(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD TOGETHER WITH INDEPENDENT AUDITORS
JANUARY 1 – JUNE 30, 2026

(In the event of any discrepancy between the Turkish and English versions of this announcement, the Turkish version shall prevail.)

Convenience Translation

(Convenience translation of the report and condensed consolidated financial statements originally issued in Turkish)
Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Limited Review Report

To the Board of Directors
Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret Anonim Şirketi

Review of Interim Consolidated Financial Statements

Opinion

We have reviewed the accompanying condensed consolidated statement of financial position of Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries (collectively referred to as "the Group") as at June 30, 2026, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TMS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Limited Review

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

Convenience translation

Conclusion

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

Significant Uncertainty Regarding the Company's Going Concern

As of June 30, 2026, the Group reported an operating loss of 32,325,287 TL and a net loss for the period of 151,532,814 TL. The Group's equity on its balance sheet as of June 30, 2026, was negative 517,659,887 TL. Furthermore, the Group's short-term liabilities exceed its total current assets by 1,453,185,627 TL.

This situation points to significant uncertainty that could raise serious doubts regarding the Group's ability to continue as a going concern. Furthermore, these matters indicate that the Group is insolvent under Article 376 of the Turkish Commercial Code No. 6102 ("TCC"). Nevertheless, pursuant to a board of directors' resolution dated July 29, 2025, the Group has filed an application for Financial Restructuring (FYY) to restructure its existing loans. This process is currently ongoing with the banks.

The Group's statements regarding this matter are included in footnote 2.1. In addition, the Kolbaşı Family, the Group's ultimate owner, continues its efforts to provide the necessary resources and support to ensure the Group's continued operations.

These matters do not affect the opinion we have issued.

The engagement partner who conducted and completed this independent audit is Nazım Hikmet.

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International

Nazım HİKMET
Engagement Partner

İstanbul, August 5th 2026

Convenience Translation

ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Summary Consolidated Statement of Financial Position (Balance Sheet) as of June 30, 2026

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") in terms of purchasing power as of June 30, 2026, to reflect the effects of inflation.)

		Current Period	Prior Period
		Reviewed	Audited
ASSETS	**Notes**	**June 30, 2026**	**December 31, 2025**
Current Assets			
Cash and cash equivalents	3	116.122.540	198.548.082
Trade receivables	5	1.264.214.092	1.268.682.151
- Trade receivables, third parties	*5*	*1.264.214.092*	*1.268.682.151*
Other receivables	6	6.195.015	6.494.566
-Other receivables, third parties	*6*	*6.195.015*	*6.494.566*
Inventories	7	620.547.658	564.489.543
Prepaid Expenses	8	54.035.949	62.939.916
Current income tax assets	21	1.180.360	9.859.783
Other Current Assets	6	61.188.802	75.281.139
Total Current Assets		**2.123.484.416**	**2.186.295.180**
Non-Current Assets			
Investment Properties		1.272.800	1.171.837
Property, plant and equipment	9	300.976.270	333.528.022
Right-of-Use Assets	11	142.004.248	81.678.850
Intangible assets	10	99.731.307	101.618.592
Prepaid Expenses	8	2.155.338	2.366.736
Deferred Tax Assets	21	478.222.238	445.943.352
Total Non-Current Assets		**1.024.362.201**	**966.307.389**
Total Assets		**3.147.846.617**	**3.152.602.569**

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

Convenience Translation

ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Summary Consolidated Statement of Financial Position (Balance Sheet) as of June 30, 2026

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") in terms of purchasing power as of June 30, 2026, to reflect the effects of inflation.)

		Current Period	Prior Period
		Reviewed	Audited
LIABILITIES	**Notes**	**June 30, 2026**	**December 31, 2025**
Current Liabilities			
Short-term borrowings	4	1.406.953.710	1.442.752.419
Short-term portion of long-term borrowings	4	43.657.615	65.899.636
Trade payables	5	2.024.354.283	1.729.957.141
- Due to related parties		*60.000*	--
- Trade payables, third parties	*5*	*2.024.294.283*	*1.729.957.141*
Employee Benefit Obligations	13	14.426.392	81.651.763
Other payables	6	59.074	193.386
-Other payables, third parties	*6*	*59.074*	*193.386*
Provisions		64.022.665	45.217.864
- Provisions for Employee Benefits	*13*	*28.812.765*	*12.751.916*
- Other Short-Term provisions	*12*	*35.209.900*	*32.465.948*
Other Current Liabilities	6	23.196.304	28.867.944
Total current liabilities		**3.576.670.043**	**3.394.540.153**
Non-Current Liabilities			
Long-Term Borrowings	4	65.982.379	53.505.143
Provisions		22.854.081	28.064.278
- Provisions for Employee Benefits	*13*	*20.027.308*	*14.794.695*
- Other Long-Term Provisions	*12*	*2.826.773*	*13.269.583*
Total non-current liabilities		**88.836.460**	**81.569.421**
Total liabilities		**3.665.506.503**	**3.476.109.574**
EQUITY			
Paid-In Capital	14	600.000.000	600.000.000
Adjustment To Share Capital	14	710.836.227	710.836.227
Share Premiums		473.828.962	473.828.962
Other Accumulated Comprehensive Income and Expense Not to Be Reclassified to Profit or Loss		(57.304.043)	(54.468.286)
- Gain/loss arising from defined benefit plans	*14* *14*	*(57.304.043)*	*(54.468.286)*
Other Accumulated Comprehensive Income and Expense to Be Reclassified to Profit or Loss		(8.347.479)	31.436.832
- Currency translation differences	*14*	*(8.347.479)*	*31.436.832*
Restricted Reserves	14	123.725.760	123.725.760
Retained Earnings	14	(2.208.866.500)	(1.112.336.159)
Net Income/ (Loss) for The Period		(151.532.814)	(1.096.530.341)
Total Equity		**(517.659.887)**	**(323.507.005)**
Total Liabilities and Equity		**3.147.846.616**	**3.152.602.569**

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

Convenience Translation

ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Summary Consolidated Statement of Income and Other Comprehensive Income for the Six-Month Interim Period Ending June 30, 2026

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") in terms of purchasing power as of June 30, 2026, to reflect the effects of inflation.)

	Notes	Current Period Reviewed 1 January-30 June 2026	Prior Period Reviewed 1 January-30 June 2025	Current Period Not Reviewed 1 April-30 June 2026	Prior Period Not Reviewed 1 April-30 June 2025
Profit or Loss Section					
Revenue	15	2.235.840.166	4.161.150.425	1.149.147.415	2.059.706.402
Cost of Sales (-)	15	(1.533.115.348)	(2.807.436.691)	(775.864.727)	(1.397.950.601)
Gross Profit		**702.724.818**	**1.353.713.734**	**373.282.688**	**661.755.801**
Sales, marketing, distribution expenses (-)	16	(357.042.823)	(630.929.690)	(177.615.266)	(343.112.288)
General administrative expenses (-)	16	(305.839.859)	(368.548.842)	(137.925.817)	(173.108.387)
Other income from operating activities	18	29.569.352	94.405.846	19.259.819	65.016.163
Other expenses from operating activities (-)	18	(101.736.775)	(104.925.341)	(39.788.824)	(19.782.412)
Operating profit / (loss)		**(32.325.287)**	**343.715.707**	**37.212.600**	**190.768.877**
Operating income/ (loss) before financial income		**(32.325.287)**	**343.715.707**	**37.212.600**	**190.768.877**
Financial income	19	11.645.886	78.529.232	1.213.957	25.835.918
Financial expenses (-)	19	(526.323.163)	(930.768.815)	(239.391.645)	(499.734.418)
Net monetary position gains	20	296.885.989	148.760.172	81.123.208	14.526.131
Profit/ (loss) before tax (-)		**(250.116.575)**	**(359.763.704)**	**(119.841.880)**	**(268.603.492)**
Tax expense		98.583.761	79.070.208	56.689.408	95.001.486
- Current tax expense/ (income)	21	-	-	-	-
- Deferred tax income/ (expense)	21	98.583.761	79.070.208	56.689.408	95.001.486
Loss for the Period		**(151.532.814)**	**(280.693.496)**	**(63.152.472)**	**(173.602.006)**
Allocation of net loss for the period					
Attributable to equity holders of the parent		**(151.532.814)**	**(280.693.496)**	**(63.152.472)**	**(173.602.006)**
Basic / Diluted earnings / (loss) per share (nominal amount of 1 TL)		**(0,253)**	**(0,936)**	**(0,211)**	**(0,289)**
Other comprehensive expenses		**(42.620.068)**	**(4.844.646)**	**(3.237.372)**	**(3.288.035)**
Items not to be reclassified to profit or loss		**(2.835.757)**	**(1.451.355)**	**(864.280)**	**(1.108.008)**
Remeasurements of defined benefit plans	13	(3.781.010)	(1.935.145)	(1.152.373)	(1.480.918)
Deferred tax income related to other comprehensive income items not to be reclassified to profit or loss		945.253	483.790	288.093	372.910
Items to be reclassified to profit or loss		**(39.784.311)**	**(3.393.291)**	**(2.373.092)**	**(2.180.027)**
Foreign currency translation adjustments		(39.784.311)	(3.393.291)	(2.373.092)	(2.180.027)
Other comprehensive expenses (after tax)		**(42.620.068)**	**(4.844.646)**	**(3.237.372)**	**(3.288.035)**
Total comprehensive expense		**(194.152.882)**	**(285.538.142)**	**(66.389.844)**	**(176.890.041)**

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

Convenience Translation

ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity for the Six-Month Interim Period Ended June 30, 2026

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") in terms of purchasing power as of June 30, 2026, to reflect the effects of inflation.)

				Accumulated other comprehensive income / expense not to be reclassified to profit or loss	Accumulated other comprehensive income / expense to be reclassified to profit or loss			Retained Earnings		
Notes		**Paid-In Capital**	**Adjustment To Share Capital**	**Remeasurement losses on defined benefit plans**	**Currency translation differences**	**Share Premiums**	**Restricted Reserves**	**Net loss for the period**	**Accumulated Losses**	**Total**
Balance as of January 1, 2025	**14**	**32.210.000**	**909.964.870**	**(45.790.614)**	**39.045.683**	**471.477.289**	**123.725.760**	**(616.491.923)**	**(495.844.237)**	**418.296.828**
Profit for the period		--	--	--	--	--	--	**(280.693.496)**	--	**(280.693.496**
Other comprehensive expense		--	--	1.451.355	(3.393.291)	--	--	--	--	(1.941.936
Total comprehensive income// (expense)		**--**	**--**	**1.451.355**	**(3.393.291)**	**--**	**--**	**(280.693.496)**	**--**	**(282.635.432**
Transfers		267.790.000	(267.790.000)	--	--	--	--	616.491.923	(616.491.923)	-
June 30, 2025	**14**	**300.000.000**	**642.174.870**	**(44.339.259)**	**35.652.392**	**471.477.289**	**123.725.760**	**(280.693.496)**	**(1.112.336.160)**	**135.661.396**
Balance as of January 1, 2026	**14**	**600.000.000**	**710.836.227**	**(54.468.286)**	**31.436.832**	**473.828.962**	**123.725.760**	**(1.096.530.341)**	**(1.112.336.159)**	**(323.507.005**
Profit for the period		--	--	--	--	--	--	(151.532.814)	--	(151.532.814
Other comprehensive expense		--	--	(2.835.757)	(39.784.311)	--	--	--	--	(42.620.068
Total comprehensive income/ (expense)		**--**	**--**	**(2.835.757)**	**(39.784.311)**	**--**	**--**	**(151.532.814)**	**--**	**(194.152.882**
Transfers		--	--	--	--	--	--	1.096.530.341	(1.096.530.341)	-
June 30, 2026	**14**	**600.000.000**	**710.836.227**	**(57.304.043)**	**(8.347.479)**	**473.828.962**	**123.725.760**	**(151.532.814)**	**(2.208.866.500)**	**(517.659.887**

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

ARZUM ELEKTRİKLİ EV ALETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Summary Consolidated Statement of Cash Flows for the Period Ending June 30, 2026

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") in terms of purchasing power as of June 30, 2026, to reflect the effects of inflation.)

	Notes	Reviewed January 1- June 30, 2026	Reviewed January 1- June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		**(151.532.814)**	**(280.693.494)**
Adjustments for depreciation and amortization expenses	9,10,11	81.272.915	109.561.581
Adjustments for tax expense	19	(98.583.761)	(79.070.208)
Adjustments for provisions		12.875.969	(20.505.420)
Adjustments for inventory impairment	7	5.877.022	8.382.745
Adjustments for rediscount income	5	(51.630.884)	23.212.408
Adjustments for interest expense, net	19	645.347.024	760.895.671
Adjustments for impairment (reversal) of receivables	5	1.025.335	(10.084)
Adjustments for disposal of non-current assets		--	(4.422.807)
Adjustments for monetary gain/loss		(110.427.139)	(787.917.175)
Adjustments for provision for employee termination benefits	13	6.564.153	2.960.824
Cash generated from operations before changes in working capital		**340.787.820**	**(267.605.959)**
Adjustments for increase/decrease) in trade receivables		43.059.406	(582.151.840)
Adjustments for increase/decrease) in inventories		(61.935.137)	370.108.683
Other operating increases/(decreases)		28.670.181	409.648.198
Adjustments for increase/(decrease) in trade payables		311.985.019	341.945.369
Cash generated from operations after changes in working capital		**662.567.289**	**271.944.451**
Taxes paid	21	(3.310.915)	(4.374.018)
Employee termination benefits paid	13	(1.936.195)	(5.350.059)
Bonuses paid	13	4.111.180	(6.543.649)
A. Net cash generated from operating activities		**661.431.359**	**255.676.725**
CASH FLOWS FROM INVESTING ACTIVITIESI			
Cash outflows from purchases of property, plant and equipment and intangible assets	9,10	(11.871.139)	(47.838.891)
Right-of-use assets	11	(95.288.137)	(87.487.815)
Cash inflows from sales of property, plant and equipment and intangible assets		--	9.204.372
B. Net cash used in investing activities		**(107.159.276)**	**(126.122.334)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings	4	1.198.073.051	876.827.661
Cash outflows for repayment of borrowings	4	(1.391.616.276)	(1.770.905.154)
Bonds / notes issued	4	270.685.716	1.832.684.244
Interest paid		(599.543.203)	(507.618.200)
Cash outflows for repayment of lease liabilities	4	(41.177.960)	(56.077.820)
Interest paid on lease transactions	4	(15.038.645)	(15.335.673)
Interest received	19	11.645.886	78.529.232
C. Net cash generated from financing activities		**(566.971.431)**	**438.104.290**
D. Effect of monetary gain/loss on cash and cash equivalents		**(29.941.883)**	**(34.139.791)**
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C+D)		**(42.641.231)**	**533.518.891**
E. THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		**(39.784.311)**	**(3.393.291)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		**(82.425.542)**	**530.125.600**
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	**198.548.082**	**238.889.326**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	3	**116.122.540**	**769.014.926**

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

1. Group's Organization and Nature of Operations

Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret Anonim Şirketi ("Group") was established in 1977 under the name Güney İthalat Anonim Şirketi by Kazım Kolbaşı, Kemal Kolbaşı, and İbrahim Kolbaşı. Later, in 1993 and 2005, Arzum Dış Ticaret Anonim Şirketi ("Arzum Dış") and Felix Elektrikli Ev Aletleri Anonim Şirketi ("Felix") were established, respectively, to market the products of Arzum Elektrikli Ev Aletleri Anonim Şirketi. All three companies were under the management and control of the Kolbaşı family. As of December 31, 2007, the Company acquired all shares of Arzum Dış and Felix. On December 29, 2008, the Company and the other two entities merged under a single legal entity as Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret Anonim Şirketi. On April 14, 2008, and March 4, 2009, the Group sold 38% and 11% of its shares, respectively, to Turkish Household Appliances BV ("Turkish Household"). On December 9, 2013, a 49% stake in Turkish Household Appliances BV ("Turkish Household") was sold to SDA International S.a.r.l. ("SDA International"). In 2014, a 1.49% stake in SDA International was transferred to other partners. In 2020, a 47.51% stake in SDA International was offered in an initial public offering.

