

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS PREPARED AS OF SEPTEMBER 30, 2025
AND
EXPLANATORY NOTES

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KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**FINANCIAL STATEMENT (BALANCE SHEET) AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

	Note	Current Period 30.09.2025 TRY	Prior Period 31.12.2024 TRY
ASSETS		12.863.129.143	10.579.206.162
Current Assets		11.441.007.234	9.068.094.710
Cash and Cash Equivalents	51	320.067.331	311.944.217
Financial Investments	43	3.232.511	3.580.558
Trade Receivables	7	1.930.731.040	1.382.764.279
- Trade Receivables from Non-Related Parties	7	1.930.731.040	1.382.764.279
Other Receivables	6	7.149.581	7.810.597
- Other Receivables from Related Parties	6	365.385	--
- Other Receivables from Non-Related Parties	9	6.784.196	7.810.597
Inventories	10	6.895.520.191	5.887.562.572
Prepaid Expenses	11	2.225.669.271	1.390.490.785
- Prepaid Expenses to Non-Related Parties	11	2.225.669.271	1.390.490.785
Current Tax Assets	37	587.989	743.430
Other Current Assets	27	58.049.320	83.198.272
Subtotal		11.441.007.234	9.068.094.710
Total Current Assets		11.441.007.234	9.068.094.710
Non-Current Assets		1.422.121.909	1.511.111.452
Other Receivables	9	84.319	130.848
- Other Receivables from Non-Related Parties	9	84.319	130.848
Investment Property	12	89.951.829	123.792.732
Property, Plant and Equipment	13	1.180.011.342	1.295.575.211
Intangible Assets	16	53.870.639	86.560.368
-Other Intangible Assets	16	53.870.639	86.560.368
Prepaid Expenses	11	97.874.379	4.729.540
- Prepaid Expenses to Non-Related Parties	11	97.874.379	4.729.540
Deferred Tax Asset	37	329.401	322.753
Total Non-Current Assets		1.422.121.909	1.511.111.452
TOTAL ASSETS		12.863.129.143	10.579.206.162

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

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**FINANCIAL STATEMENT (BALANCE SHEET) AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

		Current Period 30.09.2025 TRY	Prior Period 31.12.2024 TRY
SOURCES			
		12.863.129.143	10.579.206.162
Short-Term Liabilities			
		3.849.582.671	2.767.760.047
Short-Term Borrowings	43	932.422.996	321.189.922
- Short-Term Borrowings from Non-Related Parties	43	932.422.996	321.189.922
Current Portion of Long-Term Borrowings	43	246.108.312	485.181.692
- Current Portion of Long-Term Borrowings from Non-Related Parties	43	246.108.312	485.181.692
Trade Payables	7	516.737.851	319.141.365
- Trade Payables to Non-Related Parties	7	516.737.851	319.141.365
Employee Benefits Liabilities	26	53.118.976	55.476.859
Other Payables	9	36.420.234	20.535.954
- Other Payables to Related Parties	9	--	296.679
- Other Payables to Non-Related Parties	9	36.420.234	20.239.276
Deferred Revenue	11	2.026.639.892	1.544.533.214
- Deferred Revenue from Non-Related Parties	11	2.026.639.892	1.544.533.214
Current Tax Liability	37	9.274.985	516.800
Short-Term Provisions	24	28.859.425	21.184.240
- Short-Term Provisions for Employee Benefits	24	14.281.490	10.673.608
- Other Current Provisions	24	14.577.935	10.510.632
Subtotal		3.849.582.671	2.767.760.047
Total Current Liabilities		3.849.582.671	2.767.760.047
Non-Current Liabilities			
		810.124.911	887.960.389
Long-Term Borrowings	43	469.098.599	679.196.220
- Long-Term Borrowings from Unrelated Parties	43	469.098.599	679.196.220
Long-Term Provisions	24	35.647.518	35.056.471
- Long-Term Provisions for Employee Benefits	24	35.647.518	35.056.471
Deferred Tax Liability	37	305.378.794	173.707.698
Total Non-Current Liabilities		810.124.911	887.960.389
EQUITY			
		8.203.421.561	6.923.485.726
Equity Attributable to Owners of the Parent			
		8.203.572.550	6.923.464.226
Paid-in Capital	28	2.153.250.000	1.076.625.000
Capital Adjustment Differences	28	4.421.923.631	4.364.479.552
Share Premiums/Discounts	28	25.090.829	17.573.743
Accumulated Other Comprehensive Income (Expenses) Not to be Reclassified to Profit or Loss	28	596.260.514	802.713.904
- Revaluation and Remeasurement Gains (Losses)	28	596.260.514	802.713.904
- Property, Plant and Equipment Revaluation Increases (Decreases)	28	581.145.079	783.754.677
- Defined Benefit Plans Remeasurement Gains (Losses)	28	15.115.435	18.959.228
Restricted Reserves Allocated from Profit	28	85.675.227	85.161.282
Other Reserves	28	--	156.475.631
Retained Earnings/(Accumulated Losses)	28	393.615.991	(146.777.751)
Net Profit/(Loss) for the Period	28	527.756.358	567.212.866
Non-Controlling Interests		(150.989)	21.500
Total Equity		8.203.421.561	6.923.485.726
TOTAL LIABILITIES AND EQUITY		12.863.129.143	10.579.206.162

