2024
Other current receivables from related parties (Note 4)	1.436.623.197	1.746.611.977
Deposits and guarantees given	145.176.539	138.764.578
Receivables from the tax office	52.033.392	99.848.325
Other receivables	25.750.913	75.388.260
Total	1.659.584.041	2.060.613.140

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9. Other Receivables and Payables (continued)

Other non current receivables	December 31, 2025	December 31, 2024
Deposits and guarantees given	81.318.934	20.442.511
Total	81.318.934	20.442.511

The nature and level of risks related to other receivables are explained in Note 29.

10. Inventories

	December 31, 2025	December 31, 2024
Raw materials	313.731.593	243.930.592
Other inventories	195.174.483	51.575.140
Total	508.906.076	295.505.732

As of December 31, 2025 and 2024, the Group's inventories mainly consist of iron, sheet metal, profile, rail and rail connection materials, spare parts and consumables and there is no pledge, annotation or guarantee on inventories.

11. Prepaid Expenses and Deferred Income

Prepaid expenses in current assets	December 31, 2025	December 31, 2024
Order advances given for inventories	1.599.753.536	2.252.676.617
Prepaid expenses (*)	875.192.162	957.737.476
Advances given to subcontractors	1.078.229.917	456.464.869
Total	3.553.175.615	3.666.878.962

Prepaid expenses in non current assets	December 31, 2025	December 31, 2024
Prepaid expenses (*)	720.409.007	218.748.299
Prepaid taxes and funds (**)	664.795.355	550.027.592
Advances given for tangible assets	145.965.595	47.907.931
Total	1.531.169.957	816.683.822

(*) The Group follows insurance expenses under prepaid expenses account in accordance with the principle of periodicity. Material portion of the prepaid expenses is comprised of the insurance expenses of joint arrangements.

(**) In accordance with Turkish Income Tax Law No.42, 1% retention is made from each progress report issued in respect of non current construction contracts. These retentions are recorded in prepaid taxes and are offset from the corporation tax liability of the accounting year in which the contract is completed.

Deferred income	December 31, 2025	December 31, 2024
Current		
Advances received from customers (1)	7.538.696.204	6.317.557.192
	7.538.696.204	6.317.557.192

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11. Prepaid Expenses and Deferred Income (continued)

Deferred income	December 31, 2025	December 31, 2024
Non current		
Advances received from customers (1)	8.962.450.170	10.175.105.249
	8.962.450.170	10.175.105.249

(1) The balance is related to the projects carried out by the Group and consists of advances received from domestic and foreign customers.

12. Unbilled Contract Costs and Deferred Contract Revenue

	December 31, 2025	December 31, 2024
Cost incurred on uncompleted contracts	161.884.613.480	214.198.774.323
Estimated earnings	12.652.771.569	11.281.953.720
Total	174.537.385.049	225.480.728.043
Less: Contract progress payment to date recognized in the income statement	(148.852.905.314)	(208.666.111.901)
Net contract assets/liabilities arising from ongoing construction and contracting works	25.684.479.735	16.814.616.142
Costs and estimated earnings in excess of billings on uncompleted contracts	28.986.940.657	20.852.180.943
Billings in excess of costs and estimated earnings on uncompleted contracts	(3.302.460.922)	(4.037.564.801)
Total	25.684.479.735	16.814.616.142

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13. Property, Plant and Equipment

As of December 31, 2025 details of property, plant and equipment were as follows:

	December 31, 2024	Addition	Disposal	Transfer	Translation differences	December 31, 2025
Cost						
Land	33.323.160	-	-	-	1.848.946	35.172.106
Land improvements	67.911.083	1.954.529	(3.694.703)	-	2.068.909	68.239.818
Buildings	354.332.852	18.443.640	(11.245.025)	-	1.749.888	363.281.355
Machinery and equipment	5.880.695.753	512.954.450	(378.580.673)	331.094.470	(26.499.572)	6.319.664.428
Vehicles	404.050.338	74.420.250	(6.471.222)	-	6.165.834	478.165.200
Fixtures	510.605.265	51.381.839	(7.402.982)	-	17.606.048	572.190.170
Other fixed assets	223.816.132	11.527.112	(15.448.953)	57.986.450	(2.158.771)	275.721.970
Construction in progress	209.916.186	799.407.947	(26.448.384)	(312.636.380)	101.046.409	771.285.778
Leasehold improvements	1.805.449	379.902	(700.097)	-	-	1.485.254
	7.686.456.218	1.470.469.669	(449.992.039)	76.444.540	101.827.691	8.885.206.079
Accumulated depreciation						
Land improvements	18.666.616	12.942.424	(652.066)	-	(1.234.305)	29.722.669
Buildings	232.427.247	36.277.207	(2.070.926)	-	878.398	267.511.926
Machinery and equipment	4.172.092.966	723.693.804	(103.477.480)	54.556.678	(28.863.211)	4.818.002.757
Vehicles	267.429.972	39.265.194	11.739.039	10.190.641	(5.739.987)	322.884.859
Fixtures	415.434.521	42.280.820	(219.269)	-	(5.431.843)	452.064.229
Other fixed assets	44.055.084	54.422.358	(15.124.900)	11.697.221	6.139.672	101.189.435
	5.150.106.406	908.881.807	(109.805.602)	76.444.540	(34.251.276)	5.991.375.875
Net book value	2.536.349.812					2.893.830.204

As of December 31, 2025, there are no pledgees or mortgages on tangible fixed assets (December 31, 2024: None).