The Group is registered with the Capital Markets Board ("CMB"), and its shares have been traded on Borsa Istanbul A.Ş. ("BIST") since 2020. As of June 30, 2026, 65.87% of the Group's shares are listed on BIST (Note 14).

The group is engaged in the sale of electric home appliances through wholesalers, retailers, chain stores, and e-commerce.

On June 1, 2009, the Group established Arzum Asia Pacific ("Arzum Asia Pacific") in Hong Kong to conduct overseas purchases on its own behalf.

On July 11, 2011, the Group established Arzum Europe GmbH ("Arzum Europe"), in which it holds a 50% stake and Arzum Asia Pacific holds the remaining 50%, to conduct sales in Europe under its own name. As of December 31, 2013, the Group owned 100% of Arzum Europe.

On June 15, 2012, the Group established the Istanbul Industrial and Commercial Free Zone Branch of Arzum Electric Home Appliances Industry and Trade Corporation ("Arzum Free Zone") to operate within the free trade zone. This branch closed on March 16.

On January 31, 2019, the group held the opening ceremony for the Ömer Halisdemir University Technopark Branch.

Arzum Shanghai Limited ("Arzum Shanghai"), established on January 17, 2024, in the People's Republic of China, with 100% of its shares owned by Arzum Asia Pacific for the purpose of expanding its business model overseas, It was dissolved on December 19, 2025, and in its place, Shenzhen Arzum Trading Co. Ltd. ("Arzum Shenzhen"), also wholly owned by Arzum Asia Pacific, was established on March 16, 2026.

On November 8, 2022, with the aim of upgrading the Group's existing operations in the U.S. market, Arzum USA ("Arzum USA") was formally incorporated in the state of Delaware, and as of April 12, 2024, the Company's capital transactions have been completed.

For the same purpose, on May 21, 2024, "Arzum FZE" was effectively incorporated as a wholly-owned subsidiary in the Jebel Ali Free Zone in Dubai, and its capitalization process was completed.

As of June 30, 2026, the consolidated financial statements for the period ending on that date consist of the Company and its subsidiaries (hereinafter referred to as the "Group").

The Group's headquarters is located at Defterdar Mah. Otakçılar Cad. Sinpaş Flatofis No. 78, Inner Door No. 34, Eyüpsultan, Istanbul.

As of June 30, 2026, the Group had 97 employees (December 31, 2025: 109).

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements

2.1 Basis Of Presentation

(a) Statement of Compliance with Turkish Financial Reporting Standards ("TFRS")

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") adopted by the Capital Markets Board of Türkiye ("CMB") and promulgated by the Public Oversight, Accounting and Auditing Standards Authority ("POA"), pursuant to the provisions of the Communiqué No. II-14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué"), published by the CMB in the Official Gazette No. 28676 dated June 13, 2013. TFRS comprise the standards and interpretations published by the POA under the titles of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations.

The consolidated financial statements have been presented in accordance with the formats prescribed in the "Announcement on the TAS Taxonomy" published by the POA on July 3, 2024, and the Illustrative Financial Statements and User Guide published by the CMB. The condensed consolidated financial statements for the interim period ended June 30, 2026, have been prepared in accordance with Turkish Accounting Standard No. 34, "Interim Financial Reporting."

Approval of the consolidated financial statements:

The consolidated financial statements were approved by the Group's Board of Directors on August 5, 2026. The Group's General Assembly has the authority to amend these consolidated financial statements, while the relevant regulatory authorities have the authority to request amendments thereto.

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for derivative financial instruments, which are measured at fair value through profit or loss. The financial statements and corresponding figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, are stated in terms of the measuring unit current at the end of the reporting period in accordance with IAS 29 / TAS 29 "Financial Reporting in Hyperinflationary Economies".

(c) Functional and Reporting Currency

The Group's consolidated financial position and results of operations are expressed in Turkish Lira ("TRY"), which is the functional currency of the Group and the presentation currency for the consolidated financial statements. The functional currencies of the Group's subsidiaries are US Dollar ("USD") for Arzum Asia Pacific and Arzum USA, Euro ("EUR") for Arzum Europe, and United Arab Emirates Dirham ("AED") for Arzum FZE.

(d) Restatement of Financial Statements in Hyperinflationary Economies

The Public Oversight Accounting and Auditing Standards Authority (KGK) made an announcement regarding the scope and application of TAS 29 "Financial Reporting in Hyperinflationary Economies" on November 23, 2024. It stated that entities applying Turkish Financial Reporting Standards must present their financial statements for annual reporting periods ending on or after December 31, 2023, adjusted for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

Pursuant to the Capital Markets Board's (CMB) resolution dated December 28, 2024, numbered 81/1820, it was resolved that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall apply inflation accounting by enforcing the provisions of TAS 29, starting from their annual financial reports for accounting periods ending as of December 31, 2023. In this context, inflation adjustments have been made in accordance with TAS 29 while preparing the consolidated financial statements as of June 30, 2026 and December 31, 2025.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.1 Basis Of Presentation *(continued)*

(d) Financial reporting in hyperinflationary economy *(continued)*

IAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. When hyperinflation is present in an economy, IAS 29 requires the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy to be expressed in terms of the measuring unit current at the end of the reporting period.

As of the reporting date, since the cumulative change in general purchasing power over the last three years according to the Consumer Price Index (CPI) figure has exceeded 100%, entities operating in Turkey are required to apply IAS 29 "Financial Reporting in Hyperinflationary Economies" for reporting periods ending on or after December 31, 2023. The table below presents the inflation rates for the relevant years calculated taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TSI/TÜİK):

Date	Index	Conversion factor
June 30, 2026	129,99	1,00000
December 31, 2025	110,39	1,17758
June 30, 2025	98,40	1,32109

Comparative figures for the previous period have been restated in terms of the same current measuring unit.

The main procedures applied for the restatement mentioned above are as follows:

• Monetary assets and liabilities carried at their current amounts as of the reporting date have not been restated, as they are already expressed in the current currency as of the reporting date.

• Non-monetary assets and liabilities, as well as equity items, that are not carried at their fair values as of the balance sheet date have been adjusted by applying the relevant adjustment factors from the transaction date or, if applicable, the most recent revaluation date up to the reporting date.

• The effects of inflation on the Group's net monetary position are presented as "monetary gain/(loss)" in the consolidated statement of income and other comprehensive income.

• All items in the statement of cash flows are expressed in the current unit of measurement as of the reporting date. For this purpose, all items in the statement of cash flows have been restated by applying the relevant adjustment factors from the transaction date.

The Group has determined that its functional currency is the currency of a hyperinflationary economy and, in a reporting period when it did not previously have hyperinflation, the Group applies the requirements of IAS 29 as if the economy had always been hyperinflationary. Therefore, in respect of non-monetary items measured at historical cost, the opening statement of financial position at the beginning of the earliest period presented in the Group's consolidated financial statements has been restated to reflect the effects of inflation from the date the assets were acquired and the liabilities were incurred or assumed. For non-monetary items carried at their current amounts in the opening consolidated statement of financial position, such restatement reflects the effect of inflation from the dates those current values were determined to the end of the reporting period.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.1 Basis Of Presentation *(continued)*

(e) Basis of Consolidation

Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group. Necessary adjustments and reclassifications have been made in the financial statements of subsidiaries to ensure consistency with the accounting policies and presentation formats applied by the Group. The financial statements of the companies included in the consolidation have been prepared as of the same date as the consolidated financial statements.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The table below shows the subsidiary, together with the ownership interest held by the Group as of June 30, 2026, and December 31, 2025:

	Direct and indirect ownership interests of Arzum and its subsidiaries (%)	
	June 30, 2026	**December 31, 2025**
Arzum Asia Pacific	100	100
Arzum Europe	100	100
Arzum Free Zone (*)	--	100
Arzum USA	100	100
Arzum Shangai (**)	--	100
Arzum FZE	100	100
Arzum Shenzhen (***)	100	--

(*) Although it does not have a separate legal personality, Arzum Elektrikli Ev Aletleri Sanayi ve Ticaret Anonim Şirketi Istanbul Industry and Trade Free Zone Branch is also considered as a subsidiary subject to consolidation in the accompanying consolidated financial statements. This branch was deregistered on March 16, 2026 in accordance with the Turkish Commercial Code.

(**) Arzum Shangai, which is 100% owned by Arzum Asia Pacific, was closed on December 19, 2025.

(***) Arzum Shenzhen, which is 100% owned by Arzum Asia Pacific, was opened on March 16, 2026.

ii. Changes in the controlling power of the Group's existing subsidiary

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. 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 Group.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.1 Basis Of Presentation *(continued)*

(e) Basis of Consolidation *(continued)*

ii. Changes in the controlling power of the Group's existing subsidiary (continued)

When the Group loses control of a subsidiary, the profit 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 previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. If any assets of the subsidiary were measured at fair value or revalued amounts and the related accumulated gain/loss was recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (e.g., reclassified to profit or loss or transferred directly to retained earnings in accordance with the applicable TFRS).

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 in accordance with TFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

iii. Elimination Transactions in Consolidation

During the preparation of the consolidated financial statements, intragroup transactions, intragroup balances, and unrealized income and expenses arising from intragroup transactions are eliminated on a reciprocal basis. Profits and losses arising from transactions between the affiliate and the parent company, as well as the parent company's subsidiaries subject to consolidation, are offset in proportion to the parent company's ownership interest in the affiliate. Unrealized losses are eliminated in the same manner as unrealized gains, provided there is no evidence of impairment.

(f) Going Concern

The consolidated financial statements have been prepared on a going concern basis, assuming that the Group will derive benefits from its assets and meet its obligations over the next year and in the normal course of its operations.

As of June 30, 2026, the Group reported an operating loss of 32,325,287 TL and a net loss for the period of 151,532,814 TL. The Group's equity balance on the balance sheet as of June 30, 2026, is negative 517,659,887 TL. Furthermore, the Group's current liabilities exceed its total current assets by 1,453,185,627 TL.

This situation indicates significant uncertainty that could raise serious doubts regarding the Group's ability to continue as a going concern. Furthermore, these matters indicate that the Group is insolvent pursuant to Article 376 of the Turkish Commercial Code No. 6102 ("TCC"). Nevertheless, pursuant to a board of directors' resolution dated July 29, 2025, the Group has filed an application for Financial Restructuring (FYY) to restructure its existing loans. This process is currently ongoing with the banks.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.1 Basis Of Presentation *(continued)*

(f) Going Concern (continued)

Since all these conditions may indicate the existence of significant uncertainty regarding the Group's ability to continue as a going concern, the Group's management has conducted a detailed assessment regarding the Group's ability to continue as a going concern, as explained in Note 26, and in accordance with the Capital Markets Board's (SPK) decision dated April 10, 2014, No. 11/352, titled "Application of Article 376 of the Turkish Commercial Code (TCC) No. 6102 for Publicly Traded Companies," the Group has prepared a balance sheet as of December 31, 2025 ("TCC Article 376 Balance Sheet") based on the probable selling prices of the Group's assets, in accordance with TCC Article 376. (Note 26). As part of the valuation of subsidiaries and intangible assets included in the aforementioned TCC Article 376 Balance Sheet, two subsidiaries and the Company's brand were valued as of December 31, 2025, by an independent professional valuation firm authorized by the Capital Markets Board (CMB). In the TTK 376 Balance Sheet prepared by the Company, the positive impact of these valuations on equity, as of June 30, 2026, based on purchasing power parity, is 1,285,256,801 TL.

On the other hand, pursuant to the Communiqué on the Principles for the Application of Article 376 of the Turkish Commercial Code No. 6102 ("TTK 376 Communiqué"), Provisional Article 1 of the "TTK 376 Communiqué," it is stipulated that the full amount of exchange rate losses arising from foreign currency-denominated liabilities that have not yet been settled, as well as half of the total of expenses, depreciation, and personnel costs arising from leases accrued in 2020 and 2021, may be excluded from consideration; within this framework, the total amount of expense items that may be excluded from the Group's TTK 376 calculations, as of June 30, 2026, based on purchasing power parity, is 556,621,511 TL.

Based on these assessments, the Company's Board of Directors decided at its meeting on March 19, 2026, that no further measures as provided for in Article 376 of the Turkish Commercial Code are necessary.

Regarding the aforementioned TTK Article 376 Balance Sheet, the Group issued a special situation announcement on the Public Disclosure Platform on March 19, 2026, pursuant to the Capital Markets Board's (SPK) Decision No. 11/352 dated April 10, 2014, based on the Board of Directors' resolution dated March 19, 2026.

(g) Other Matters That Significantly Affect the Financial Statements or That Must Be Disclosed to Ensure That Financial Statements Are Clear, Interpretable, and Understandable

Prepared in accordance with the principles set forth in the Capital Markets Board's (SPK) Decision No. 11/352 dated April 10, 2014, and pursuant to Paragraph 3 of Article 376 of the Turkish Commercial Code (TTK), the balance sheet under Article 376 of the TTK as of December 31, 2025, based on the fair values in the TCC Article 376 Balance Sheet, and the equity amounts based on the book values in the consolidated statement of financial position prepared in accordance with TMS/TFRS as of the same date, the reconciliation of equity as of June 30, 2026, based on the purchasing power principle, is as follows:

Total Consolidated Equity Based on Book Values	(355.987.655) TL
Consolidation Equity Adjustment	9.471.732 TL
Total Non-Consolidated Equity Based on Book Values	(346.515.923) TL
Value Adjustment Arising from Subsidiaries and Intangible Assets (Note 26/(i) Going Concern)	1.414.304.408 TL
Reported Equity	**1.067.788.484 TL**

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.1 Basis Of Presentation *(continued)*

(g) Other Matters That Significantly Affect the Financial Statements or That Must Be Disclosed to Ensure That Financial Statements Are Clear, Interpretable, and Understandable (continued)

On the other hand, Transitional Article 1 of the Turkish Commercial Code (TTK) Circular No. 376 stipulates that the full amount of exchange rate losses arising from foreign currency obligations that have not yet been settled, as well as half of the total expenses, depreciation, and personnel costs arising from leases accrued in 2020 and 2021, may be excluded from consideration. In this context, the amounts of expense items that may be excluded from the Group's TTK 376 calculations as of December 31, 2025, based on purchasing power as of June 30, 2026, are as follows:

Unrealized Exchange Rate Differences	73.043.740 TL
Half of the 2020–2021 Personnel Expenses	384.406.288 TL
Half of the 2020–2021 Rental Expenses	44.737.289 TL
Half of the 2020–2021 Depreciation Expenses	54.434.194 TL
Total of Expenses That May Not Be Taken Into Account	556.621.511 TL

When the provisions of the Capital Markets Board's (SPK) Decision No. 11/352 dated April 10, 2014, and Transitional Article 1 of the Turkish Commercial Code (TTK) Circular No. 376 are considered together, the Company's equity as of December 31, 2025, amounts to 906,761,503 TL as of June 30, 2026, based on purchasing power parity. It has been concluded that the Company does not fall under the scope of Article 376 of the Turkish Commercial Code as of the fiscal year ending June 30, 2026.