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

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

		Current Period 1.01.2025 30.09.2025	Prior Period 1.01.2024 30.09.2024	Prior Period 1.07.2025 30.09.2025	Prior Period 1.07.2024 30.09.2024
	Note	TRY	TRY	TRY	TRY
Revenue	29	1.755.644.366	1.370.483.274	588.727.473	177.316.628
Cost of Sales (-)	29	(1.005.117.595)	(828.563.958)	(376.966.625)	(80.193.656)
GROSS PROFIT (LOSS) FROM COMMERCIAL ACTIVITIES		750.526.771	541.919.316	211.760.847	97.122.972
GROSS PROFIT (LOSS)		750.526.771	541.919.316	211.760.847	97.122.972
General Administrative Expenses (-)	31	(143.841.546)	(103.961.199)	(46.760.600)	(31.913.018)
Marketing Expenses (-)	31	(161.431.509)	(163.801.828)	(76.449.367)	(33.698.055)
Research and Development Expenses (-)	31	(64.071.565)	(50.139.787)	(25.941.165)	40.102.578
Other Income from Operating Activities	32	569.707.297	449.467.700	143.819.791	103.795.911
Other Expenses from Operating Activities (-)	32	(256.886.184)	(189.423.271)	(31.859.440)	(20.363.017)
OPERATING PROFIT (LOSS)		694.003.264	484.060.931	174.570.066	155.047.370
Income from Investment Activities	33	90.548.656	163.054.765	(2.278.794)	(4.220.713)
Expenses from Investment Activities	33	(27.601.582)	--	2.071.328	--
Impairment Gains (Losses) and Reversals of Impairment Losses Determined in Accordance with IFRS 9	33	(7.651.811)	(5.302.965)	(13.489.569)	(4.307.306)
OPERATING PROFIT (LOSS) BEFORE FINANCE INCOME (COSTS)		749.298.527	641.812.731	160.873.031	146.519.352
Finance Income	34	86.366.950	11.017.530	13.905.062	1.751.241
Finance Costs (-)	34	(315.704.780)	(403.030.595)	(106.283.160)	(158.054.784)
Net Monetary Position Gains (Losses)	34	226.441.513	967.172.575	108.074.677	801.003.255
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		746.402.210	1.216.972.241	176.569.610	791.219.064
Tax (Expense) Income from Continuing Operations		(218.796.841)	(890.724.598)	(114.842.553)	(676.417.910)
-Current Tax (Expense) Income	37	(51.980.341)	(7.697.172)	(8.821.303)	(5.956.101)
-Deferred Tax (Expense) Income	37	(166.816.500)	(883.027.426)	(106.021.250)	(670.461.809)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		527.605.369	326.247.643	61.727.057	114.801.154
PROFIT (LOSS) FOR THE PERIOD		527.605.369	326.247.643	61.727.057	114.801.154
Allocation of Profit (Loss) for the Period		527.605.369	326.247.643	61.727.057	114.801.154
-Non-controlling Interests		(150.989)	36.180	(36.207)	574.235
-Equity Holders of the Parent		527.756.358	326.211.463	61.763.265	114.226.919
Earnings (Loss) Per Share	38	0,25	0,30	0,06	0,11
-Earnings (Loss) Per Share from Continuing Operations	38	0,25	0,30	0,06	0,11
Diluted Earnings (Loss) Per Share	38	0,25	0,30	0,06	0,11
-Diluted Earnings (Loss) Per Share from Continuing Operations	38	0,25	0,30	0,06	0,11
PROFIT (LOSS) FOR THE PERIOD		527.605.369	326.247.643	61.727.057	114.801.154
TOTAL COMPREHENSIVE INCOME (EXPENSE)		527.605.369	326.247.643	61.727.057	114.801.154
Allocation of Total Comprehensive Income					
-Non-controlling Interests		(150.989)	36.180	(36.207)	574.235
-Parent Company Shares		527.756.358	326.211.463	61.763.265	114.226.919