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13. Property, Plant and Equipment (continued)

As of December 31, 2024 details of property, plant and equipment were as follows:

	December 31, 2023	Addition	Disposal	Transfer	Translation differences	December 31, 2024
Cost						
Land	144.408.262	33.324.143	-	(144.409.245)	-	33.323.160
Land improvements	54.396.252	13.514.831	-	-	-	67.911.083
Buildings	318.140.094	51.125.065	(1.230)	-	(14.931.077)	354.332.852
Machinery and equipment	5.377.824.248	1.368.833.729	(466.397.848)	-	(399.564.376)	5.880.695.753
Vehicles	278.738.173	137.007.699	(961.034)	-	(10.734.500)	404.050.338
Fixtures	387.720.524	128.852.455	(787.573)	-	(5.180.141)	510.605.265
Other fixed assets	104.462.922	131.714.498	(3.316.715)	-	(9.044.573)	223.816.132
Construction in progress	22.130	209.962.598	-	-	(68.542)	209.916.186
Leasehold improvements	-	1.805.449	-	-	-	1.805.449
	6.665.712.605	2.076.140.467	(471.464.400)	(144.409.245)	(439.523.209)	7.686.456.218
Accumulated depreciation						
Land improvements	15.397.670	3.268.946	-	-	-	18.666.616
Buildings	222.827.476	41.484.826	(963)	-	(31.884.092)	232.427.247
Machinery and equipment	3.532.418.124	859.846.572	(59.432.108)	-	(160.739.622)	4.172.092.966
Vehicles	210.988.334	56.505.695	-	-	(64.057)	267.429.972
Fixtures	303.709.067	116.187.950	(29.408)	-	(4.433.088)	415.434.521
Other fixed assets	36.533.494	13.329.133	(2.026.055)	-	(3.781.488)	44.055.084
	4.321.874.165	1.090.623.122	(61.488.534)	-	(200.902.347)	5.150.106.406
Net book value	2.343.838.440					2.536.349.812

As of December 31, 2024, there are no pledgees or mortgages on tangible fixed assets (December 31, 2023: None).

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13. Property, Plant and Equipment (continued)

The distribution of depreciation charge of the Group is as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Depreciation of property, plant and equipment	908.881.807	1.090.623.122
Amortization of intangible assets (Note 15)	13.428.412	7.055.553
Amortization of right of use assets (Note 16)	239.584.448	130.831.881
Total	1.161.894.667	1.228.510.556

	January 1 - December 31, 2025	January 1 - December 31, 2024
Cost of sales (Note 22)	1.123.906.933	1.181.125.032
General administration expenses (Note 23)	37.987.734	47.385.524
Total	1.161.894.667	1.228.510.556

14. Investment Properties

As of December 31, 2025 and 2024 investment properties are as follows:

	December 31, 2025	December 31, 2024
Investment properties	146.348.848	146.348.848
	146.348.848	146.348.848

The Group's investment properties are recognized at cost. Investment properties consist of lands located in Kırıkkale-Kalecik-Mevkii, Çorum Osmancık, Bodrum Muğla region and residences under construction in İzmir Buca region As of December 31, 2024, these lands have been valued by Başkent Taşınmaz Değerleme A.Ş., which has a CMB valuation license and is not affiliated with the Company, in order to monitor their fair values. As of August 13, 2024, the total value of these revalued lands and residences has been determined as TL 127.940.000 by the independent valuation company by using the market transaction prices related to similar real estates as reference and cost management together. Since the indexed values of these lands after TAS 29 are TL 146.348.848, the difference has been evaluated by the Company management within the scope of the materiality level and it has been decided to be carried at cost.

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15. Intangible Assets

a) Goodwill

The company acquired 100% of the shares of Hanningfield 1 Limited, which holds a solar energy license as of 2025. Provisional goodwill was calculated based on the net assets acquired according to the financial statements dated December 31, 2025 (The company acquired 100% of the shares of Powidz Green Sp. z o.o., Glinnik Green Sp. z o.o., and Brodnica Green Sp. z o.o., which held solar energy licenses as of 2024. Goodwill was calculated based on the net assets acquired as of December 31, 2024). The provisional goodwill amount calculated as of December 31, 2025 is TL 765.668.080 (December 31, 2024: TL 448,211,019).

December 31, 2025	Brodnica Green Sp. z o.o.	Powidz Green Sp. z o.o.	Glinnik Green Sp. z o.o.	Hanningfield 1 Limited	Corshellach Energy Storage Ltd.	Total
Assets						
	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Cash and Cash Equivalents	4.211.867	130.298	5.712	3.057	6.467.230	10.818.164
Trade Receivables	301.878	35.176	-	-	-	337.054
Other Receivables	-	-	764.548	-	6.547.419	7.311.967
Other Current Assets	-	305.554	679	-	1.286.981	1.593.214
Property, Plant And Equipment	5.787.484	3.057.863	2.124.403	37.175.463	32.153.561	80.298.774
Right of Use Assets	-	-	-	180.972.335	85.734.042	266.706.377
Prepaid Expenses	-	-	2.547.520	-	-	2.547.520
Total Assets	10.301.229	3.528.891	5.442.862	218.150.855	132.189.233	369.613.070
December 31, 2025	Brodnica Green Sp. z o.o.	Powidz Green Sp. z o.o.	Glinnik Green Sp. z o.o.	Hanningfield 1 Limited	Corsellash Energy Storage Ltd.	Total
Liabilities						
	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Short Term Borrowings	22.424.306	2.454.389	-	-	-	24.878.695
Lease Liabilities	-	-	-	-	2.058.188	2.058.188
Trade Payables	228.167	1.017.949	-	15.815.823	7.942.170	25.004.109
Other Payables	-	-	-	-	45.131.728	45.131.728
Other Current Liabilities	-	-	136	-	-	136
Long Term Borrowings	-	-	5.518.960	-	-	5.518.960
Lease Liabilities	-	-	-	-	84.384.619	84.384.619
Other Payables	-	-	-	202.354.909	-	202.354.909
Total Liabilities	22.652.473	3.472.338	5.519.096	218.170.732	139.516.705	389.331.344
Net assets acquired	(12.351.244)	56.553	(76.234)	(19.877)	(7.327.472)	(19.718.274)
Payment (-)	(319.102.905)	(42.118.609)	(74.618.580)	(133.794.807)	(176.314.905)	(745.949.806)
Provisional Goodwill	331.454.149	42.062.056	74.694.814	133.814.684	183.642.377	765.668.080

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15. Intangible Assets (continued)

a) Goodwill (continued)