In addition, the Kolbaşı family, which holds a controlling stake in the Group, has stated that it will make every effort to provide the necessary resources and support to ensure the Group's continued operations.

In this context, Talip Murat Kolbaşı, Ali Osman Kolbaşı, Aliye Kolbaşı, Yasemin Rezan Kolbaşı, Zeynep Figen Peker, and Rengin Yağan—members of the Kolbaşı family—have deposited a cash amount of 240,000,000 TL into the Group's capital advance accounts for the purpose of a private capital increase.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.2 New and Revised Accounting and Reporting Standards

The accounting policies adopted in the preparation of the consolidated financial statements for the accounting period ended June 30, 2026, are consistent with those applied in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of January 1, 2025, as summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) New standards, amendments, and interpretations effective as of January 1, 2025

- **Amendments to IAS 21 - Lack of Exchangeability**

The said amendment did not have a significant impact on the Group's financial position and performance.

b) Standards that have been published but have not yet become effective and have not been early adopted

New standards, interpretations, and amendments that have been published as of the date of approval of the consolidated financial statements but had not yet become effective for the current reporting period and have not been early adopted by the Group are as follows. Unless otherwise stated, the Group will make the necessary adjustments to its consolidated financial statements and notes upon the effective date of the new standards and interpretations.

- Amendments to TFRS 10 and TAS 28: Sales or Contributions of Assets by an Investor Entity to an Associate or Joint Venture
- TFRS 17 – New Standard on Insurance Contracts
- TFRS 9 and TFRS 7 Amendments – Classification and Measurement of Financial Instruments
- Annual Improvements to TFRSs – Volume 11
- TFRS 1 First-time Adoption of Turkish Financial Reporting Standards
- TFRS 7 Financial Instruments: Disclosures – Gains or Losses on Off-Balance-Sheet Transactions
- TFRS 9 Financial Instruments – Transaction Price When a Lease Liability Is Off-Balance-Sheet by the Lessee
- TFRS 10 Consolidated Financial Statements – Determination of the "De Facto Agent"
- TMS 7 Statement of Cash Flows – Cost Method

These changes did not have a significant impact on the Group's financial position and performance.

The changes will take effect for annual reporting periods beginning on or after January 1, 2026, and early adoption is permitted for all changes.

- Amendments to TFRS 9 and TFRS 7 – Contracts Based on Renewable Energy
- TFRS 18 – Standard on Presentation and Disclosure in the New Financial Statements

In May 2025, KGK published IFRS 18, which replaces TMS 1. IFRS 18 introduces new provisions regarding the presentation of the statement of income, including the disclosure of certain totals and subtotals. IFRS 18 requires entities to present all revenues and expenses included in the income statement within one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. The standard also requires the disclosure of performance measures established by management and introduces new provisions regarding the aggregation or disaggregation of financial information in a manner consistent with the functions defined for the primary financial statements and notes. With the publication of IFRS 18, certain changes have also been made to other financial reporting standards, such as IAS 7, IAS 8, and IAS 34. IFRS 18 and the related amendments will be effective for reporting periods beginning on or after January 1, 2027. However, early adoption is permitted. IFRS 18 will be applied retrospectively.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.3 New and Revised Accounting and Reporting Standards *(continued)*

b) Standards that have been published but have not yet entered into force and have not been early adopted

- TFRS 19 – New Standard on Disclosures for Associates Not Subject to Public Accountability

These changes did not have a significant impact on the Group's financial position and performance.

c) Standards that have been published but have not yet entered into force and have not been implemented early

The amendments to IAS 21 listed below have been issued by the IASB but have not yet been adopted/published by the KGK as part of the TFRS. Therefore, they do not form part of the TFRS. The Group will make the necessary changes to its consolidated financial statements and notes once these amendments take effect under the TFRS.

- Amendments to IAS 21 – Translation into the Presentation Currency in a High-Inflation Environment

The amendments in question, published by the UMSK as of November 2025, have made it mandatory to use the closing exchange rate when converting from a functional currency of a low-inflation economy to a presentation currency of a high-inflation economy. Accordingly, for an entity whose functional currency is the currency of a non-hyperinflationary economy, but whose presentation currency is the currency of a hyperinflationary economy: must use the closing exchange rate at the end of the current period for all relevant amounts, including comparative figures (in other words, for assets, liabilities, equity items, revenue, and expenses), when translating its operating results and financial position. However, an entity whose functional and presentation currencies are the currency of a hyperinflationary economy expresses comparative amounts relating to a foreign operation whose functional currency is the currency of a non-hyperinflationary economy in the current measurement unit by applying a general price index in accordance with IAS 29. These amendments also introduce certain additional disclosure requirements.

2.4 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the consolidated financial statements are summarized below:

Revenue

The Group recognizes revenue in its financial statements when, or as, it fulfills its performance obligation by transferring a promised good or service to a customer. An asset is transferred when, or as, control of the asset passes to the customer.

The Group recognizes revenue in its financial statements in accordance with the following five fundamental principles:

- Identification of contracts with customers
- Identification of performance obligations in the contracts
- Determination of the transaction price in the contracts
- Allocation of the transaction price to the performance obligations in the contracts
- Recognition of revenue as each performance obligation is satisfied

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Revenue *(continued)*

The Group accounts for a contract with a customer as revenue when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to performing their respective obligations.
- The Group can identify each party's rights regarding the goods or services to be transferred.
- The Group can identify the payment terms for the goods or services to be transferred.
- The contract has commercial substance.
- It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. When evaluating whether the collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

At the inception of a contract, the Group evaluates the goods or services it has committed to provide to the customer in the contract and identifies each commitment to transfer to the customer as a separate performance obligation. The Group also determines, at the inception of the contract, whether each performance obligation will be satisfied over time or at a specific point in time.

The Group makes revenue and incentive bonus payments to its customers based on performance results. The amounts calculated as of the balance sheet date for these payments are offset on the balance sheet and recorded in the trade receivables account, and in the income statement as sales discounts under revenue.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its commitment constitutes an obligation to perform by providing the specified goods or services itself (principal) or by acting as an intermediary for such goods or services provided by the other party (agent). The Group acts as a principal if it controls the specified goods or services before transferring them to the customer. In such cases, as it fulfills its performance obligation (or as it fulfills it), it recognizes revenue in the financial statements equal to the gross amount of consideration it expects to receive in exchange for the specified goods or services transferred. If the Group's performance obligation involves acting as an agent to facilitate the provision of specified goods or services by another party, it is an agent and does not recognize revenue for that performance obligation in its financial statements.

Inventories

Inventories are valued at the lower of indexed cost or net realizable value. Costs comprising factors include all purchasing costs and all expenses incurred in bringing the inventories to their present condition and location. The weighted average cost method is applied in calculating the cost of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated marketing, selling, and distribution expenses necessary to make the sale.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Property, Plant and Equipment

Property, plant, and equipment are stated at their indexed cost less accumulated depreciation and, if any, accumulated impairment losses.

The indexed cost amounts of property, plant, and equipment are depreciated using the straight-line method over their expected useful lives. The expected useful life, residual value, and depreciation method are reviewed annually for the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively.

A gain or loss resulting from the disposal of a tangible fixed asset or the retirement of a tangible fixed asset is determined as the difference between the sales proceeds and the asset's book value and is included in the period's profit or loss.

Amounts spent on the repair, maintenance, and restoration of property, plant, and equipment are recorded as expenses.

For the current and comparative periods, the depreciation periods reflecting the average useful lives of property, plant, and equipment are as follows:

	Useful life
Vehicles	5 years
Furniture and fixtures	3-15 years
Special costs	5-10 years

Special costs are depreciated using the straight-line method over the lease term or the useful life of the respective special cost, whichever is shorter.

Intangible assets

Acquired intangible assets are stated at their indexed cost less accumulated amortization and, if any, accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful lives and amortization methods are reviewed annually to identify the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively. The average amortization periods for intangible assets range from 3 to 5 years.

When an intangible asset is disposed of, or when it is no longer expected to generate future economic benefits from its use or sale, it is derecognized from the statement of financial position. Any gain or loss resulting from the removal of an intangible asset from the balance sheet is calculated as the difference between the net proceeds from the disposal of the asset and its carrying amount, if any. This difference is recognized in income when the asset is removed from the balance sheet.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Development Costs

Expenses incurred in connection with research activities are recognized in profit or loss as they are incurred. Development expenses may be capitalized only if such costs can be reliably measured, the development of the product or process is technically and commercially feasible, it is probable that future economic benefits will be derived, and the Group has the intent and sufficient resources to complete the development with the aim of selling or using the asset. Otherwise, they are recognized in profit or loss as incurred. Subsequent to initial recognition, development costs are measured at cost less accumulated amortization and, if any, accumulated impairment losses. In the current period, the amortization periods for development costs, reflecting their average useful lives, range from 3 to 5 years. (2025: 3–5 years)

Investment Property

Investment property refers to real estate held for the purpose of generating rental income and/or capital gains; land and buildings held for this purpose are classified as "investment property." Investment properties are stated at cost, less depreciation (useful life of 50 years) and any impairment, if applicable

Investment properties are reviewed to determine whether an impairment exists; if, as a result of this review, the carrying amount of an investment property exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount by recognizing an impairment loss. Recoverable value is defined as the higher of the net cash flows expected from the current use of the relevant investment property and its fair value less costs to sell.

Leasing Transactions

At the inception of a contract, the Group assesses whether the contract is a lease or contains a leasing transaction. If the contract transfers the right to control the use of a specified asset for a defined period in exchange for consideration, the contract is a lease or contains a lease transaction. To assess whether a contract grants the right to control the use of a specified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

On the date the lease actually begins or on the date an amendment is made to a contract containing a lease component, the Group allocates the cost to each lease component based on the relative stand-alone price of the lease component and the total stand-alone price of the non-lease components.

The Group has chosen not to separate the non-lease components from the lease components; instead, it accounts for each lease component and its associated non-lease components as a single lease component.

The Group has recognized a right-of-use asset and a lease liability in its financial statements as of the date the lease effectively commenced. The cost of the right-of-use asset and the initial measurement amount of the liability consist of the amount obtained by deducting all lease incentives received from all lease payments made on or before the date the lease effectively commenced, along with all initial direct costs and the estimated future costs expected to be incurred in connection with the dismantling and removal of the asset, restoring the site where it was installed, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Leases (*continued*)

As a lessee *(continued)*

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the useful life of the underlying asset and the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rate is used.

The Group determines its incremental borrowing rate by taking into account interest rates on borrowings from various external financing sources and makes certain adjustments to reflect the lease terms and the type of asset leased.

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

– Fixed payments (including in-substance fixed payments);

– Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– Amounts expected to be payable by the lessee under residual value guarantees;

– The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured by discounting the lease payments using a discount rate. The Group reassesses renewal, termination, and purchase options in the event of changes in lease payments resulting from a change in an index or rate used to determine future lease payments, or changes in amounts expected to be payable under residual value guarantees.

Short-term leases and low-value leases

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and low-value asset leases, including technology equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Financial Instruments

(i) Recognition and Initial Measurement

The Group recognizes trade receivables and debt instruments on the date they originate. All other financial assets and liabilities are recognized on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities (other than those measured at fair value through profit or loss) are initially measured at fair value plus transaction costs that are directly attributable to their acquisition or issue, except for trade receivables that do not contain a significant financing component. Trade receivables that do not contain a significant financing component are measured at their transaction price upon initial recognition.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investments; fair value through other comprehensive income (FVOCI) – equity investments; or fair value through profit or loss (FVTPL).

Financial instruments are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss (FVTPL):

• The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

• 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 outstanding amount.

All financial assets not measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss (FVTPL). These include all derivative financial assets. Upon initial recognition of financial assets, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates, or significantly reduces, an accounting mismatch that would otherwise arise from measuring assets or recognizing gains and losses on different bases.

Financial assets - Assessment of business model:

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
• how the compensation of the business's management is determined (e.g., whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Financial Instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial assets - Assessment of business model: (continued)

• the frequency, volume, timing, and reasons for sales in prior periods, as well as expectations for future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continued recognition of the assets in its consolidated financial statements.

Financial assets – Assessment of whether contractual cash flows are solely payments of principal and interest:

For the purpose of this assessment, the principal is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group considers the contractual characteristics of the financial asset. This assessment includes determining whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this evaluation, the Group considers:

• any contingent events that could change the timing or amount of contractual cash flows (i.e., trigger events);

• terms that adjust the contractual coupon rate, including variable-rate features;

• prepayment and extension features; and

• terms that limit the Group's contractual rights to obtain cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Furthermore, if (i) a financial asset is acquired at a premium or discount to its contractual par value, (ii) the prepayment amount substantially represents the contractual par value and accrued (but unpaid) interest, which may include reasonable additional compensation for early termination of the contract, and (iii) the fair value of the prepayment feature is insignificant at initial recognition, then the asset is considered to meet this criterion.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial assets – Gains or losses arising from subsequent measurement

Financial assets measured at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. For derivatives, refer to section (v) below.
Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Their amortized cost is reduced by any impairment loss. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Gains or losses arising from their derecognition are recognized in profit or loss.

Financial liabilities – Gains or losses arising from subsequent measurement

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss.

A financial liability is classified as measured at fair value through profit or loss if it meets the definition of held-for-trading. A financial liability is classified as held-for-trading if it is a derivative or is designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange differences are recognized in profit or loss. Gains or losses arising from the derecognition of these liabilities are recognized in profit or loss. For derivatives designated as hedging instruments, refer to section (v) below.

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. The Group continues to recognize in the statement of financial position any such transferred financial assets to the extent of its continuing involvement.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

(ii) Classification and subsequent measurement (continued)

Financial liabilities

The Group removes a financial liability from the statement of financial position only when the obligation specified in the contract is discharged, cancelled, or expires. Furthermore, the Group derecognizes a financial liability when there is a substantial modification in the terms or cash flows of an existing financial liability. In such cases, the recognition of a new financial liability based on the modified terms is required. Upon the derecognition of a financial liability, the difference between the carrying amount and the amount paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss in the consolidated financial statements.

(iv) Offsetting financial assets and financial liabilities

The Group offsets financial assets and financial liabilities and presents the net amount in the financial statements only when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes in their fair value are recognized in consolidated profit or loss, as they do not meet the criteria for hedge accounting.

(v) Derivative Financial instruments

As of June 30, 2026 and December 31, 2025, the Group has no foreign currency hedging derivative financial instruments. Derivatives are initially recognized at fair value. Subsequent to initial recognition, changes in the fair value of derivatives are recognized in consolidated profit or loss, as they do not meet the criteria for hedge accounting. The Group has no derivative financial instruments for the periods ended June 30, 2026 and 2025.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in fair value and are used by the Group for the management of its short-term commitments.

Cash and cash equivalents include cash and bank deposits.

Non-derivative financial liabilities

The Group recognizes subordinated liabilities as of the date they arise. All other financial liabilities are initially recognized on the trade date when the Group becomes a party to the contractual provisions of the financial instrument.