The accompanying notes form an integral part of these financial statements

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS FROM JANUARY 1 TO SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the TRY as of September 30, 2025, unless otherwise stated.)

	Note	Paid-in Capital	Capital Adjustment Differences	Share Issue Premiums / Discounts	Revaluation and Remeasurement Gains / Losses		Accumulated Profit						Total Equity	
					Property, Plant and Equipment Revaluation Increases/Decreases	Defined Benefit Plans Remeasurement Gains/Losses	Restricted Reserves Allocated from Profit	Other Reserves	Earnings/(Accumulated Losses)	Retained Profit/(Loss) for the Period	Equity Attributable to Owners of the Parent	Non-Controlling Interests		
CURRENT PERIOD														
Balances as of 01.01.2025 (beginning of the period)		1.076.625.000	4.364.479.552	17.573.743	783.754.677	18.959.228	85.161.282	156.475.631		(146.777.751)	567.212.866	6.923.464.226	21.500	6.923.485.726
Amount After Adjustments		1.076.625.000	4.364.479.552	17.573.743	783.754.677	18.959.228	85.161.282	156.475.631		(146.777.751)	567.212.866	6.923.464.226	21.500	6.923.485.726
Transfers		--	57.444.079	--	--	--	513.945	--		540.393.742	(567.212.866)	31.138.901	--	31.138.901
Total Comprehensive Income (Expense)		--	--	--	(202.609.598)	(3.843.793)	--	--		--	527.756.358	321.302.967	--	321.302.967
-Profit (Loss) for the Period		--	--	--	--	--	--	--		--	527.756.358	527.756.358	--	527.756.358
-Other Comprehensive Income (Expense)		--	--	--	(202.609.598)	(3.843.793)	--	--		--	--	(206.453.390)	--	(206.453.390)
Capital Increase		1.076.625.000	--	--	--	--	--	--		--	--	1.076.625.000	--	1.076.625.000
Increase (Decrease) Due to Share-Based Transactions		--	--	7.517.086	--	--	--	--		--	--	7.517.086	--	7.517.086
Transactions with Non-Controlling Interests		--	--	--	--	--	--	--		--	--	--	(172.489)	(172.489)
Increase (Decrease) Due to Other Changes		--	--	--	--	--	--	(156.475.631)		--	--	(156.475.631)	--	(156.475.631)
Balances as of 30.09.2025 (period end)		2.153.250.000	4.421.923.631	25.090.829	581.145.079	15.115.435	85.675.227	--		393.615.991	527.756.358	8.203.572.550	(150.989)	8.203.421.561

	Note	Paid-in Capital	Capital Adjustment Differences	Share Issue Premium / Discounts	Revaluation and Remeasurement Gains / Losses		Accumulated Profit						Total Equity	
					Property, Plant and Equipment Revaluation Increases/Decreases	Defined Benefit Plan Remeasurement Gains/Losses	Restricted Reserves Allocated from Profit	Other Reserves	Earnings/(Accumulated Losses)	Retained Profit/(Loss) for the Period	Equity Attributable to Owners of the Parent	Non-Controlling Interests		
PRIOR PERIOD														
Balances as of 01.01.2024 (beginning of period)		1.076.625.000	4.137.664.753	29.207.530	609.389.172	18.788.363	77.543.753	--		97.661.582	(363.466.859)	5.683.413.294	162.876	5.683.576.170
Amount After Adjustments		1.076.625.000	4.137.664.753	29.207.530	609.389.172	18.788.363	77.543.753	--		97.661.582	(363.466.859)	5.683.413.294	162.876	5.683.576.170
Transfers		--	226.814.808	--	--	--	242.853	--		(363.466.859)	363.466.859	227.057.662	--	227.057.662
Total Comprehensive Income (Expense)		--	--	--	(274.011.942)	(4.931.344)	--	--		--	326.211.463	47.268.177	--	47.268.177
-Profit (Loss) for the Period		--	--	--	--	--	--	--		--	326.211.463	326.211.463	--	326.211.463
-Other Comprehensive Income (Expense)		--	--	--	(274.011.942)	(4.931.344)	--	--		--	--	(278.943.286)	--	(278.943.286)
Increase (Decrease) Due to Share-Based Transactions		--	--	(11.633.788)	--	--	--	--		--	--	(11.633.788)	--	(11.633.788)
Increase (Decrease) Due to Other Changes		--	--	--	--	--	--	--		--	--	--	(126.696)	(126.696)
Balances as of 30.09.2024 (period end)		1.076.625.000	4.364.479.561	17.573.742	335.377.230	13.857.019	77.786.606	--		(265.805.277)	326.211.463	5.946.105.345	36.180	5.946.141.525