December 31, 2024	Brodnica Green Sp. z o.o.	Powidz Green Sp. z o.o.	Glinnik Green Sp. z o.o.	Total
	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Assets				
Cash and Cash Equivalents	4.211.867	130.298	5.712	4.347.877
Trade Receivables	301.878	35.176	-	337.054
Other Receivables	-	-	764.548	764.548
Other Current Assets	-	305.554	679	306.233
Property, Plant And Equipment	5.787.484	3.057.863	2.124.403	10.969.750
Prepaid Expenses	-	-	2.547.520	2.547.520
Total Assets	10.301.229	3.528.891	5.442.862	19.272.982
December 31, 2024	Brodnica Green Sp. z o.o.	Powidz Green Sp. z o.o.	Glinnik Green Sp. z o.o.	Total
	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Liabilities				
Short Term Borrowings	22.424.306	2.454.389	-	24.878.695
Trade Payables	228.167	1.017.949	-	1.246.116
Other Current Liabilities	-	-	136	136
Long Term Borrowings	-	-	5.518.960	5.518.960
Total Liabilities	22.652.473	3.472.338	5.519.096	31.643.907
Net assets acquired	(12.351.244)	56.553	(76.234)	(12.370.925)
Payment (-)	(319.102.905)	(42.118.609)	(74.618.580)	(435.840.094)
Provisional Goodwill	331.454.149	42.062.056	74.694.814	448.211.019

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15. Intangible Assets (continued)

b) Other Intangible Assets

As at December 31, 2025 and 2024, intangible assets are as follows:

	December 31, 2024	Addition	Disposal	Translation differences	December 31, 2025
Cost					
Rights	32.304.229	498.780	(329.256)	748.114	33.221.867
Development costs	1.212.533	-	-	-	1.212.533
Other intangible assets	97.448.316	64.414.254	(238.607)	5.881.239	167.505.202
	130.965.078	64.913.034	(567.863)	6.629.353	201.939.602
Accumulated amortisation					
Rights	21.055.033	1.967.415	(290.027)	429.345	23.161.766
Development costs	1.212.533	-	-	-	1.212.533
Other intangible assets	97.275.510	11.460.997	(307.350)	(1.053.302)	107.375.855
	119.543.076	13.428.412	(597.377)	(623.957)	131.750.154
Net Book Value	11.422.002				70.189.448
	December 31, 2023	Addition	Disposal	Translation differences	December 31, 2024
Cost					
Rights	28.826.505	3.558.784	-	(81.060)	32.304.229
Development costs	1.212.533	-	-	-	1.212.533
Other intangible assets	103.573.627	4.311.064	(32.287)	(10.404.088)	97.448.316
	133.612.665	7.869.848	(32.287)	(10.485.148)	130.965.078
Accumulated amortisation					
Rights	19.145.089	2.569.957	-	(660.013)	21.055.033
Development costs	1.212.533	-	-	-	1.212.533
Other intangible assets	98.856.030	4.485.596	(30.752)	(6.035.364)	97.275.510
	119.213.652	7.055.553	(30.752)	(6.695.377)	119.543.076
Net Book Value	14.399.013				11.422.002

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16. Right of Use Assets

As at December 31, 2025 and 2024 , right of use assets are as follows:

	December 31, 2024	Addition	Disposal	Translation differences	December 31, 2025
Cost					
Land (*)	-	620.439.068	-	77.606.179	698.045.247
Buildings	14.002.325	7.691.739	-	(151.019)	21.543.045
Machinery and equipment (**)	775.759.185	593.149.107	(177.063.345)	78.576.052	1.270.420.999
Vehicles	69.801.012	642.574	(14.722.923)	(1.081.715)	54.638.948
Furniture and fittings	9.320.371	-	(2.170.314)	228.415	7.378.472
	868.882.893	1.221.922.488	(193.956.582)	155.177.912	2.052.026.711
Accumulated depreciation					
Buildings	4.496.616	7.699.367	-	(717.822)	11.478.161
Machinery and equipment	412.345.936	215.918.587	(133.791.322)	15.427.781	509.900.982
Vehicles	26.369.691	12.303.080	(10.605.612)	(779.210)	27.287.949
Other fixed assets	2.783.479	3.663.414	-	588.135	7.035.028
	445.995.722	239.584.448	(144.396.934)	14.518.884	555.702.120
Net Book Value	422.887.171				1.496.324.591
	December 31, 2023	Addition	Disposal	Translation differences	December 31, 2024
Cost					
Buildings	5.436.575	8.565.750	-	-	14.002.325
Machinery and equipment	1.842.646.706	20.771.572	(86.565.570)	(1.001.093.523)	775.759.185
Vehicles	109.989.253	-	(6.789.000)	(33.399.241)	69.801.012
Other fixed assets	11.708.942	-	-	(2.388.571)	9.320.371
	1.969.781.476	29.337.322	(93.354.570)	(1.036.881.335)	868.882.893
Accumulated depreciation					
Buildings	2.124.364	2.372.252	-	-	4.496.616
Machinery and equipment	1.352.102.381	119.015.321	(43.930.634)	(1.014.841.132)	412.345.936
Vehicles	67.820.256	8.431.927	(4.282.777)	(45.599.715)	26.369.691
Other fixed assets	2.164.546	1.012.381	-	(393.448)	2.783.479
	1.424.211.547	130.831.881	(48.213.411)	(1.060.834.295)	445.995.722
Net Book Value	545.569.929				422.887.171

(*) Consists of land use rights related to energy companies acquired by the Group.

(**) Consists of machinery and equipment leased for use in the Group's new projects.

The depreciation periods for right of use assets, which approximate the economic useful lives of such assets, are as follows:

	<i>Useful Lives</i>
Buildings	10-50 years
Machinery and equipment	3-17 years
Motor vehicles	5 years
Furniture, fixtures and other equipment	4-50 years

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17. Financial Assets Related to Service Concession Agreements

The financial asset is related to the service concession agreement signed with Municipality of Kamień Pomorski (Poland) in 2018 for the works concerning reconstruction of roads, render service and guarantee inspections.

The maturities of financial assets from service concession agreements are as follows:

	December 31, 2025	December 31, 2024
Within one year	7.604.188	6.173.739
1-2 year	7.604.188	6.173.739
2-3 year	4.340.454	6.173.739
3-4 year	-	6.173.728
Total	19.548.830	24.694.945

18. Provisions, Contingent Assets and Liabilities

Short-term provisions	December 31, 2025	December 31, 2024
Construction contract loss and warranty provision	416.048.061	520.200.333
Provision for litigations (*)	54.926.788	53.306.999
Total	470.974.849	573.507.332

(*) The majority of the provision for litigation arises from the lawsuits between the employees and the employer.