When contractual obligations are fulfilled, cancelled, or terminated, the Group derecognizes the financial liability in question.

The Group classifies its non-derivative financial liabilities under the category of other financial liabilities. Such financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method for future principal and interest cash flows.

Other financial liabilities comprise borrowings, lease liabilities, bank overdrafts, trade and other payables, and amounts due to related parties.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Non-derivative financial liabilities *(continued)*

If a financial instrument gives rise to an outflow of cash, another asset, or another financial instrument by the Group, it is classified as a financial liability. A financial instrument is defined as an equity instrument only if it meets the following conditions:

a) It does not carry a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavorable to the entity.

b) If the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that does not include a contractual obligation to deliver a variable number of its own equity instruments, or a derivative that will be settled only by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments.

Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

Related parties

Related parties are a person or entity that is related to the entity preparing its consolidated financial statements (the reporting entity).

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

(i) has control or joint control over the reporting entity,

(ii) has significant influence over the reporting entity, or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) The entity is an associate of the Group;

(c) The entity is a joint venture of which the Group is a joint venturer;

(d) The entity is a member of the key management personnel of the Group or of a parent of the Group;

(e) The entity is a close member of the family of an individual referred to in (a) or (d);

(f) the entity is controlled or jointly controlled by a person referred to in (d) or (e), or such a person has significant influence over the entity or holds, directly or indirectly, significant voting power in the entity;

(g) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.

A number of transactions are entered into with related parties in the normal course of business.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Impairment of assets

(i) Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses on the following:

• financial assets measured at amortized cost;

The Group measures the loss allowance at an amount equal to lifetime ECLs for:

• debt instruments determined to have low credit risk at the reporting date, and

• Other debt instruments and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to use lifetime ECLs in calculating the impairment of its trade receivables.

When assessing whether credit risk on a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is available without undue cost or effort, including information on expected prepayments. Such information comprises quantitative and qualitative analyses drawing on the Group's historical credit loss experience, supplemented by forward-looking information.

In order to assess whether a financial instrument has low credit risk, the Group may apply alternative methodologies that align with a globally recognized definition of low credit risk, taking into account the specific type and risk profile of the financial instrument under review. The maximum period considered when measuring expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly when it is more than 30 days past due.

The Group considers a financial asset to be in default when:

• The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or

• The financial asset is more than 90 days past due.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on the financial instrument that are possible within 12 months after the reporting date.

The maximum period over which expected credit losses are measured is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

Expected credit losses (ECLs) are a probability-weighted estimate of credit losses over the expected life of the financial instrument. In other words, they are credit losses measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive).

A cash shortfall is defined as the difference between all contractual cash flows that are due to the entity and all the cash flows that the entity expects to receive. Since expected credit losses (ECLs) account for both the amount and timing of payments, a credit loss occurs even if the entity expects to collect the full contractual amount, albeit after the contractual due date. ECLs are discounted using the financial asset's effective interest rate.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Impairment of Assets (continued)

Credit-impaired financial assets

At each reporting period, the Group assesses whether financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income are impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or the obligor;
- a breach of contract, such as a default or past due event exceeding 90 days;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization,
- or the disappearance of an active market for security because of financial difficulties.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The loss allowance for debt instruments measured at fair value through other comprehensive income is recognized in consolidated other comprehensive income rather than reducing the carrying amount of the financial asset in the statement of financial position.

Write-off

When there is no reasonable expectation of recovering all or a portion of a financial asset, the entity directly reduces the gross carrying amount of the financial asset. A write-off constitutes a derecognition event.

For retail customers, the Group has a policy of writing off the gross carrying amount of a financial asset when it is past due by 180 days, based on historical experience regarding the recovery of similar assets. For corporate customers, the Group performs an assessment regarding the timing and amount to be written off based on whether there is a reasonable expectation of recovery on an individual basis. The Group does not expect any significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for the recovery of amounts due.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Impairment of Assets (continued)

(ii) Non-financial assets

At each reporting period, the Group reviews the carrying amounts of its non-financial assets (excluding investment property, inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. Value in use is based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

If the recoverable amount of an asset or CGU is less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then allocated pro-rata to the carrying amounts of the other assets in the CGU.

Foreign currency transactions

The Group's financial statements are presented in the currency of the primary economic environment in which the Parent Company operates (the functional currency). The financial position and results of operations of the Group are expressed in TRY, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

During the preparation of the Group's consolidated financial statements, transactions denominated in foreign currencies are recorded based on the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies appearing in the statement of financial position are translated into TRY using the exchange rates prevailing at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into TRY using the exchange rates prevailing at the date when the fair value was determined. Non-monetary items denominated in a foreign currency measured at historical cost are not retranslated.

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

Foreign operations

Assets and liabilities of foreign operations are translated into TRY at the exchange rate prevailing at the reporting date. All income and expenses arising from foreign operations, excluding foreign operations operating in hyperinflationary economies, are translated into TRY at the annual average foreign exchange buying rates. Foreign currency translation differences are recognized in other comprehensive income and presented under equity within the foreign currency translation differences reserve.

Earnings per share

Earnings per share presented in the statement of profit or loss is calculated by dividing net profit by the weighted average number of shares outstanding during the period (Note 22).

In Turkey, companies can increase their capital through the distribution of "bonus shares" issued from retained earnings to their shareholders. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is determined by taking into account the retroactive effects of such share distributions.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Provisions, contingent assets and liabilities

Provisions are recognized in the consolidated financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is calculated by estimating the expenditure required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is the present value of those cash flows.

Where 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.

Warranty provisions

A provision is recognized for warranty obligations when products or services under warranty are sold. The provision to be recognized is determined based on historical warranty data and by weighting the probabilities of all possible outcomes. Warranty expenses are recognized within cost of sales.

Taxes calculated on corporate income

The tax on the profit or loss for the period comprises current tax and deferred tax. The tax expense for the period is recognized in profit or loss, except to the extent that it relates to business combinations and items recognized in other comprehensive income and expenses, for which the tax is recognized in other comprehensive income.

Current tax expense

The current tax liability is calculated based on the taxable portion of the period's profit. Taxable profit differs from profit for the period because it excludes items that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of taxable temporary differences between the amounts of assets and liabilities shown in the consolidated financial statements and the amounts taken into account in the calculation of the statutory tax base, taking into account enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets resulting from deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The assets and liabilities in question are not recognized if they arise from transactions that do not affect commercial or fiscal profit/loss, goodwill, or the initial recognition of other assets and liabilities (other than business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable to benefit from these differences by generating sufficient taxable profit in the future and that it is probable that the respective differences will reverse in the foreseeable future.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.4 Summary of Significant Accounting Policies *(continued)*

Current tax expense *(continued)*

Deferred tax (continued)

A deferred tax asset is recognized for unused past year tax losses, tax advantages, and deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which they can be utilized.

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

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority, or if the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax expense

Current tax and deferred tax relating to items recognized directly in equity (in which case the deferred tax related to the relevant items is also recognized directly in equity) or arising from the initial recognition of business combinations are recognized in profit or loss, except for those associated with items recognized outside profit or loss.

Tax risk

In determining current and deferred tax expense amounts, the Group considers uncertain tax positions and whether there will be any additional tax and interest liabilities payable. Based on assessments made in light of tax legislation and past experience, the Group believes that tax provisions are adequate for periods that have not undergone a tax audit. This assessment may involve numerous professional judgements concerning future events and is based on estimates and assumptions. If new information emerges that would change the Group's professional judgement regarding the adequacy of its existing tax liability, such change in the tax liability will affect the tax expense for the period in which this fact is determined.

Provisions for employee benefits

Termination benefits

Under applicable laws in Turkey, termination indemnity is paid in the event of retirement or dismissal. In accordance with the revised TAS 19 "Employee Benefits" ("TAS 19"), payments of this nature are classified as defined benefit plans.

The employee termination indemnity obligation recognized in the consolidated statement of financial position has been calculated based on the net present value of the estimated future obligation amounts expected to arise upon the retirement of all employees and is reflected in the consolidated financial statements. Calculated actuarial gains and losses are recognized in the other comprehensive income statement.

Other short-term employee benefits

Other short-term benefits include provisions for unused vacation. Pursuant to the applicable labor law in Turkey, the employer is obligated to make payments for unused vacation days in the event that personnel leave employment after earning vacation rights. The provision for unused vacation is the total undiscounted liability amount corresponding to the vacation days that employees have earned but not yet utilized.

Bonus payments

The Group recognizes provisions in cases where there is a contractual obligation or a past practice that creates a constructive obligation.

Convenience Translation

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

2.4 Summary of Significant Accounting Policies *(continued)*

Financing Income and Financing Expenses

Financing income consists of interest income earned on invested funds and foreign exchange gains on financial assets and liabilities (excluding trade receivables and payables). Interest income is recognized using the effective interest method. Financing expenses consist of interest expenses on borrowings and foreign exchange loss on financial assets and liabilities (excluding trade receivables and payables). Foreign exchange gains or losses are presented net within financing income or financing expenses, depending on whether the net result of foreign exchange movements is a gain or a loss.

Other operating revenues and expenses

Other operating income comprises other operating revenues, gains on sales of property, plant and equipment, deferred financing income, foreign exchange gains derived from derivative financial instruments and monetary financial assets and liabilities (excluding borrowing instruments), provisions no longer required, and other income related to operating activities. Other operating expenses comprise foreign exchange losses derived from monetary financial assets and liabilities (excluding borrowing instruments), provision expenses, and other expenses related to operating activities.

Reporting of financial information by segments

The Group operates in a single reportable segment, specifically the sale and marketing of small household appliances. The Group does not have distinct operating segments whose information is reviewed by management for the purpose of performance evaluation and resource allocation.

Government grants

Unconditional government grants relating to research and development are recognized in profit or loss when they become receivable. Other government grants are initially recognized at fair value when there is reasonable assurance that the Group will comply with the conditions associated with them and that the grants will be received; they are subsequently recognized in profit or loss on a systematic basis over the useful life of the related asset.

Convenience Translation

2. Basis Of Presentation of Consolidated Financial Statements *(continued)*

2.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements in accordance with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are updated and in any future periods affected.

Information about estimates that have a significant effect on the amounts recognized in the consolidated financial statements is disclosed below:

a) Impairment allowances reflect amounts that Group management believes will cover future losses on receivables existing as of the balance sheet date but carrying a risk of non-collection under current economic conditions. When assessing whether receivables are impaired, debtors' past performance, market creditworthiness, performance between the balance sheet date and the date of approval of the financial statements, and renegotiated terms are also taken into account. In addition, impairment of receivables is calculated using the "Expected Credit Loss" (ECL) model. The impairment model is applied to financial assets measured at amortized cost and contract assets. Lifetime ECL measurement is applied if the credit risk regarding a financial asset has increased significantly since initial recognition as of the reporting date. In all other cases where such an increase has not occurred, a 12-month ECL calculation is applied. Impairment allowances as of the relevant balance sheet date are disclosed in Note 5.

b) Regarding provision for impairment of inventories, inventories are examined physically and with respect to their age, their usability is determined in accordance with the opinions of technical personnel, and provisions are set aside for items estimated to be unusable. In addition, data regarding the discounted list prices of inventories are used when calculating inventory impairment. A provision for inventory impairment is recognized in cases where the estimated net realizable value falls below the cost (Note 7).

c) In determining the useful economic lives of property, plant and equipment and intangible assets, Group management has made critical assumptions relying on the expertise and experience of its technical team (Notes 9 and 10).

d) The provision for employee termination benefits is determined using actuarial valuations, which involve assumptions regarding discount rates, future salary increases and employee turnover rates. Given the long-term nature of these plans, these assumptions are subject to significant uncertainty. Further details regarding provisions for employee benefits are set out in Note 13.

e) Warranty expenses include repair and maintenance costs incurred under warranty for goods sold, as well as labor and material costs incurred by authorized service providers under warranty without charging the customer. Warranty expenses calculated by taking into account the estimated warranty return quantities—derived from estimations of potential returns and repair levels in subsequent years for products recognized as revenue in the current period based on the past 3 years' data—and the actual current year warranty unit costs are recognized in the current period (Note 12).

f) The Group calculates a provision for returns relating to recognized revenue based on prior period experience and recognizes it in the consolidated financial statements.

Convenience Translation

3. Cash and Cash Equivalents

The details of cash and cash equivalents as of June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
Banks	81.809.011	20.568.794
- Demand Deposits (*)	*81.809.011*	*20.568.794*
- Time Deposits	--	--
Other cash and cash equivalents (**)	34.313.529	177.979.288
Total	**116.122.540**	**198.548.082**

(*) As of June 30, 2026, the Turkish Lira portion of the demand deposit balance was 12,288,067 TL; the remaining balance consists of demand deposits denominated in foreign currencies held by the Company and its subsidiaries. (December 31, 2025: 130,995 TL).

(**) All other cash and cash equivalents consist of Type B money market funds with maturities of less than 3 months.

Exchange rate and interest rate risks, as well as sensitivity analyses, for the Group's financial assets and liabilities are disclosed in Note 24.

4. Borrowings

The Group's financial liabilities as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
Short-Term Bank Loans	1.124.341.018	975.984.124
Short-Term Bond Issuances and Accrued Interest	139.455.061	346.345.605
Liabilities from Short-Term Leasing Transactions	39.232.845	15.974.289
Other Short-Term Financial Liabilities	103.924.786	104.448.401
Total Short-Term Liabilities	**1.406.953.710**	**1.442.752.419**
Short-Term Portions of Long-Term Debt	43.657.615	65.899.636
Short-Term Portions of Long-Term Debt	**43.657.615**	**65.899.636**
Long-Term Bank Loans	19.822.474	53.109.214
Liabilities from Long-Term Leasing Transactions	46.159.905	395.929
Total Long-Term Debt	**65.982.379**	**53.505.143**
Total Debt	**1.516.593.704**	**1.562.157.198**

Convenience Translation

4. Borrowings *(continued)*

Bank Loans

As of June 30, 2026, and December 31, 2025, the details regarding the interest rate, face value, maturity, and currency of the borrowings are as follows:

June 30, 2026

Currency	Nominal interest rate %	Maturity	Short-Term	Short-Term Portions of Long-Term Debt	Long-term	Nominal value
TL loans	46,00-56,50	2026-2028	1.124.341.018	43.657.615	19.822.474	1.024.864.469
Total			**1.124.341.018**	**43.657.615**	**19.822.474**	**1.024.864.469**

December 31, 2025

Currency	Nominal interest rate %	Maturity	Short-Term	Short-Term Portions of Long-Term Debt	Long-term	Nominal value
TL loans	23,16-56,00	2025-2027	975.984.124	65.899.636	53.109.214	991.049.378
Total			**975.984.124**	**65.899.636**	**53.109.214**	**991.049.378**

As of June 30, 2026, there is no collateral on the Group's bank borrowings. (December 31, 2025: TRY 67,145,904 export commitment). Foreign currency and interest rate risks and sensitivity analyses for the Group's financial assets and liabilities are disclosed in Note 24.

The movement tables of borrowings for the periods ending June 30, 2026, and 2025 are as follows:

	January 1, – June 30, 2026	January 1, – June 30, 2025
Beginning balance	1.094.992.974	1.304.160.221
Additions	1.095.281.174	788.749.056
Interest Accrual	214.640.427	101.230.312
Payments Related to Borrowings	(972.277.427)	(904.098.023)
Monetary Loss (-)	(244.816.041)	(243.356.587)
End-of-Period Balance	**1.187.821.107**	**1.046.684.979**

Bond Issuances

The Group issued bonds totaling 61,155,000 TL on April 14, 2026, and 31,972, 500 TL on May 12, 2026, and 37,800,000 TL on June 16, 2026, for a total of 130,927,500 TL in fixed-rate, interest-payable-at-maturity financing bonds listed on the Istanbul Stock Exchange. The maturity dates of the financing bonds are July 10, 2026, August 11, 2026, and July 20, 2026, respectively, and the interest rates are TL REF + 5.5% and 6%.

Convenience Translation

4. Borrowings *(continued)*

Leasing Transactions

Details of lease liabilities as of June 30, 2026, and December 31, 2025, are as follows:

Short-Term Lease Liabilities	**June 30, 2026**	**December 31, 2025**
Short-Term Borrowings from Third Parties	39.232.845	15.974.289
- Lease Liabilities	*39.232.845*	*15.974.289*

Long-Term Lease Liabilities	**June 30, 2026**	**December 31, 2025**
Long-Term Borrowings from Third Parties	46.159.905	395.929
- Lease Liabilities	*46.159.905*	*395.929*

The details of lease liabilities as of June 30, 2026 and December 31, 2025, are as follows:

	June 30, 2026	**December 31, 2025**
Due within one year	53.103.290	17.477.493
Less: Future periods' financial expenses	(13.870.445)	(1.503.204)
	39.232.845	**15.974.289**
Two Years and Over	63.880.400	402.734
Less: Future periods' financial expenses	(17.720.495)	(6.806)
Present value of lease obligations	**46.159.905**	**395.928**

The Group's lease liabilities reflect the present value of future amounts payable in respect of vehicles, buildings, and warehouses leased from third parties over the assets' useful lives. These liabilities have been discounted using incremental borrowing rates, determined as 50.78% for buildings and vehicles.

The reconciliation of the movements in the Group's lease liabilities for the periods ended June 30, 2026 and 2025 is as follows:

	1 January – June 30, 2026	**1 January – June 30, 2025**
Lease liabilities as of January 1	16.370.217	51.797.917
Increase in lease liabilities during the period	96.888.927	93.369.243
Lease payments	(35.275.010)	(59.446.258)
Interest expense	14.326.459	16.256.847
Interest payments	(14.326.459)	(16.256.847)
Monetary (gain) / loss	7.408.616	(7.416.092)
Present value of lease obligations	**85.392.750**	**78.304.810**

Convenience Translation

5. Trade Receivables and Payables

a) Trade Receivables

The Group's trade receivables as of June 30, 2026, and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Accounts Receivable	775.135.555	897.180.166
Received Checks	489.078.537	371.501.985
Doubtful Trade Receivables	23.794.605	28.342.945
Allowance for Doubtful Accounts (-)	(23.794.605)	(28.342.945)
Total	**1.264.214.092**	**1.268.682.151**

The average collection period of the Group's trade receivables is 102 days (December 31, 2025: 105 days). The average collection period is calculated by taking the ratio of the average trade receivables balances of the relevant period to sales. As of June 30, 2026, an allowance for impairment amounting to TRY 23,794,605 has been recognized for the Group's doubtful trade receivables (December 31, 2025: TRY 28,342,945).

The movement table of the allowance for impairment for the periods ended June 30, 2026 and 2025 is as follows:

	January 1, – June 30, 2026	January 1, – June 30, 2025
Balance at January 1,	**28.342.945**	**30.704.159**
Provisions recognized during the period (*)	2.620.794	--
Reversed provisions	(1.595.459)	(10.690)
Monetary Loss (-)	(5.573.675)	(1.831.141)
Balance at June 30,	**23.794.605**	**28.862.328**

(*) As of the balance sheet date, the Group reviews its receivables and sets aside an allowance for doubtful accounts for trade receivables that have not yet entered legal proceedings but whose collectability has become questionable and which the Group anticipates will be uncollectible.
As of June 30, 2026, the Group had no long-term trade receivables from third parties. (December 31, 2025: None).
The Group's credit and foreign exchange risks related to trade receivables are disclosed in Note 24.

b) Trade Payables

The Group's short-term trade payables as of June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Suppliers	1.931.865.514	1.668.049.474
Expense Accruals	92.428.769	61.907.667
Trade Payables to Related Parties	60.000	--
Total	**2.024.354.283**	**1.729.957.141**

The Group's credit and foreign exchange risks related to trade payables are disclosed in Note 24.

Convenience Translation

6. Other Receivables and Payables, Other Current Assets, and Other Current Liabilities

a) Other Receivables

The details of the Group's other current receivables as of June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Deposits and Guarantees Given	5.816.697	6.494.566
Other Receivables	378.318	--
Total	**6.195.015**	**6.494.566**

b) Other Payables

The details of the Group's other current payables as of June 30, 2026, and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Other Payables to Third Parties	59.074	193.386
Total	**59.074**	**193.386**

c) Other Current Assets

The details of the Group's other current assets as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
VAT Carried Forward	50.456.457	68.847.370
Advances Given	10.732.345	6.433.769
	61.188.802	**75.281.139**

d) Other Current Liabilities

The details of the Group's other current liabilities as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
Taxes and funds payable	23.196.304	28.867.944
Total	**23.196.304**	**28.867.944**

Convenience Translation

7. Inventories

The details of the Group's inventories as of June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026	December 31, 2025
Trade Goods	625.830.803	569.026.884
Other Inventories	593.877	540.229
Provision for Impairment of Inventories (-)	(5.877.022)	(5.077.570)
Total	**620.547.658**	**564.489.543**

As of June 30, 2026, the amount of insurance coverage on all inventories is TL 573,572,510, and their carrying values are fully insured (December 31, 2025: 481.421.580 TL).

The movement table of the provision for impairment of inventories for the years ended June 30, 2026, and 2025 is as follows:

	1 January – June 30, 2026	1 January – June 30, 2025
Balance at January 1	**(5.077.570)**	**(9.509.174)**
Charge for the period	(799.452)	(271.304)
Balance at June 30	**(5.877.022)**	**(9.780.478)**

8. Prepaid Expenses

Prepaid Expenses

The details of the Group's prepaid expenses as of June 30, 2026 and December 31, 2025 are as follows:

	June 30, 2026	December 31, 2025
Short-Term		
Expenses relating to future months	39.385.252	53.642.473
Advances given (*)	14.650.697	9.297.443
Total Short Term	**54.035.949**	**62.939.916**
Long-Term		
Advances given (*)	2.036.593	2.226.905
Expenses relating to future years	118.745	139.832
Total Long Term	**2.155.338**	**2.366.737**

(*) Advances given as of the reporting period ends consist of prepayments made to suppliers.

Convenience Translation

9. Property, Plant and Equipment

The movements in property, plant, and equipment for the periods ended June 30, 2026 and 2025 are as follows:

Cost	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Opening Balance as of January 1, 2026	**13.468.216**	**732.558.373**	**103.679.195**	**83.194.018**	**932.899.802**
Additions	71.884	--	--	5.208.059	5.279.943
Disposals	--	--	--	--	--
Transfers(*)	--	20.574.878	--	(22.526.857)	(1.951.979)
Closing Balance as of June 30, 2026	**13.540.100**	**753.133.251**	**103.679.195**	**65.875.220**	**936.227.766**
Accumulated Depreciation					
Opening Balance as of January 1, 2026	**(11.762.676)**	**(501.941.763)**	**(85.667.340)**	--	**(599.371.779)**
Charge for the Period	(592.225)	(32.789.470)	(2.498.022)	--	(35.879.717)
Disposals	--	--	--	--	--
Closing Balance as of June 30, 2026	**(12.354.901)**	**(534.731.233)**	**(88.165.362)**	--	**(635.251.496)**
Net Carrying Amount as of January 1, 2026	**1.705.540**	**230.616.610**	**18.011.855**	**83.194.018**	**333.528.023**
Net Carrying Amount as of June 30, 2026	**1.185.199**	**218.402.018**	**15.513.833**	**65.875.220**	**300.976.270**

The total amounts of depreciation and amortization expenses recognized in cost of sales, marketing, sales and distribution expenses, and general administrative expenses for the year ended June 30, 2026, are TL 19,623,076, TL 177,668, and TL 16,078,973, respectively.

As of June 30, 2026, the insurance coverage on property, plant, and equipment amounts to TL 184,265,450 (December 31, 2025: TL 204,630,603).

As of June 30, 2026, there is a lien on investment properties and vehicles included in property, plant, and equipment due to the installment debt owed to the Marmara Corporate Tax Office regarding the Competition Board penalty (December 31, 2025: None).

Convenience Translation

9. Property, Plant and Equipment (continued)

June 30, 2025 tarihinde sona eren yıllara ilişkin maddi duran varlıkların hareket tablosu aşağıdaki gibidir:

Cost	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Opening Balance as of January 1, 2025	**21.958.666**	**763.850.339**	**99.379.513**	**36.300.192**	**921.488.711**
Additions	663.466	15.910.574	10.527.402	8.017.758	35.119.201
Disposals	(9.111.442)	(11.476.150)	--	--	(20.587.593)
Closing Balance as of June 30, 2025	**13.510.690**	**768.284.763**	**109.906.915**	**44.317.950**	**936.020.319**
Accumulated Depreciation					
Opening Balance as of January 1, 2025	**(17.008.556)**	**(465.367.374)**	**(84.661.605)**	--	**(567.037.535)**
Charge for the Period	(2.703.866)	(41.313.455)	(2.272.349)	--	(46.289.671)
Disposals	7.247.274	8.271.538	--	--	15.518.813
Closing Balance as of June 30, 2025	**(12.465.148)**	**(498.409.291)**	**(86.933.954)**	**--**	**(597.808.393)**
Net Carrying Amount as of January 1, 2025	**4.950.111**	**298.482.965**	**14.717.908**	**36.300.192**	**354.451.176**
Net Carrying Amount as of June 30, 2025	**1.045.542**	**269.875.472**	**22.972.961**	**44.317.950**	**338.211.926**

Depreciation and amortization expenses recognized within cost of sales, marketing, sales and distribution expenses, and general administrative expenses for the period ended June 30, 2025 total TL 27,848,648, TL 811,160, and TL 17,629,862, respectively.

Convenience Translation

10. Intangible Assets

The movements in intangible assets for the period ending June 30, 2026, are as follows:

Cost	Rights	Research and Development Expenses	Total
Opening Balance as of January 1, 2026	**337.241.300**	**78.754.849**	**415.996.149**
Additions	6.591.196	--	6.591.196
Transfers (*)	--	1.951.979	1.951.979
Closing Balance as of June 30, 2026	**343.832.496**	**80.706.828**	**424.539.324**
Accumulated amortization			
Opening Balance as of January 1, 2026	**(248.307.314)**	**(66.070.243)**	**(314.377.557)**
Charge for the period	(8.916.367)	(1.514.093)	(10.430.460)
Closing Balance as of June 30, 2026	**(257.223.681)**	**(67.584.336)**	**(324.808.017)**
Net Carrying Amount as of January 1, 2026	**88.933.986**	**12.684.607**	**101.618.592**
Net Carrying Amount as of June 30, 2026	**86.608.815**	**13.122.492**	**99.731.307**

The movements in intangible assets for the period ending June 30, 2025, are as follows:

Cost	Rights	Research and Development Expenses	Total
Opening Balance as of January 1, 2025	**338.152.115**	**82.364.732**	**420.516.847**
Additions	15.593.239	--	15.593.239
Closing Balance as of June 30, 2025	**353.745.354**	**82.364.732**	**436.110.086**
Accumulated amortization			
Opening Balance as of January 1, 2025	**(243.556.496)**	**(66.957.388)**	**(310.513.885)**
Charge for the period	(10.404.907)	(1.632.298)	(12.037.205)
Closing Balance as of June 30, 2025	**(253.961.403)**	**(68.589.686)**	**(322.551.090)**
Net Carrying Amount as of January 1, 2025	**94.595.619**	**15.407.344**	**110.002.963**
Net Carrying Amount as of June 30, 2025	**99.783.951**	**13.775.046**	**113.558.996**

(*) Transferred from construction in progress recognized in property, plant, and equipment.

The amounts of amortization charges recognized in marketing, sales and distribution expenses and general administrative expenses for the year ended June 30, 2026 are TL 3,129,138 and TL 7,301,322, respectively (June 30, 2025: TL 3,611,161 and TL 8,426,043).

The Group's principal research and development expenses consist of costs related to the prototypes and designs of products sold or to be sold, and the Group calculates the return on investment for each developed product and determines whether there is any impairment. As of June 30, 2026, there is no impairment. (June 30, 2025: None.)

Convenience Translation

(Unless otherwise specified, amounts are expressed in Turkish Lira ("TL") based on the purchasing power of TL as of, June 30, 2026)

11. Right-of-Use Assets

The movements in right-of-use assets for the periods ending June 30, 2026, and 2025 are as follows:

	Buildings	Vehicles	Total
Opening Balance as of January 1, 2026	**16.578.697**	**65.100.153**	**81.678.850**
Additions	195.195.564	228.796.521	423.992.085
Accumulated depreciation	(188.502.504)	(175.164.183)	(363.666.687)
Net Carrying Amount as of June 30, 2026	**23.271.757**	**118.732.491**	**142.004.248**

	Buildings	Vehicles	Total
Opening Balance as of January 1, 2025	**15.389.352**	**88.270.621**	**103.659.973**
Additions	167.349.744	140.868.776	308.218.519
Accumulated depreciation	(126.931.416)	(148.339.006)	(275.270.421)
Net Carrying Amount as of June 30, 2025	**55.807.680**	**80.800.391**	**136.608.071**

Depreciation expenses recognized within marketing, sales and distribution expenses and general administrative expenses for the period ended June 30, 2026, total TL 11,986,977 and TL 22,975,761, respectively (June 30, 2025: TL 22,801,723 and TL 31,737,992).

As of June 30, 2026, and December 31, 2025, the Group is not subject to any financial covenants or compliance obligations arising from borrowings and lease agreements.

12. Provisions, Contingent Liabilities and Contingent Assets

a) Provisions

As of June 30, 2026, and December 31, 2025, the details of non-current and current provisions are as follows:

	June 30, 2026	December 31, 2025
Provision for Warranty Expenses	31.751.853	26.839.773
Provision for Scrap (*)	--	5.626.175
Provision for Sales Incentives	3.458.047	--
Total Other Current Provisions	**35.209.900**	**32.465.948**
Provision for Warranty Expenses	2.826.773	13.269.583
Total Other Long-Term Provisions	**2.826.773**	**13.269.583**
Total Other Provisions	**38.036.673**	**45.735.531**

(*) As of June 30, 2026, scrap provisions totaling TL 10,500,000 have been deducted directly from the carrying amount of inventories.