The movements in the provision for lawsuits are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Opening balance, January 1	53.306.999	44.868.259
Additional provisions during the period (Note 24)	12.657.863	23.921.545
Inflation effect	(11.038.074)	(15.482.805)
Closing balance, December 31	54.926.788	53.306.999

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18. Provisions, Contingent Assets and Liabilities (continued)

Collaterals, pledges and mortgages CPM given by the Group as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
A CPM's given in the name of own legal personality	11.610.015.117	8.179.870.249
B CPM's given on behalf of the fully consolidated companies	40.798.864.692	24.134.551.213
C CPM's given on behalf of third parties for ordinary course of business	-	-
D Total amount of other CPM's given		
i. Total amount of CPM's given on behalf of the majority shareholder	-	-
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C CPM's given in favor of Group Companies	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
	52.408.879.809	32.314.421.462

As of December 31, 2025 and 2024, details of the CPM's given in the name of own legal personality are as follows:

Letters of guarantee	Turkish Lira Equivalent of						TL Equivalent Total
	TL	ABD\$	AVRO	AED	PLN	RON	
December 31, 2025	5.440.836.918	2.675.531.550	19.434.004.310	1.700.006.493	16.429.646.274	6.728.854.264	52.408.879.809
December 31, 2024	2.689.281.989	2.421.139.581	12.174.839.746	1.359.337.108	6.675.259.368	6.994.563.670	32.314.421.462

As of December 31, 2025 and 2024, the Group does not have any mortgages given

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19. Employee Benefits

Current liabilities for employee benefits	December 31, 2025	December 31, 2024
Social security premiums payable	184.229.170	129.179.060
Due to personnel	250.786.738	185.529.955
Other	20.495.932	24.069.631
Total	455.511.840	338.778.646
Current provisions for employee benefits	December 31, 2025	December 31, 2024
Unused vacation provision	215.742.256	139.344.064
Other provisions	4.299.021	2.183.321
Total	220.041.277	141.527.385
Non current provisions for employee benefits	December 31, 2025	December 31, 2024
Provision for employee termination benefits	69.257.601	81.312.682
	69.257.601	81.312.682

The provision for the employee termination benefits

Provision for severance pay for Turkish personnel working abroad:

The Group is obliged to pay severance benefits for each employee working abroad in accordance with the applicable legislation. In addition, based on the Group's severance pay policy, the Group pays severance benefits to employees who are entitled to severance and retire.

Provision for severance pay for Turkish personnel working in Turkey:

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men). The amount payable consists of one month's salary limited to a maximum of TL 53.919,68 for each period of service at December 31, 2025 (2024: TL 41.828,42).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TMS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans.

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19. Employee Benefits (continued)

The provision for the employee termination benefits (continued)

In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at December 31 2025, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Ceiling amount of TL 64.948,77 which is in effect since January 1, 2026 is used in the calculation of Groups' provision for retirement pay liability (January 1, 2025: TL 46.655,43).

Movements of employee termination benefits provisions are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Beginning of the period, 0January 1	81.312.682	90.345.064
Service expense during the period	32.547.609	29.023.786
Actuarial (gain)/loss	(23.897.436)	(23.675.129)
Interest expense (Note 24)	11.558.076	1.710.323
Payments during the period (-)	(12.193.579)	(3.316.219)
Translation differences	(2.344.801)	1.398.538
Inflation effect	(17.724.950)	(14.173.681)
Closing balance, December 31	69.257.601	81.312.682

The principal actuarial assumptions used to calculate the liability at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Interest rate	27,1%	27,2%
Annual inflation rate	23,1%	23,5%
Real discount rate	3,2%	3,5%

20. Other Assets and Liabilities

Other current assets	December 31, 2025	December 31, 2024
VAT carried forward	1.381.735.595	739.659.998
Advances given for business purposes	23.657.609	148.039.551
Advances given to personnel	1.313.314	1.025.048
Other	21.937.836	18.831.919
Total	1.428.644.354	907.556.516
Other current liabilities	December 31, 2025	December 31, 2024
Taxes and dues payable	626.561.076	339.236.383
	626.561.076	339.236.383

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Equity

a. Share Capital

The composition of shareholders and their respective percentage of ownership is as follows:

	December 31, 2025	Share Rate (%)	December 31, 2024	Share Rate (%)
Gülermak Emlak Yapı İnşaat Yatırım A.Ş.	193.011.200	59,83	204.000.000	68,00
Gülermak Turizm İşletme Yatırımı A.Ş.	90.828.800	28,16	96.000.000	32,00
Publicly traded shares	38.760.000	12,01	-	0,00
Capital amount	322.600.000	100,00	300.000.000	100,00
Number of shares				
Adjustment to share capital	941.143.964		937.154.364	
Restated capital	1.263.743.964		1.237.154.364	

By the resolution of the General Assembly dated March 21, 2024, it was resolved that the Company's share capital be divided into a total of 80.000.000 shares, consisting of 54.400.000 Class A shares and 25.600.000 Class B shares, each with a nominal value of TRY 1.00. The General Assembly resolution regarding the share structure change was published in the Trade Registry Gazette dated March 22, 2024.

Pursuant to the Board of Directors resolution dated April 26, 2024, the Company's share capital of TRY 80.000.000 was increased by TRY 220.000.000 to TRY 300.000.000 through internal resources. As a result of this transaction, the share capital was divided into a total of 300.000.000 shares, consisting of 153.000.000 Class A shares and 147.000.000 Class B shares, each with a nominal value of TRY 1.00. The Board of Directors resolution regarding the capital increase was published in the Trade Registry Gazette dated May 9, 2024.

Shares of Gülermak Ağır Sanayi İnşaat ve Taahhüt A.Ş. representing a nominal value of TRY 322.600.000 were listed on Borsa İstanbul on January 14, 2025, within the scope of Article 8 of the Listing Directive. Publicly offered shares with a nominal value of TRY 38.760.000 started to be traded on the Stars Market (Yıldız Pazar) as of January 17, 2025, with a base price of TRY 125 under the ticker symbol "GLRMK" using the continuous trading method.

b. Other Comprehensive Income or Profit

	December 31, 2025	December 31, 2024
Foreign currency translation differences	(4.177.020.903)	(3.239.879.866)
Actuarial gain/(loss) from defined benefit plans	35.599.048	16.481.099
Total	(4.141.421.855)	(3.223.398.767)

Provision for employee termination benefits actuarial gain / (loss) funds

The amendment in TMS 19 "Employee Benefits" does not permit the actuarial gain / (loss) considered in the calculation of provision for employee termination benefits to be accounted for under the statement of income. The gains and losses arising from the changes in the actuarial assumption have been accounted for by "Revaluation Funds" under the equity. The funds for actuarial gains / (losses) in the employee termination benefits is not in a position to be reclassified under profit and loss.