Convenience Translation

12. Provisions, Contingent Liabilities and Contingent Assets *(continued)*

a) Provisions *(continued)*

Warranty Provisions

The movement table of warranty provisions for the years ended June 30, 2026, and 2025 is as follows:

	1 January – June 30, 2026	1 January – June 30, 2025
Balance as of January 1	**40.109.356**	**38.450.207**
Charge for the period	29.952.099	47.079.144
Utilizations during the period	(29.275.392)	(23.321.532)
Monetary gain / (loss)	(6.207.437)	(6.626.278)
Balance as of June 30	**34.578.626**	**55.581.541**

Sales Premium Provision

The movement table of sales premium provisions for the years ended June 30, 2026 and 2025 is as follows:

	1 January – June 30, 2026	1 January – June 30, 2025
Balance as of January 1	**--**	**1.229.273**
Charge for the period	7.569.227	2.917.931
Utilizations during the period	(4.111.180)	(6.543.649)
Monetary gain / (loss)	--	4.049.062
Balance as of June 30	**3.458.047**	**1.652.617**

b) Collaterals, pledges, mortgages, and guarantees ("CPMG")

As of June 30, 2026, and December 31, 2025, the details of the Group's collaterals, pledges, mortgages, and guarantees (CPMG) are as follows:

	June 30, 2026		December 31, 2025	
	Original Balances		Original Balances	
	Total TL	TL	Total TL	TL
A. Total amount of CPMGs given in the name of its own legal entity	8.088.866	8.088.866	189.439.678	189.439.678
B. Total amount of CPMGs provided in favor of partnerships included in the scope of consolidation	--	--	--	--
C. Total amount of CPMGs provided to secure the debts of other third parties for the purpose of carrying out ordinary commercial activities	--	--	--	--
D. Total amount of other CPMGs provided	--	--	--	--
i. Total amount of CPMGs provided in favor of the parent company	--	--	--	--
ii. Total amount of CPMGs provided in favor of other group companies not falling under clauses B and C	--	--	--	--
iii Total amount of CPMGs provided in favor of third parties not falling under clause C	--	--	--	--
Total CPMG	**8.088.866**	**8.088.866**	**189.439.678**	**189.439.678**

As of June 30, 2026, the ratio of other CPMGs provided by the Group to the Group's total equity is nil (December 31, 2025: nil). The guarantees provided comprise letters of guarantee submitted to the respective Customs Authorities against commissions paid by the Group.

Convenience Translation

13. Benefits Provided to Employees

a) Payables within the Scope of Employee Benefits

As of June 30, 2026 and December 31, 2025, details of employee benefit obligations are as follows:

	June 30, 2026	December 31, 2025
Payables to Personnel (*)	1.304.122	60.996.617
Social Security Premiums Payable	13.122.270	20.655.146
	14.426.392	**81.651.763**

(*) Payables to personnel consist of employee salaries, and payments are made on the 1st of each month.

b) Employee Benefit Provisions

As of June 30, 2026 and December 31, 2025, details of employee benefit provisions are as follows:

	June 30, 2026	December 31, 2025
Short-Term		
Provision for Unused Vacation	12.442.507	12.751.916
Provision for Employee Bonuses	16.370.258	--
Total Short-Term Provisions	**28.812.765**	**12.751.916**
Long-Term		
Provision for Employment Termination Benefits	20.027.308	14.794.695
Total Long-Term Provisions	**20.027.308**	**14.794.695**
Total Provisions	**48.840.073**	**27.546.611**

Convenience Translation

13. Benefits Provided to Employees (continued)

b) Employee Benefit Provisions (continued)

The movement of the provision for severance pay for the years ended June 30, 2026 and 2025 is as follows:

	1 January – 30 June 2026	1 Ocak – June 30, 2025
Balance as of January 1	**14.794.695**	**21.175.459**
Service Cost	2.038.275	1.933.490
Interest Cost	3.580.624	4.537.317
Severance Payments	(1.936.195)	(5.350.059)
Actuarial Differences	3.781.011	1.935.145
Monetary Loss	(2.231.102)	(6.896.487)
Balance as of June 30	**20.027.308**	**17.334.865**

Under the current laws in Türkiye, severance pay must be paid to employees who have completed at least one year of service with the Company and its subsidiaries and joint ventures in Türkiye, and whose employment is terminated without a valid reason, who are called up for military service, who pass away, or who have completed 25 years of service for men and 20 years of service for women and reached retirement age (58 for women, 60 for men). Due to the legislative amendment dated September 8, 1999, there are certain transition obligations regarding the length of service required for retirement.

Statistical valuation methods have been developed to estimate the Group's obligations arising from defined benefit plans. The following statistical assumptions were used in the calculation of the total obligation:

	2026	2025
	%	%
Discount rate	4,47	4,36
Interest rate	28,50	28,89
Inflation rate	23,00	23,50

The provision for employee termination benefits is calculated based on the ceiling for severance pay announced by the Government. The severance pay ceiling is TL 73,729.87 as of June 30, 2026 (expressed in full TL) (TL 41,828.42 as of December 31, 2025 (expressed in full TL)).

Provision for Employee Vacation

The movement table of the provision for employee vacation for the years ended June 30, 2026, and 2025 is as follows:

	January 1 – June 30, 2026	January 1 – June 30, 2025
Balance as of January 1	**12.751.916**	**11.827.022**
Charge for the period, net	2.108.311	5.281.309
Monetary Loss	(2.417.720)	(1.941.702)
Balance as of June 30th	**12.442.507**	**15.166.629**

Convenience Translation

14. Equity

a) Share Capital

As of June 30, 2026 and December 31, 2025, the Group's paid-in capital structure is as follows:

	June 30, 2026			December 31, 2025		
		Nominal	%	Group	Nominal	%
Shareholders	**Group**	**Value**			**Value**	
Talip Murat Kolbaşı	A	32.760.010	5,46%	A	32.760.010	5,46%
	B	13.560.009	2,26%	B	31.500.009	5,25%
Ali Osman Kolbaşı	A	29.120.000	4,85%	A	29.120.000	4,85%
	B	10.060.000	1,68%	B	28.000.000	4,67%
Yasemin Rezan Kolbaşı	A	25.740.005	4,29%	A	25.740.005	4,29%
	B	6.810.005	1,14%	B	24.750.005	4,13%
Zeynep Figen Peker	A	25.740.005	4,29%	A	25.740.005	4,29%
	B	6.810.005	1,14%	B	24.750.005	4,13%
Aliye Kolbaşı	A	18.719.981	3,12%	A	18.719.981	3,12%
	B	59.982	0,01%	B	17.999.982	3,00%
Rengin Yağan	A	11.960.000	1,99%	A	11.960.000	1,99%
	B	--	0,00%	B	11.500.000	1,92%
Bora Kolbaşı	A	2.990.002	0,50%	A	2.990.002	0,50%
	B	2.875.002	0,48%	B	2.875.002	0,48%
İbrahim Buğra Kolbaşı	A	2.990.002	0,50%	A	2.990.002	0,50%
	B	2.875.002	0,48%	B	2.875.002	0,48%
Kayra Kolbaşı	A	2.990.002	0,50%	A	2.990.002	0,50%
	B	2.875.002	0,48%	B	2.875.002	0,48%
Filiz Kolbaşı	A	2.989.993	0,50%	A	2.989.993	0,50%
	B	2.874.993	0,48%	B	2.874.993	0,48%
Other	B	395.200.000	65,87%	B	294.000.000	49,00%
Paid-in Capital		**600.000.000**	**100,00%**		**600.000.000**	**100,00%**

As of June 30, 2026, the Group's capital adjustment difference is TL 710,836,227 (December 31, 2025: TL 710,836,227).

Under the Articles of Association of the Company, in the Board of Directors consisting of at least five members, half of the members of the Board of Directors shall be elected among the candidates determined by the majority vote among the Group A shareholders. They shall be elected among the candidates to be determined by the majority vote of the Group A shareholders. The number of members of the Board of Directors to be elected from among the candidates determined by the majority vote of the Group A shareholders shall never exceed half of the total number of members of the Board of Directors. In the event that the total number of members of the Board of Directors is an odd number and therefore half of it results in a fraction, the number of members of the Board of Directors to be appointed by the Group A shareholders shall be rounded down. Such shares do not have voting privileges.

a) Share Premium

At the extraordinary general assembly meeting held on April 14, 2008, the sale of Group shares amounting to TL 111,008,654 to Turkish Household Appliances was approved. Turkish Household Appliances paid TL 231,821,751 for the shares sold, of which TL 223,545,934 was recorded as share premium. At the extraordinary general assembly meeting held in March 2009, the sale of Group shares amounting to TL 45,581,041 to Turkish Household was approved. Turkish Household paid TL 290,896,636 for the shares sold, of which TL 176,830,605 was recorded as share premium.

Convenience Translation

14. Equity (continued)

a) Share Premium (continued)

The amount of TL 2,197,534 arising from the paid-in capital increase of TL 300,000,000 realized in September 2025 was recorded as share premium.

b) Legal Reserves

According to the Turkish Commercial Code, legal reserves are divided into two categories: first and second-tier legal reserves. According to the Turkish Commercial Code, first-tier legal reserves are set aside at 5% of the statutory net profit until they reach 20% of the paid-in capital. Second-tier legal reserves are 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, as long as legal reserves do not exceed 50% of the paid-in capital, they can only be used to offset losses and cannot be used in any other way. As of June 30, 2026, the Group's legal reserves included within the restricted reserves appropriated from profit amount to TL 123,725,760 (December 31, 2025: TL 123,725,760).

c) Cumulative Translation Differences

Cumulative translation differences arise from the translation of the financial statements of Arzum Asia Pacific and Arzum USA, whose functional currency is the US Dollar, Arzum Europe, whose functional currency is the Euro, and Arzum FZE, whose functional currency is the UAE Dirham, into TL, which is the reporting currency of the Group. As of June 30, 2026, the Group's total cumulative translation differences amount to negative TL 8,347,479 (December 31, 2025: TL 31,436,832).

d) Accumulated Losses

As of June 30, 2026, the Group has accumulated losses of TL 2,208,866,500 (December 31, 2025: TL 1,112,336,159 accumulated losses).

Convenience Translation

15. Revenues and Cost of Sales

For the periods ending June 30, 2026, and 2025, revenue and cost of sales are as follows:

	January 1- June 30, 2026	January 1- June 30, 2025	April 1- June 30, 2026	April 1- June 30, 2025
Domestic Modern Channel Sales	1.623.000.144	5.074.601.918	804.678.719	2.569.448.115
Domestic Traditional Channel Sales	1.358.960.497	2.318.186.189	687.697.239	1.220.062.112
Other Domestic Sales (*)	98.603.340	144.047.789	49.803.029	86.759.060
Foreign Sales	399.227.407	438.729.846	215.053.311	222.160.596
Gross Revenue	**3.479.791.388**	**7.975.565.742**	**1.757.232.298**	**4.098.429.883**
Sales Returns	(62.319.798)	(78.308.088)	(21.505.999)	(48.829.249)
Sales Discounts	(1.181.631.424)	(3.736.107.229)	(586.578.884)	(1.989.894.232)
Net Revenue	**2.235.840.166**	**4.161.150.425**	**1.149.147.415**	**2.059.706.402**
Cost of Trade Goods Sold	(1.479.613.360)	(2.728.548.989)	(745.641.571)	(1.352.691.491)
Warranty Expenses	(33.878.912)	(52.617.058)	(20.784.152)	(31.397.305)
Depreciation and Amortization Expenses	(19.623.076)	(26.270.644)	(9.439.004)	(13.861.805)
Cost of Sales (-)	**(1.533.115.348)**	**(2.807.436.691)**	**(775.864.727)**	**(1.397.950.601)**
Gross Profit	**702.724.818**	**1.353.713.734**	**373.282.688**	**661.755.801**

(*) It consists of spare parts sales and service revenues within the scope of the Group's after-sales service operations.

The Group realizes the sales of small household appliances in six product categories: food preparation, cooking and frying, hot beverage preparation, cleaning, personal care, and ironing.

Convenience Translation

16. Operating Expenses

Sales, Marketing and Distribution Expenses

For the periods ending June 30, 2026 and 2025, sales, marketing and distribution expenses are as follows:

	January 1- June 30, 2026	January 1- June 30, 2025	April 1- June 30, 2026	April 1- June 30, 2025
Personnel Expenses	106.521.236	130.861.822	45.806.428	62.922.713
Advertising and Marketing Expenses	99.679.558	263.187.186	50.631.496	156.254.757
Distribution Expenses	51.077.521	81.464.420	24.660.573	44.511.398
Warehousing Expenses	36.164.877	41.236.764	18.614.500	17.675.558
Exhibition and Fair Expenses	19.293.496	25.228.063	14.601.407	15.603.612
Depreciation and Amortization Expenses	15.998.834	44.411.102	7.788.434	22.018.776
Freight Expenses	4.611.691	9.670.515	1.740.442	5.075.957
Market Research Expenses	3.296.627	3.652.142	3.016.780	3.152.222
Travel Expenses	2.832.434	5.609.790	1.332.134	2.855.798
Insurance Expenses	784.337	1.145.173	251.486	405.710
Communication Expenses	651.813	4.001.040	536.720	2.096.061
Motor Vehicle Expenses	136.293	3.130.609	--	1.460.763
Other	15.994.106	17.331.064	8.634.866	9.078.963
Total	**357.042.823**	**630.929.690**	**177.615.266**	**343.112.288**

General and Administrative Expenses

For the periods ending June 30, 2026, and 2025, general and administrative expenses are as follows:

	January 1- June 30, 2026	January 1- June 30, 2025	April 1- June 30, 2026	April 1- June 30, 2025
Personnel Expenses	136.682.432	182.085.527	60.141.653	81.072.881
Consultancy Expenses	58.725.912	62.467.927	25.030.454	25.356.687
Depreciation and Amortization	45.651.005	38.879.834	24.545.319	17.776.476
Software Expenses	25.462.101	38.128.702	11.435.190	20.438.386
Motor Vehicle Expenses	8.310.221	11.711.860	4.764.775	9.369.948
Office Expenses	4.984.332	6.500.241	1.932.404	3.781.691
Insurance Expenses	4.591.022	5.921.542	2.390.484	2.870.872
Taxes, Duties and Charges	6.049.805	5.589.071	2.064.116	2.734.242
Repair and Maintenance Expenses	4.169.665	3.240.863	1.577.854	1.365.829
Travel Expenses	1.969.646	3.532.829	1.181.545	1.110.197
Communication Expenses	757.667	842.636	376.078	450.721
Other	8.486.051	9.647.810	2.485.945	6.780.457
Total	**305.839.859**	**368.548.842**	**137.925.817**	**173.108.387**

Convenience Translation

17. Expenses by Nature

For the periods ending June 30, 2026, and 2025, expenses by nature are as follows:

	January 1-June 30, 2026	January 1-June 30, 2025	April 1-June 30, 2026	April 1-June 30, 2025
Cost of Trade Goods Sold	1.479.613.360	2.728.548.989	745.641.571	1.352.691.491
Personnel Expenses	243.203.668	312.947.349	105.948.081	143.995.594
Advertising and Marketing Expenses	99.679.558	263.187.186	50.631.496	156.254.757
Depreciation and Amortization	81.272.915	109.561.581	41.772.757	53.657.058
Consultancy Expenses	58.725.912	62.467.927	25.030.454	25.356.687
Distribution Expenses	51.077.521	81.464.420	24.660.573	44.511.398
Warehousing Expenses	36.164.877	41.236.764	18.614.500	17.675.558
Software Expenses	25.462.101	38.128.702	11.435.190	20.438.386
Warranty Expenses	33.878.912	52.617.058	20.784.152	31.397.305
Exhibition and Fair Expenses	19.293.496	25.228.063	14.601.407	15.603.612
Taxes, Duties and Charges	6.049.805	5.589.071	2.064.116	2.734.242
Motor Vehicle Expenses	8.446.514	14.842.469	4.764.775	10.830.711
Office Expenses	4.984.332	6.500.241	1.932.404	3.781.691
Freight Expenses	4.611.691	9.670.515	1.740.442	5.075.957
Insurance Expenses	5.375.359	7.066.715	2.641.970	3.276.582
Repair and Maintenance Expenses	4.169.665	3.240.863	1.577.854	1.365.829
Travel Expenses	4.802.080	9.142.619	2.513.679	3.965.995
Communication Expenses	1.409.480	4.843.676	912.798	2.546.782
Market Research Expenses	3.296.627	3.652.142	3.016.780	3.152.222
Other	24.480.157	26.978.874	11.120.811	15.859.420
Total	**2.195.998.030**	**3.806.915.224**	**1.091.405.810**	**1.914.171.277**

Convenience Translation

18. Other Operating Income / Expenses

For the periods ending June 30, 2026, and 2025, other operating income is as follows:

	January 1- June 30, 2026	**January 1- June 30, 2025**	**April 1- June 30, 2026**	**April 1- June 30, 2025**
Deferred financing income	18.529.691	64.757.165	12.447.327	59.892.152
Foreign exchange gains, net	19.103	17.811.964	19.103	6.499.985
Reversal of provisions	1.595.459	10.084	930.109	10.084
Other	9.425.099	11.826.633	5.863.280	(1.386.058)
Total	**29.569.352**	**94.405.846**	**19.259.819**	**65.016.163**

For the periods ending June 30, 2026, and 2025, other operating expenses are as follows:

	January 1- June 30, 2026	**January 1- June 30, 2025**	**April 1- June 30, 2026**	**April 1- June 30, 2025**
Deferred financing expense	72.337.529	62.036.186	16.694.732	(9.524.642)
Foreign exchange losses, net	--	--	(1.078.035)	--
Other	29.399.246	42.889.155	24.172.127	29.307.054
Total	**101.736.775**	**104.925.341**	**39.788.824**	**19.782.412**

Convenience Translation

19. Financial Income / Expenses

For the periods ending June 30, 2026, and 2025, financial income is as follows:

	January 1- June 30, 2026	**January 1- June 30, 2025**	**April 1- June 30, 2026**	**April 1- June 30, 2025**
Interest Income	11.645.886	78.529.232	1.213.957	25.835.918
Total	**11.645.886**	**78.529.232**	**1.213.957**	**25.835.918**

For the periods ending June 30, 2026, and 2025, financial expenses are as follows:

	January 1- June 30, 2026	**January 1- June 30, 2025**	**April 1- June 30, 2026**	**April 1- June 30, 2025**
Interest expenses on borrowings	281.931.080	388.625.471	116.375.083	232.974.677
Due Date Difference expenses	92.328.359	--	52.290.154	--
Interest expenses on bonds	53.577.726	388.146.475	20.669.362	207.097.653
Bank commissions and POS expenses	48.756.659	112.097.815	18.349.335	51.394.678
Financing expenses arising from late payments and/or early collections	17.081.270	--	11.406.319	(5.590.238)
Interest expense on lease liabilities	16.955.254	15.335.675	13.799.367	6.099.831
Supplier financing expenses	10.062.582	--	3.743.431	(6.253.640)
Interest expense on employee benefits	3.772.363	4.764.187	2.686.117	3.833.385
Foreign exchange losses, net	1.857.870	21.799.192	72.477	19.741.984
Derivative financial instrument losses, net	--	--	--	(9.563.912)
Total	**526.323.163**	**930.768.815**	**239.391.645**	**499.734.418**

(*) This amount represents the price difference determined for the period between the receipt of the products and the payment of the related balance.

Convenience Translation

20. Disclosures on Gain on Net Monetary Position

Non-monetary items	June 30, 2026	June 30, 2025
Balance sheet items	**202.326.085**	**5.055.911**
Inventories	(4.042.047)	964.335
Prepaid expenses	(45.143.032)	(39.558.576)
Investments accounted for using the equity method, financial investments, subsidiaries	(679.108)	3.707.633
Property, plant and equipment and intangible assets	41.113.948	71.035.104
Investment property	126.518	186.019
Right-of-use assets	6.498.443	18.058.771
Capital adjustment differences	(193.584.153)	(134.646.688)
Share premium	(3.649.170)	(67.379.057)
Accumulated other comprehensive income / expense that will not be reclassified to profit or loss	7.943.526	6.543.959
Accumulated other comprehensive income / expense that may be reclassified to profit or loss	--	(1.924.333)
Other receivables	--	5.670.758
Restricted reserves	(2.037.856)	(17.681.711)
Retained earnings	395.779.015	160.079.697
Statement of Profit or Loss Items	**94.559.905**	**143.704.261**
Revenues	(101.065.847)	(157.962.746)
Cost of sales	143.628.649	207.390.749
Research and development expenses	--	862.318
Marketing expenses	15.262.737	27.324.332
General and administrative expenses	15.350.731	19.452.680
Other operating income/ (expenses)	12.185.365	(10.254.117)
Gains/ (losses) from investing activities	(919.081)	--
Financial income/ (expenses)	26.201.178	36.589.779
Deferred tax income/ (expenses)	(16.083.828)	20.301.266
Net monetary gain/(loss)	**296.885.989**	**148.760.172**

Convenience Translation

21. Tax

Tax Expense

For the periods ending June 30, 2026, and 2025, the details of tax expense are as follows:

Tax Expense	January 1 – June 30, 2026	January 1 – June 30, 2025
Deferred Tax Income /(Expense)	98.583.761	79.070.208
Total	**98.583.761**	**79.070.208**

Current Tax

As of June 30, 2026, and December 31, 2025, current period tax assets and liabilities are as follows:

Current tax liability / (asset)	June 30, 2026	December 31, 2025
Prepaid taxes (-)	(1.180.360)	(9.859.783)
Current Tax Assets	**(1.180.360)**	**(9.859.783)**

Corporate Tax

The Company and its subsidiaries resident in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is declared until the evening of the last day of the fourth month following the end of the related accounting period and is paid in a single installment until the end of the related year. Companies are required to calculate provisional tax at the current rate over their financial profits generated in three-month periods, declare it by the 17th day of the second month following the period, and pay it until the evening of the 17th day. Provisional taxes paid during the year are offset against the corporate tax calculated over the annual corporate tax return of that year. If there is still a paid provisional tax amount remaining despite the offsetting, this amount can either be refunded in cash or offset against other financial liabilities.

The general corporate tax rate applied to the legal tax base—which is calculated by adding expenses that are not deductible for tax purposes under tax laws and deducting exemptions set forth in tax laws from the commercial profit of entities in Turkey—was applied at the rate of 20% as of December 31, 2022. However, pursuant to Article 21 of the Law No. 7456 published in the Official Gazette dated July 15, 2023, numbered 32249 (regarding amendments to certain laws and decree laws to compensate for the economic losses caused by the earthquakes occurring on February 6, 2023), amending Article 32 of the Corporate Tax Law No. 5520 regulating the corporate tax rate, the general corporate tax rate was increased from 20% to 25%, effective for declarations required to be submitted starting from October 1, 2024. Consequently, the Company and its subsidiaries resident in Turkey used a tax rate of 25% in the calculation of current period tax for the year 2024.

Within the scope of the said amendment, the tax rate used in the calculation of deferred tax as of June 30, 2026 is 25% (December 31, 2025: 25%).

Convenience Translation

21. Tax (continued)

Corporate tax (Continued)

Pursuant to the duplicated Article 298 of the Tax Procedure Law, the conditions required for the inflation adjustment of financial statements as of December 31, 2021, were met. However, pursuant to the temporary Article 33 of the Tax Procedure Law No. 213, introduced by Law No. 7352 on "Amending the Tax Procedure Law and the Corporate Tax Law" published in the Official Gazette dated January 29, 2022 and numbered 31734:

- As of 2025, the inflation adjustment to be applied under the Tax Procedure Law has been postponed for 2025, 2026, and 2027 accounting periods pursuant to Law No. 7571.

- It has been stipulated that the financial statements as of December 31, 2025, shall be subjected to inflation adjustment in such a way that there is no effect on the corporate tax base.

Pursuant to the "General Communiqué on Tax Procedure Law (Serial No. 555)" published in the 2nd duplicate Official Gazette dated December 30, 2024, and numbered 32415, financial statements of enterprises operating in Turkey for the 2024 accounting period are required to be subjected to inflation adjustment. The financial statements adjusted according to such inflation shall constitute an opening balance for tax returns to be prepared starting from January 1, 2024, and inflation effects shall not be taken into consideration in the calculation of the period tax for the year 2024.

As of June 30, 2026, the corporate tax rate in Hong Kong is 8.25% (December 31, 2025: 8.25%).

As of June 30, 2026, the corporate tax rate in Germany is 30% (December 31, 2025: 30%).

Tax legislation in Turkey does not permit the Company and its subsidiaries to file a consolidated tax return. Therefore, the tax provision reflected in the financial statements has been calculated separately on an individual company basis.

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

Dividend payments made to those other than joint-stock companies resident in Turkey that are not exempt or not subject to corporate and income taxes, as well as to resident and non-resident individuals and non-resident legal entities, are subject to a 10% income tax.

Dividend payments made by resident joint-stock companies in Turkey to resident joint-stock companies in Turkey are not subject to income tax. In addition, no income tax is calculated in the event that profits are not distributed or are added to capital.

Convenience Translation

21. *Tax (continued)*

Corporate Tax (continued)

Dividend income derived by corporations from participating in the capital of another corporation subject to full liability is exempt from corporate tax. In addition, 75% of the gains derived from the sale of participation shares held in assets for at least two full years, as well as founder's shares, usufruct shares, and pre-emptive rights of real estate (immovables) owned for the same period, are exempt from corporate tax. However, with the amendment introduced by Law No. 7061, this rate was reduced from 75% to 50% for immovables, and this rate has been applied as 50% in tax returns to be prepared starting from 2018. Furthermore, with the amendment made, as of July 15, 2024, the 50% tax exemption stipulated in Law No. 5520 for real estate sales gains has been abolished. Nevertheless, this exemption will be applied as 25% for the sales of immovables included in the assets of enterprises prior to July 15, 2024.

To benefit from the exemption, the gains in question must be kept in a fund account in liabilities and must not be withdrawn from the enterprise for a period of 5 years. The sales proceeds must be collected by the end of the second calendar year following the year in which the sale was made.

In Turkey, there is no practice of reaching an agreement with the tax administration regarding taxes to be paid. Corporate tax returns are filed within the fourth month following the month in which the accounting period closes. Authorities authorized for tax audits may examine tax returns and the underlying accounting records for a period of five years following the accounting period and may perform reassessments as a result of their findings.
There is a withholding tax obligation on dividend distributions, and this withholding tax obligation is declared in the period in which the dividends are paid in cash or credited to accounts. Dividend payments, other than those made to non-resident institutions generating income through a fixed place of business or permanent representative in Turkey and to institutions resident in Turkey, were subject to a 15% withholding tax until December 22, 2021. However, pursuant to Presidential Decree No. 4936 published in the Official Gazette dated December 22, 2021 and numbered 31697, the dividend withholding tax rate, which was 15% pursuant to Income Tax Law No. 193 and Corporate Tax Law No. 5520, was reduced to 10%.
In the application of withholding tax rates regarding profit distributions made to non-resident institutions and individuals, withholding tax rates set forth in the relevant Double Taxation Treaties are also taken into consideration. The capitalization of prior years' profits is not considered a profit distribution and, therefore, is not subject to withholding tax.

Transfer pricing regulations

In Turkey, transfer pricing regulations are set forth in Article 13 of the Corporate Tax Law entitled "Disguised profit distribution through transfer pricing". The communiqué dated November 18, 2007 concerning disguised profit distribution through transfer pricing regulates the details regarding its implementation.

If taxpayers purchase or sell goods or services with related parties at a price or amount determined contrary to the arm's length principle, the profit is considered to be distributed entirely or partially in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are treated as non-deductible expenses for corporate tax purposes.

Convenience Translation

21. Tax *(continued)*

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary differences arising between the differences between its statutory financial statements and consolidated financial statements prepared in accordance with TFRS (Turkish Financial Reporting Standards). Such differences generally arise from the inclusion of certain income and expense items in different reporting periods in the statutory financial statements and financial statements prepared in accordance with TFRS and are detailed below.

Since the tax rate used in the calculation of the Group's deferred tax assets and liabilities will be applied with a two-point reduction over the applicable tax rate for 5 years starting from January 1, 2021, a tax rate reduced by two points has been used in the calculation of deferred tax as of June 30, 2026, for temporary differences expected to be realized or settled by June 30, 2026. This rate will be applicable for the years 2023, 2024, and 2025.

As of June 30, 2026, and December 31, 2025, the breakdown of accumulated temporary differences subject to deferred tax, along with deferred tax assets and liabilities calculated using applicable tax rates, is as follows:

	Cumulative Temporary Differences		Deferred Tax	
Deferred Tax Assets	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Employee benefits	(28.688.805)	(32.501.494)	7.172.201	8.125.374
Trade and other receivables	(161.963.635)	(194.755.674)	40.490.909	48.688.918
Warranty provisions	(34.578.626)	(55.581.541)	8.644.657	13.895.386
Tax losses carried forward	(1.692.996.427)	(636.556.285)	422.203.779	159.194.411
Impairment provisions	(5.877.022)	(929.305)	1.469.256	232.327
Inventories	46.190.161	20.459.132	(11.547.540)	(5.114.783)
Right-of-use assets and liabilities, net	56.611.498	62.740.293	(14.152.875)	(15.685.073)
Property, plant and equipment and intangible assets	(95.320.682)	(8.187.568)	23.830.171	2.046.892
Borrowings	(36.949.922)	(83.699.970)	9.237.481	20.924.993
Trade payables and other liabilities	78.698.907	91.261.285	(19.674.727)	(22.815.322)
Other assets and liabilities, net	(42.195.711)	(44.596.289)	10.548.928	11.149.065
Deferred tax asset, net	**(1.917.070.264)**	**(882.347.416)**	**478.222.240**	**220.642.188**

Convenience Translation

21. Tax (continued)

Deferred Tax (continued)

The movement table of deferred tax assets / (liabilities) for the periods ending June 30, 2026, and 2025 is as follows:

	January 1 – June 30, 2026	**January 1– June 30, 2025**
Opening balance as of January 1	**445.943.352**	**142.055.771**
Deferred tax income recognized in profit or loss	98.583.761	79.070.208
Tax expenses related to other comprehensive income items	945.253	(483.790)
Monetary Gain / (Loss)	(67.250.128)	--
Closing balance as of June 30	**478.222.238**	**220.642.189**

22. Earnings per Share / (Loss)

The calculations of the weighted average number of shares of the Group and the earnings per share for the periods ending June 30, 2026, and 2025 are as follows:

	January 1 – June 30, 2026	**January 1– June 30, 2025**
Earnings per Share / (Loss)		
Weighted average number of ordinary shares outstanding during the period (full value)	600.000.000	300.000.000
Total	**600.000.000**	**300.000.000**
Net profit / (loss) for the period attributable to equity holders of the parent	(151.532.814)	(280.693.494)
Basic and diluted earnings / (loss) per share (1 TL nominal value)	**(0,253)**	**(0,936)**

Convenience Translation

23. Related Party Disclosures

a) Related-Party Balances

As of June 30, 2026, and December 31, 2025, the Group's trade payables to related parties are as follows:

	January 1, – June 30, 2026	January 1, – June 30, 2025
Trade Payables to Related Parties	60.000	--
Total	**60.000**	**--**

b) Related-Party Transactions

As of June 30, 2026, the Group has made a warehouse rent payment of TL 300,000 to Kolbaşı Gayrimenkul, a related party. (2025: None)

c) Benefits Provided to Senior Executives

The Group's senior management consists of members of the Board of Directors and the Executive Committee. Benefits provided to senior executives consist of salary, severance pay, bonuses, individual pension plans, health insurance, life insurance payments, and severance pay and other provisions.