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21. Equity (continuation)

c. Restricted Reserves

	December 31, 2025	December 31, 2024
Legal Reserves	201.865.200	201.865.200
	201.865.200	201.865.200

Retained earnings in the statutory financial statements can be distributed as dividends other than judgments related to legal reserves described below.

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Group's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group's share capital. The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

d. Share Premiums

	December 31, 2025	December 31, 2024
Share Premiums	3.570.723.613	-
	3.570.723.613	-

The company increased its paid-in capital from TL 300.000.000 to TL 322.600.000 through a public offering. The public offering proceeds exceeding the nominal capital increase amount were recorded in the share premium account after deducting public offering expenses.

22. Revenue and Cost of Sales

	January 1 - December 31, 2025	January 1 - December 31, 2024
Revenue from construction contracts	42.051.985.775	43.246.318.250
Construction related sales	3.480.863.718	1.932.849.637
Net revenue	45.532.849.493	45.179.167.887
	January 1 - December 31, 2025	January 1 - December 31, 2024
Cost of constructions contracts	37.750.500.974	38.079.125.980
Cost of construction related sales	2.035.275.247	1.880.480.078
Cost of goods sold	39.785.776.221	39.959.606.058
Gross profit	5.747.073.272	5.219.561.829

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22. Revenue and Cost of Sales (continued)

Cost of Sales by nature	January 1 - December 31, 2025	January 1 - December 31, 2024
Construction contract execution expenses	19.570.658.712	22.942.482.696
Direct material costs	13.120.486.202	9.345.799.940
Personnel expenses	3.052.812.974	3.915.472.884
Depreciation and amortization expense (Note 13)	1.123.906.933	1.181.125.032
Rent expenses	576.742.097	534.722.044
Other	2.341.169.303	2.040.003.462
Total	39.785.776.221	39.959.606.058

23. General Administrative Expenses

General administrative expenses	January 1 - December 31, 2025	January 1 - December 31, 2024
Salary and wages	268.575.569	220.175.511
Outsourced benefit and services expenses	138.518.746	80.412.322
Business development and tender expenses	85.161.972	75.097.094
Consulting, notary and litigation expenses	72.855.575	33.586.309
Rent expenses	55.635.137	37.138.436
Depreciation and amortization expense (Note 13)	37.987.734	47.385.524
Insurance expenses	37.126.722	7.330.743
Taxes, duties and fees	32.557.319	12.691.229
Transportation, food and hosting expenses	22.714.304	16.724.387
Office stationery expenses	5.516.452	4.825.993
Other general and administrative expenses	53.192.073	73.014.707
Total	809.841.603	608.382.255

The service fees received by the Group from the independent auditor/independent auditing firm as of the reporting period, based on the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority "KGK" published in the Official Gazette, are as follows:

Independent audit fee	January 1 - December 31, 2025	January 1 - December 31, 2024
Independent audit fee for the reporting period	16.000.000	9.817.390
	16.000.000	9.817.390

24. Other Income and Expenses from Operating Activities

Other income from operating activities	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange gains - related to trading activities	1.069.667.996	1.136.623.668
Discount on notes payable	29.282.065	10.174.160
Interest income - related to trading activities	26.821.497	55.278.059
Scrap sales income	9.825.650	12.672.046
Other	71.963.655	100.285.425
Total	1.207.560.863	1.315.033.358

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24. Other Income and Expenses from Operating Activities (continued)

Other expenses from operating activities	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange loss - related to trading activities	686.073.369	922.430.331
Discount on notes receivables	104.654.141	107.583.793
Doubtful receivable provision expense (Note 6)	46.000.781	9.108.471
Penalty, lawsuit, compensation and other expenses (Note 18)	12.657.863	23.921.545
Interest expense of retirement pay provision (Note 19)	11.558.076	1.710.323
Other	95.500.016	59.253.703
Total	956.444.246	1.124.008.166

25. Income and Expenses from Investing Activities

Income from investing activities	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest income on investing activities	557.174.887	31.413.256
Profit on sale of fixed assets	26.817.972	17.186.983
Rent income (*)	13.045.170	39.697.585
Total	597.038.029	88.297.824

(*) Rent income is mainly resulted from machinery and equipment rentals on occasion. These rentals arise from machinery and equipment leased either to subcontractors working jointly with the Company at construction sites from time to time, or to third parties.

Expenses from investing activities	January 1 - December 31, 2025	January 1 - December 31, 2024
Loss on sale of fixed assets	7.530.517	19.507.502
Rent expense	111.311	74.011
Total	7.641.828	19.581.513

26. Financial Income and Expenses

Financial income	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange gains	760.984.983	192.084.471
Interest income	612.794.051	351.298.650
Total	1.373.779.034	543.383.121

Financial expense	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest expense	1.053.957.748	382.425.787
Foreign exchange losses	431.517.070	98.446.380
Letters of guarantee and credit expenses	353.819.576	287.807.230
Other	1.498.028	23.256.733
Total	1.840.792.422	791.936.130

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27. Taxation on Income (Including Deferred Tax Assets and Liabilities)

Turkey

The Corporation tax rate for 2025 is 25% (2024: 25%) in Turkey. Corporation tax rate is applicable on the total income of companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption, investment allowance exemption, etc.) and income tax deductions (like research and developments expenses).

Advance (prepaid) corporation taxes are payable on quarterly profits at the rate of 25%. Such taxes after deduction of the taxes prepaid quarterly must be declared by the 14th of the second month following any tax period and paid by the 17th. Advance corporation tax may be offset against other debts to the government

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Group file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income up to five years. Tax losses cannot be carried back to offset profits from previous periods. Taxes on profit for the period consist of the following:

Articles 19 and 22 of Law No. 7456 have amended the provisions of the Corporate Tax Law (CTL) regarding the exemption from corporate tax on gains derived from the sale of immovable properties. Under the amendment, the term “immovable properties” in Article 5/1-e of the CTL has been removed, thereby abolishing the related tax exemption. As a result, the exemption no longer applies to gains from the sale of immovable properties that were capitalized on or after the effective date of the law, July 15, 2023.

Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Poland

Corporation tax is payable at a rate of 19% on the income of the Group after eliminating disallowable expenses, interest expenses and other provisions (2024: 19%).

India

Corporation tax is payable at an average rate of 42% on the income of the Group after eliminating disallowable expenses, interest expense and other provisions (2024: 42%).

Switzerland

Corporation tax is payable at an average rate of 13,5% on the income of the Group after eliminating disallowable expenses, interest expense and other provisions (2024: 13,5%).

North Macedonia

Corporation tax is payable at an average rate of 10% on the income of the Group after eliminating disallowable expenses, interest expense and other provisions (2024: 10%).

Philippines

Corporation tax is payable at an average rate of 25% on the income of the Group after eliminating disallowable expenses, interest expense and other provisions (2024: 25%).

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27. Taxation on Income (Including Deferred Tax Assets and Liabilities) (continued)

Romania

Corporation tax is payable at an average rate of 16% on the income of the Group after eliminating disallowable expenses, interest expense and other provisions (2024: 16%).

Dubai

According to tax laws, there is no tax calculated and paid on profits in Dubai. Therefore, the Group do not make a tax account on the earnings it gained in Dubai.

Assets related to the current period taxes are as follows:

Current	December 31, 2025	December 31, 2024
Current income tax assets (-)	161.432.978	109.390.722
	161.432.978	109.390.722

According to Turkish Tax Legislation, Corporate Tax has to be paid in advance. This payment is calculated at the rate of 25% (2024: 25%) over the quarterly actual profits. The Corporate Tax paid on quarterly basis can be deducted from the Corporate Tax on the year in which the payment is made. There is also a possibility to deduct from other taxes payable.

The tax amounts reflected in the income statements for December 31, 2025 and 2024 are summarized below:

Tax provision in the consolidated statement of income	January 1 - December 31, 2025	January 1 - December 31, 2024
Corporate tax expense	(122.371.385)	(208.177.159)
Deferred tax expenses	(1.727.402.932)	(790.247.473)
Total	(1.849.774.317)	(998.424.632)

Deferred Tax

The Company recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for TFRS and statutory tax purposes.

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27. Taxation on Income (Including Deferred Tax Assets and Liabilities) (continued)

Deferred Tax (continued)

Deferred tax assets and liabilities calculated using the cumulative temporary differences and tax rates are as follows:

Deferred tax assets / (liabilities)	December 31, 2025	December 31, 2024
Tangible and intangible assets	450.230.401	405.866.082
Provisions for employee benefits	42.549.683	48.441.403
Provision for litigation	10.876.486	10.837.417
Provision for doubtful receivables	3.710.965	3.577.564
Construction contracts	(2.499.757.053)	(1.109.594.565)
Unrealized finance income/(expenses), net	(159.958.259)	(122.399.079)
Provision for construction contracts	(77.354.197)	(27.179.791)
Other provision	79.305.503	133.114.050
Other temporary differences	26.317.314	145.314.871
Total	(2.124.079.157)	(512.022.048)
Deferred tax assets	845.743.154	1.822.937.293
Deferred tax liabilities (-)	(2.969.822.311)	(2.334.959.341)
Deferred tax assets / (liabilities), net	(2.124.079.157)	(512.022.048)

The deferred tax movement table for the years December 31, 2025 and 2024 is as follows

	January 1 - December 31, 2025	January 1 - December 31, 2024
Balance at the beginning of the year	(512.022.048)	(28.934.394)
Charged to profit or loss	(1.727.402.932)	(790.247.473)
Charged to the other comprehensive income	(4.779.487)	(4.735.025)
Translation difference	(189.318.302)	226.023.113
Inflation effect	309.443.612	85.871.731
Closing Amount	(2.124.079.157)	(512.022.048)

28. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	January 1 - December 31, 2025	January 1 - December 31, 2024
Profit for the year	4.282.200.089	4.671.386.247
Weighted average number of shares with nominal value	318.253.846	230.082.192
Earnings per share	13,455	20,303

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29. The Nature and Level of Risks Arising From Financial Instruments

I. Capital Management Policies and Procedures

The risk related with each of the capital class and group capital cost is considered by the top management of the Group.

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may obtain new loans, repay existing loans; make cash and non cash dividend payments to shareholders, issue new shares based on Management's evaluation. The Group manages the capital structure so as to ensure the Group's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio.

The Group monitors capital using a net debt to total equity ratio, which is net financial debt divided by total equity. The Group includes within net financial debt, borrowings and trade payables, less cash and cash equivalents.

The Group's net financial debt / total equity ratio used as follows:

	December 31, 2025	December 31, 2024
Total financial liabilities (Note 8)	14.205.653.891	9.042.679.485
Less: cash and cash equivalents and financial investments (Note 5) (*)	(14.411.673.021)	(10.802.779.260)
Net financial debt	(206.019.130)	(1.760.099.775)
Total equity	17.746.392.856	10.778.118.528
Net financial debt/Total equity	-	-

(*) As of December 31, 2025 and 2024, investment funds included in financial investments consist of liquid investment funds.

II. Financial Risk Factors

The Group's principal financial instruments are cash, short-term time deposits and bank borrowings. The main purpose of use of these financial instruments is to raise finance for the Group's operations and to hedge interest rate risk. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, interest rate risk and credit risk.

a. Credit risk management

Credit risk arises from the possibility that counterparties may fail to fulfill their contractual obligations. The Group manages this risk by limiting the average exposure to each counterparty through credit limits and obtaining collateral when necessary. The Group's credit risk primarily stems from its trade receivables. The Group manages this risk by restricting credit limits through guarantees and collateral. The use of credit limits is continuously monitored by the Group, and the credit quality of customers is regularly evaluated based on their financial positions, historical experience, and other relevant factors. Trade receivables are assessed in accordance with the Group's policies and procedures. After recognizing provisions for doubtful receivables, they are presented on a net basis in the financial position statement. Trade receivables consist of a large number of customers spread across various sectors and geographical regions. The creditworthiness of customers is regularly reviewed based on their trade receivable balances. The Group does not have any significant concentration of credit risk with any single customer.