As of the periods ending June 30, 2026, and 2025, the benefits provided to senior executives are as follows:

	January 1, – June 30, 2026	January 1, – June 30, 2025
Compensation and Other Benefits	37.956.636	73.561.341
Total	**37.956.636**	**73.561.341**

Convenience Translation

24. Nature and Level of Risks Arising from Financial Instruments

Capital Risk Management

In managing its capital, the Group aims to increase its profits by optimizing the balance between debt and equity while ensuring the continuity of its operations. The Group's capital structure consists of liabilities—including the loan disclosed in Note 4—and equity items comprising, in order, issued capital, reserves, and retained earnings. As of June 30, 2026, and December 31, 2025, the net debt-to-equity ratio is as follows:

	June 30, 2026	**December 31, 2025**
Total Borrowings	1.516.593.704	1.562.157.198
Less: Cash and Cash Equivalents	(116.122.540)	(198.548.082)
Net Debt	**1.400.471.164**	**1.363.609.116**
Total Shareholders' Equity	(517.659.887)	(323.507.005)
Total Capital	600.000.000	600.000.000
Debt/ Equity Ratio	**(2,7054)**	**(4,2151)**

Financial Risk Factors

Due to its operations, the Group is exposed to market risk (foreign exchange risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The Group's risk management program generally focuses on minimizing the potential adverse effects of uncertainty in financial markets on the Group's financial performance.

Credit Risk Management

The risk that one of the parties to a financial instrument will fail to fulfill its contractual obligations, thereby causing a financial loss to the Group, is defined as credit risk. The Group seeks to mitigate credit risk by conducting transactions only with creditworthy counterparties and, where possible, by obtaining adequate collateral. The Group's exposure to credit risk is monitored on an ongoing basis. Credit risk is controlled through insurance policies for customers and limits that are reviewed and approved by Group management.

Convenience Translation

24. Nature and Level of Risks Arising from Financial Instruments *(continued)*

Liquidity Risk Management

The primary responsibility for liquidity risk management rests with senior management. The Group manages liquidity risk by regularly monitoring projected and actual cash flows and ensuring the continued availability of sufficient funds and borrowing capacity through the matching of the maturities of financial assets and liabilities. The table below shows the maturity distribution of the Group's financial liabilities. Non-derivative financial liabilities are presented on an undiscounted basis and based on the earliest payment dates. Interest payable on these liabilities is included in the table below.

Contract-Based Maturities as of June 30, 2026	**Book Value**	**Contracted Cashflow (I+II+III)**	**< 6 Months (I)**	**6 - 12 Months (II)**	**> 1 Year (III)**
Derivative Instruments and Non-Derivative Financial Liabilities					
Financial Liabilities	1.431.200.954	1.582.556.892	1.247.312.368	238.486.499	96.758.025
Liabilities from Leasing Transactions	85.392.750	85.392.750	9.808.211	29.424.634	46.159.905
Trade and Other Liabilities	2.024.413.357	2.103.112.264	2.103.112.264	-	-
Total	**3.541.007.061**	**3.771.061.906**	**3.360.232.843**	**267.911.133**	**142.917.930**

Contract-Based Maturities as of December 31, 2025	**Book Value**	**Contracted Cashflow (I+II+III)**	**< 6 Months (I)**	**6 - 12 Months (II)**	**> 1 Year (III)**
Derivative Instruments and Non-Derivative Financial Liabilities					
Financial Liabilities	1.545.786.981	1.803.827.001	1.359.578.928	256.476.648	187.771.424
Liabilities from Leasing Transactions	16.370.217	16.370.217	3.993.572	11.980.717	395.929
Trade and Other Liabilities	1.730.150.527	1.801.920.554	1.801.920.555	--	--
Toplam Finansal Yükümlülükler	**3.292.307.725**	**3.622.117.772**	**3.165.493.055**	**268.457.365**	**188.167.353**

Market Risk Management

Due to the nature of its operations, the Group is exposed to financial risks related to changes in exchange rates. Market risks encountered at the Group level are measured based on sensitivity analyses. During the current period, there were no changes compared to the previous period in the market risks to which the Group was exposed, in the methods used to address these risks, or in the methods used to measure them.

Convenience Translation

24. Nature and Level of Risks Arising from Financial Instruments *(continued)*

Foreign Exchange Rate Risk

Transactions denominated in foreign currencies give rise to exchange rate risk. The Group uses derivative financial instruments to hedge against exchange rate risk arising from the cash flows of its operations and financing agreements. The currency breakdown of the Group's monetary assets and liabilities denominated in foreign currencies is as follows:

	June 30, 2026			
	Equivalent in TL (functional currency)	**US Dollar**	**Euro**	**Chinese Yuan**
1. Trade Receivables	326.370.088	3.544.522	3.038.978	--
2a. Monetary Financial Assets	14.378.975	137.768	150.005	96
2b. Non-Monetary Financial Assets	--	--	--	--
3. Other	--	--	--	--
4. Current Assets	**340.749.063**	**3.682.290**	**3.188.982**	**96**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets	**--**	**--**	**--**	**--**
9. Total Assets	**340.749.063**	**3.682.290**	**3.188.982**	**96**
10. Trade Payables	245.917.426	5.151.993	34.777	638,941
11. Financial Liabilities	29.661.210	161.852	287.804	1,004,522
12a. Other Monetary Liabilities	--	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--
13. Current Liabilities	**275.578.636**	**5.313.845**	**322.581**	**1.643.463**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--
17. Non-Current Liabilities	**--**	**--**	**--**	**--**
18. Total Liabilities	**275.578.636**	**5.313.845**	**322.581**	**1.643.463**
19. Net Asset and Liability Position of Off-Balance-Sheet Derivative Instruments (19a-19b)	--	--	--	--
19a. Amount of Off-Balance-Sheet Foreign Currency Derivatives Classified as Assets	--	--	--	--
19b. Amount of Off-Balance-Sheet Foreign Currency Derivatives Classified as Liabilities			--	--
20. Net Foreign Currency Asset and Liability Position	**65.170.427**	**(1.631.555)**	**2.866.401**	**(1.643.367)**
21. Net Foreign Currency Asset/Liability Position for Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**65.170.427**	**(1.631.555)**	**2.866.401**	**(1.643.367)**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging (*)	--	--	--	--
23. Amount of the Hedged Portion of Foreign Currency Assets	--	--	--	--
24. Amount of the Hedged Portion of Foreign Currency Liabilities	--	--	--	--

Convenience translation

24. Nature and Level of Risks Arising from Financial Instruments (continued)

Foreign Exchange Rate Risk (continued)

	December 31, 2025			
	Equivalent in TL (functional currency)	**US Dollar**	**Euro**	**Chinese Yuan**
1. Trade Receivables	389.727.173	4.089.693	4.250.147	--
2a. Monetary Financial Assets	99.177	1.682	2	4.421
2b. Non-Monetary Financial Assets	--	--	--	--
3. Other	--	--	--	--
4. Current Assets	**389.826.350**	**4.091.376**	**4.250.149**	**4.421**
5. Trade Receivables	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets	**--**	**--**	**--**	**--**
9. Total Assets	**389.826.350**	**4.091.376**	**4.250.149**	**4.421**
10. Trade Payables	224.256.101	3.853.631	415.683	6.305.384
11. Financial Liabilities	54.441.811	200.918	378.320	4.385.676
12a. Other Monetary Liabilities	--	--	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--
13. Current Liabilities	**278.697.912**	**4.054.549**	**794.003**	**10.691.060**
14. Trade Payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other Monetary Liabilities	--	--	--	--
16b. Other Non-Monetary Liabilities	--	--	--	--
17. Non-Current Liabilities	**--**	**--**	**--**	**--**
18. Total Liabilities	**278.697.912**	**4.054.549**	**794.003**	**10.691.060**
19. Net Asset and Liability Position of Off-Balance-Sheet Derivative Instruments (19a-19b)	--	--	--	--
19a. Amount of Off-Balance-Sheet Foreign Currency Derivatives Classified as Assets	--	--	--	--
19b. Amount of Off-Balance-Sheet Foreign Currency Derivatives Classified as Liabilities	--	--	--	--
20. Net Foreign Currency Asset and Liability Position	**111.128.438**	**36.827**	**3.456.146**	**(10.686.639)**
21. Net Foreign Currency Asset/Liability Position for Monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	**111.128.438**	**36.827**	**3.456.146**	**(10.686.639)**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging (*)	--	--	--	--
23. Amount of the Hedged Portion of Foreign Currency Assets	--	--	--	--
24. Amount of the Hedged Portion of Foreign Currency Liabilities	--	--	--	--

Convenience Translation

24. Nature and Level of Risks Arising from Financial Instruments (continued)

Interest rate risk

Changes in market interest rates cause fluctuations in the prices of financial instruments, creating a need for the Group to manage its interest rate risk. The Group's sensitivity to interest rate risk is related to the mismatch in the maturities of its assets and liabilities.

As of June 30, 2026, and December 31, 2025, the Group's interest rate position is as follows:

Interest Rate Position Table

	June 30, 2026	**December 31, 2025**
Fixed-Rate Financial Instruments		
Financial Assets	34.313.529	177.979.288
Financial Liabilities	1.377.138.643	1.215.811.593
Variable-Rate Financial Instruments		
Financial Liabilities	139.455.061	346.345.605

Convenience Translation

25. Financial Instruments

The Group has calculated the fair values of financial instruments using available current market information and appropriate valuation methods. However, since judgment is required to determine fair value, fair value measurements may not reflect the values that could arise under current market conditions. Group management has determined that the fair values of financial assets and liabilities—including cash and receivables from banks, other financial assets, and short-term financial liabilities—which are carried at amortized cost using the effective interest method, are close to their carrying amounts, given their short-term nature and the likelihood that any potential losses would be immaterial. It is assumed that the carrying amounts of short-term loans and liabilities arising from short-term lease transactions reflect their fair value due to their short maturities.

June 30, 2026	**Financial Assets Measured at Amortized Cost**	**Financial Instruments at Fair Value Through Profit or Loss**	**Financial Liabilities Measured at Amortized Cost**	**Recorded Value**	**Fair Value**	**Notes**
Financial Assets						
Cash and Cash Equivalents	116.122.540	--	--	116.122.540	116.122.540	3
Trade Receivables	1.264.214.092	--	--	1.264.214.092	1.264.214.092	5
Other Receivables	6.195.015	--	--	6.195.015	6.195.015	6
Financial Liabilities						
Financial Liabilities		--	1.516.593.704	1.516.593.704	1.516.593.704	4
Trade Payables	--	--	2.024.354.283	2.024.354.283	2.024.354.283	5
Other Payables	--	--	59.074	59.074	59.074	6

Convenience Translation

25. Financial Instruments (Continued*)*

December 31, 2025	Financial Assets Measured at Amortized Cost	Financial Instruments at Fair Value Through Profit or Loss	Financial Liabilities Measured at Amortized Cost	Recorded Value	Fair Value	Notes
Financial Assets						
Cash and Cash Equivalents	198.548.082	--	--	198.548.082	198.548.082	3
Trade Receivables	1.268.682.151	--	--	1.268.682.151	1.268.682.151	5
Other Receivables	6.494.566	--	--	6.494.566	6.494.566	6
Financial Liabilities						
Financial Liabilities	--	--	1.562.157.198	1.562.157.198	1.562.157.198	4
Trade Payables	--	--	1.729.957.141	1.729.957.141	1.729.957.141	5
Other Payables	--	--	193.386	193.386	193.386	6

Convenience Translation

25. Financial Instruments *(continued)*

Classification Based on Measurement at Fair Value

The Group classifies financial instruments for measurement at fair value into three levels based on the source of the financial instruments, as follows:

1 st tier: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

2 nde tier: Data other than the quoted prices in the first tier that are observable for assets or liabilities, either directly (through prices) or indirectly (by being derived from prices).

3rd tier: Data regarding assets or liabilities that are not based on observable market data (unobservable data).

The Group reports its investment property at cost, net of depreciation and any impairment losses, if any. The Group's management conducted valuation studies of the Group's investment property as of June 30, 2026. The comparable sales analysis method was used as the valuation method.

26. Subsequent Events

Pursuant to the Board of Directors' resolution dated July 29, 2025, the Group has submitted an application to banks participating in the Financial Restructuring (FYY) framework for the purpose of restructuring its existing loans. In order to protect the confidentiality of the negotiation processes and the Group's legitimate interests, the decision regarding this application was deferred from public disclosure in accordance with Article 6 of the Capital Markets Board's Communiqué on Special Circumstances (No. II-15.1) and was subsequently disclosed on the Public Disclosure Platform on August 22, 2025. The application process is ongoing.

As of July 6, 2026, the Group has arranged for the payment in installments of its SGK debts for which the statutory payment period had expired, pursuant to Article 48 of Law No. 6183. The first installment of the debt, totaling 9,328,486.63 TL including late payment interest, was paid on July 6, 2026, as part of a 72-month payment plan.

At its meeting held on July 8, 2026, the Group resolved, within the registered capital ceiling of 2,000,000,000 TL, to increase its issued capital by 600,000,000 TL—comprising shares with a par value of 1 TL each—by completely restricting the preemptive rights of existing shareholders, contributed by Group shareholders Talip Murat Kolbaşı in the amount of 61,290,109.16 TL, Ali Osman Kolbaşı in the amount of 51,842,540.52 TL, Aliye Kolbaşı in the amount of 24,849,487.27 TL, and Yasemin Rezan Kolbaşı in the amount of 43,109,493.88 TL, 43,109,493.88 TL by Zeynep Figen Peker, and 15,798,875.29 TL by Rengin Yağan—all to be covered by the capital advance contributed in cash to the Group—with a total sales amount of 240,000,000 TL, in accordance with the "Procedures and Principles Regarding Wholesale Buying and Selling Transactions," the nominal capital amount shall be increased by an amount equal to the nominal capital calculated based on the share sale price (which shall not be lower than the base price or the nominal value).

On July 9, 2026, the sale to qualified investors of the financing bond with ISIN code TRFAZEV82629 was completed.

On July 10, 2026, the coupon and redemption payments for the financing bond with ISIN code TRFAZEV72612 were made.

Convenience Translation

26. Subsequent Events (Continued)

On July 20, 2026, the coupon and redemption payments for the financing bond with ISIN code TRFAZEV72620 were made.

On April 20, 2026, in line with its strategic growth objectives and its strategy to expand brand value across different product categories, the Group took a new step aimed at increasing the Arzum brand's presence in areas beyond electric home appliances. In this context, the Group has signed a non-binding Memorandum of Understanding (MoU) with Izmir-based Ülkü Grup Tekstil A.Ş. to develop cooperation regarding the licensing, production, and domestic and international sales and distribution of the Arzum brand in the categories of furniture, home textiles, and various home products. This collaboration aims to extend Arzum's expertise in technology and design to other areas of the home and to strengthen the global reach of our brand. Discussions between the parties are ongoing.

Convenience Translation