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

a. Credit risk management (continued)

December 31, 2025

	Receivables				Cash at banks
	Trade Receivables		Other Receivables		
	Related Parties	Third Parties	Related Parties	Third Parties	
Credit risks exposed through types of financial instruments					
Maximum credit risk exposed as of balance sheet date (1) (A+B+C+D+E)	4.071.869	6.011.657.956	1.436.623.197	304.279.778	12.705.946.615
- The part of maximum risk under guarantee with collaterals etc. (2)	-	-	-	-	-
A. Net book value of the financial assets that are neither overdue nor impaired	4.071.869	6.011.657.956	1.436.623.197	304.279.778	12.705.946.615
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	-	-	-	-
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (3)	-	-	-	-	-
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	71.872.754	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	(71.872.754)	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(1) When determining the amount, the guarantees received and factors increasing the credibility are not considered.

(2) The guarantees consist of letters of guarantees, guarantee cheques and mortgages received from customers. The portion of guarantees which covers the risk has not been taken into consideration

(3) The Group did not have any collection problems with these customers in the past

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

a. Credit risk management (continued)

December 31, 2024

	Receivables				Cash at Banks
	Trade Receivables		Other Receivables		
	Third Parties	Related Parties	Third Parties	Related Parties	
Credit risks exposed through types of financial instruments					
Maximum credit risk exposed as of balance sheet date (1) (A+B+C+D+E)	2.524.942	9.157.426.708	1.746.611.977	334.443.674	10.790.956.544
- The part of maximum risk under guarantee with collaterals etc. (2)	-	-	-	-	-
A. Net book value of the financial assets that are neither overdue nor impaired	2.524.942	9.157.426.708	1.746.611.977	334.443.674	10.790.956.544
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
B. Net book of financial assets that are renegotiated, if not that will be accepted as part due or impaired	-	-	-	-	-
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired (3)	-	-	-	-	-
- The part of maximum risk under guarantee with collaterals etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	35.504.021	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	(35.504.021)	-	-	-
- The part under guarantee with collaterals, etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

(1) When determining the amount, the guarantees received and factors increasing the credibility are not considered

(2) The guarantees consist of letters of guarantees, guarantee cheques and mortgages received from customers. The portion of guarantees which covers the risk has not been taken into consideration.

(3) The Group did not have any collection problems with these customers in the past

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

b. Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

December 31, 2025

Contractual maturities	Net book value	Contractual cash outflow (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Financial lease liabilities	1.186.511.822	1.242.809.145	207.286.249	84.276.037	951.246.859
Borrowings	13.019.142.069	13.283.999.140	851.025.980	4.285.836.624	8.147.136.536
Trade payables	7.650.918.592	7.693.093.074	6.757.348.274	914.491.819	21.252.981
Other payables and liabilities	740.824.300	740.824.300	740.824.300	-	-
Total liabilities	22.597.396.783	22.960.725.659	8.556.484.803	5.284.604.480	9.119.636.376

December 31, 2024

Contractual maturities	Net book value	Contractual cash outflow (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Financial lease liabilities	74.699.208	81.525.201	25.527.459	10.378.658	45.619.084
Borrowings	8.967.980.277	9.150.781.884	662.077.129	4.926.057.102	3.562.647.653
Trade payables	8.839.248.923	8.882.113.468	8.788.378.218	66.260.831	27.474.419
Other payables and liabilities	1.390.589.262	1.390.589.263	1.390.589.263	-	-
Total liabilities	19.272.517.670	19.505.009.816	10.866.572.069	5.002.696.591	3.635.741.156

c. Market risk

The Group is exposed to financial risks arising from changes in currency rate, interest rate and price risk which arise directly from its operations. The market risks that the Group is exposed to are measured on the basis of sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

c. Market risk (continued)

c1. Foreign currency risk

The Group is exposed to foreign currency risk arising from the translation of foreign currency denominated assets and liabilities to TL. The Group is also exposed to foreign currency risk due to the transactions made in foreign currency. This risk occurs due to purchases, sales and bank borrowings of the Group which are denominated in currencies other than the functional currency.

	December 31, 2025	December 31, 2024
Foreign currency assets	4.781.177.725	3.894.364.187
Foreign currency liabilities (-)	(3.160.307.262)	(2.271.190.907)
Net foreign currency position	1.620.870.463	1.623.173.280

The Group's foreign currency positions in terms of original currency as of December 31, 2025 is as follows:

December 31, 2025	USD	EURO	GBP	TL Equivalent
1. Trade receivables	330.838	-	-	14.180.478
2a. Monetary financial assets, (cash and banks account included)	7.176.206	88.387.031	-	4.766.997.247
2b. Non monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	7.507.044	88.387.031	-	4.781.177.725
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	7.507.044	88.387.031	-	4.781.177.725
10. Trade payables	8.033.848	14.575.092	18.456	1.080.776.323
11. Financial liabilities	-	28.717.028	-	1.448.865.939
12a. Other monetary liabilities	-	-	-	-
12b. Other non monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	8.033.848	43.292.120	18.456	2.529.642.262
14. Trade payables	-	-	-	-
15. Financial liabilities	-	12.500.000	-	630.665.000
16a. Other monetary liabilities	-	-	-	-
16b. Other non monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	12.500.000	-	630.665.000
18. Total liabilities (13+17)	8.033.848	55.792.120	18.456	3.160.307.262
19. Derivative items	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	(526.804)	32.594.911	(18.456)	1.620.870.463

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

c. Market risk (continued)

c1. Foreign currency risk (continued)

The Group's foreign currency positions in terms of original currency as of December 31, 2024 is as follows:

December 31, 2024	USD	EURO	GBP	TL Equivalent
1. Trade receivables	-	-	-	-
2a. Monetary financial assets, (cash and banks account included)	13.889.110	60.690.704	3.224	3.559.543.971
2b. Non monetary financial assets	-	-	-	-
3. Other	-	-	-	-
4. Current assets (1+2+3)	13.889.110	60.690.704	3.224	3.559.543.971
5. Trade receivables	330.938	6.644.259	-	334.820.216
6a. Monetary financial assets	-	-	-	-
6b. Non monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	330.938	6.644.259	-	334.820.216
9. Total assets (4+8)	14.220.048	67.334.963	3.224	3.894.364.187
10. Trade payables	251.571	5.980.948	-	299.258.308
11. Financial liabilities	-	40.000.000	-	1.923.836.682
12a. Other monetary liabilities	-	-	-	-
12b. Other non monetary liabilities	-	-	-	-
13. Current liabilities (10+11+12)	251.571	45.980.948	-	2.223.094.990
14. Trade payables	-	-	-	-
15. Financial liabilities	-	1.000.000	-	48.095.917
16a. Other monetary liabilities	-	-	-	-
16b. Other non monetary liabilities	-	-	-	-
17. Non-current liabilities (14+15+16)	-	1.000.000	-	48.095.917
18. Total liabilities (13+17)	251.571	46.980.948	-	2.271.190.907
19. Derivative items	-	-	-	-
20. Net foreign assets / (liability) position (9-18+19)	13.968.477	20.354.015	3.224	1.623.173.280

Foreign currency sensitivity

The table below presents the Group's sensitivity to a 20% deviation (2024: 20%) in exchange rates (especially USD, EUR , PLN, CAD and TL). 20% is the rate used by the Group when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Group's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

II. Financial Risk Factors (continued)

c. Market risk (continued)

c1. Foreign currency risk (continued)

Foreign currency sensitivity

	Foreign Currency Sensitivity Analysis Table			
	Profit/ (Loss)		Profit/ (Loss)	
	December 31, 2025		December 31, 2024	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 20%				
1- Net USD assets/liabilities	(4.516.004)	4.516.004	128.808.307	(128.808.307)
2- Hedged portion of USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(4.516.004)	4.516.004	128.808.307	(128.808.307)
Change of EUR against TL by 20%				
4- Net EUR assets/liabilities	328.903.512	(328.903.512)	195.789.003	(195.789.003)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (3+4)	328.903.512	(328.903.512)	195.789.003	(195.789.003)
Change of GBP against TL by 20%				
7- Net GBP assets/liabilities	(213.416)	213.416	37.345	(37.345)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(213.416)	213.416	37.345	(37.345)
Total (3+6+9)	324.174.092	(324.174.092)	324.634.655	(324.634.655)

c2. Interest rate risk

The Group is not materially exposed to interest rate risk since there is no significant amount of floating rate financial asset/liabilities.

Fair values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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29. The Nature and Level of Risks Arising From Financial Instruments (continued)

c2. Interest rate risk (continued)

Fair values (continued)

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

- i) Financial Assets: The fair values of certain financial assets carried at cost in the financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for uncollectibility is estimated to be their fair values. The financial assets which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates.
- ii) Financial Liabilities: Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables is estimated to be their fair values. The financial liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates.

December 31, 2025	Financial assets and liabilities at amortized cost	FVTPL	Carrying value
<u>Financial assets</u>			
Cash and cash equivalents	14.411.673.021	-	14.411.673.021
Trade receivables	6.015.729.825	-	6.015.729.825
Other receivables	1.740.902.975	-	1.740.902.975
Other financial assets	-	481.084.464	481.084.464
<u>Financial liabilities</u>			
Financial payables	14.205.653.891	-	14.205.653.891
Trade payables	7.650.918.592	-	7.650.918.592
Other payables	749.428.421	-	749.428.421
<u>December 31, 2024</u>			
<u>Financial assets</u>			
Cash and cash equivalents	10.802.779.260	-	10.802.779.260
Trade receivables	9.159.951.650	-	9.159.951.650
Other receivables	2.081.055.651	-	2.081.055.651
Other financial assets	-	499.450.824	499.450.824
<u>Financial liabilities</u>			
Financial payables	9.042.679.485	-	9.042.679.485
Trade payables	8.839.248.923	-	8.839.248.923
Other payables	1.390.589.262	-	1.390.589.262

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30. Disclosures on Net Monetary Position Gains/(Losses)

The Group's net monetary position gains/(losses) as of December 31, 2025, in accordance with IAS 29, are detailed as follows:

Varlıklar

Non Monetary Items	December 31, 2025	December 31, 2024
Statement of Financial Position Items	1.173.767.461	1.874.224.115
Inventories	108.935	182.380
Prepaid Expenses	631.022.225	1.096.387.155
Other Current Assets	9.932	95.262
Financial Investments	40.681.751	-
Investment Properties	142.128.849	140.824.930
Property, Plant And Equipment	687.425.760	(376.125.252)
Right of Use Assets	90.107.414	117.699.460
Intangible Assets	(28.041.187)	119.134.525
Deferred Tax Assets	274.622.382	819.685.815
Deferred Tax Liabilities	(238.990.008)	(205.104.174)
Paid In Share Capital	(942.720.666)	(844.458.764)
Restricted Reserves	(171.884.514)	(162.620.923)
Share Premiums	(842.867.514)	-
Retained Earnings	1.532.164.102	1.168.523.701
Statement of Profit or Loss Items	(352.524.154)	(826.781.304)
Revenue	(5.219.332.377)	(4.122.778.067)
Cost Of Sales (-)	4.802.391.862	3.616.635.653
General And Administrative Expenses (-)	88.789.200	85.807.647
Other Operating Income	(223.594.106)	(110.442.237)
Other Operating Expenses (-)	167.842.403	84.887.739
Income From Investing Activities	(120.399.749)	(10.673.478)
Expense From Investing Activities (-)	1.465.695	2.367.021
Financial Income	(241.851.245)	(61.470.022)
Financial Expense (-)	254.910.212	95.549.560
Current Tax Expense For The Year	-	25.164.541
Deferred Tax Income / (Expense)	137.253.951	(431.829.661)
Net Monetary Position Gains/ (Losses)	821.243.307	1.047.442.811

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31. Events After the Reporting Date

Pursuant to the decision of the Board of Directors of Gülermak Renewables Deutschland Holding GmbH, a 100% indirect subsidiary of the Group, dated December 22, 2025; A conditional share purchase agreement has been signed for the acquisition of 100% of the shares of Orrön Klein Teetzleben AGRI-PV GmbH, Orrön Javenitz Agri-PV GmbH, and Orrön Trebenow Agri-PV GmbH from Orrön Energy Greenfiel AB. The transfer and the transfer price are conditional, and if all conditions are met, the total maximum sale price will be EUR 11.231.040. The share purchase transactions for Orrön Klein Teetzleben AGRI-PV GmbH were completed in January 2026, and its name was updated to Klein Teetzleben Green GmbH.