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

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

		Current Period 1.01.2025 30.09.2025	Prior Period 1.01.2024 30.09.2024
	Note	TRY	TRY
A. CASH FLOWS FROM OPERATING ACTIVITIES		(1.032.216.830)	164.263.755
Profit/loss for the period (+/-)		527.756.358	326.211.463
-Profit (Loss) from Continuing Operations for the Period		527.756.358	326.211.463
Adjustments for reconciliation of profit/loss for the period		207.452.266	270.434.696
Adjustments for depreciation and amortization expense	13,16	73.352.384	87.137.017
Adjustments for impairment/reversal of impairment (+/-)	7	5.186.295	740.462
-Adjustments for Impairment (Reversal) of Receivables	7	5.186.295	740.462
Adjustments for provisions (+/-)	24	13.722.746	(13.497.155)
-Adjustments for Provisions (Reversal) for Employee Benefits	24	355.137	(10.154.681)
-Adjustments for Other Provisions (Reversals)	24	13.367.609	(3.342.474)
Adjustments for interest income and expenses (+/-)	34	35.169.225	132.926.200
-Adjustments for Interest Income	34	(27.770.696)	(4.370.104)
-Adjustments for Interest Expenses	34	74.659.228	113.717.380
-Deferred Finance Costs Arising from Term Purchases	34	12.281.400	31.927.691
-Unearned Finance Income Arising from Term Sales	34	(24.000.707)	(8.348.766)
Adjustments for Tax (Income) Expense	37	140.422.633	225.250.348
Adjustments for Losses (Gains) from Disposal of Non-Current Assets	12,13,16	(60.401.016)	(162.122.176)
-Adjustments for Losses (Gains) from Disposal of Property, Plant and Equipment	13	(88.002.598)	(162.122.176)
-Adjustments for Losses (Gains) from Disposal of Investment Properties	12	27.601.582	--
Changes in Working Capital		(1.746.392.291)	(419.677.927)
Decrease (Increase) in Financial Investments	43	348.047	1.037.675
Adjustments for Decrease (Increase) in Trade Receivables	6,7	(565.434.456)	(12.154.290)
-Decrease (Increase) in Trade Receivables from Unrelated Parties	7	(565.434.456)	(12.154.290)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations	6	707.545	146.322.078
-Decrease (Increase) in Other Receivables from Related Parties	6	(365.385)	--
-Decrease (Increase) in Other Receivables from Non-Related Parties	6	1.072.930	146.322.078
Adjustments Related to Decrease (Increase) in Inventories	10	(1.007.957.619)	(242.441.302)
Decrease (Increase) in Prepaid Expenses	11	(928.323.325)	108.558.475
Adjustments Related to Increase (Decrease) in Trade Payables	6,7	221.597.193	(242.637.501)
-Decrease (Increase) in Trade Payables to Non-Related Parties	7	221.597.193	(242.637.501)
Increase (Decrease) in Employee Benefits Liabilities	26	9.530.414	36.402.027
Adjustments Related to Increase (Decrease) in Other Payables from Operations	9	15.884.280	116.814.797
-Increase (Decrease) in Other Payables from Operations to Related Parties	6	(296.679)	112.145.724
-Increase (Decrease) in Other Payables from Operations to Non-Related Parties	9	16.180.958	4.669.073
Increase (Decrease) in Deferred Revenue (Excluding Liabilities Arising from Customer Contracts)	11	482.106.678	(380.399.131)
Adjustments Related to Other Increase (Decrease) in Working Capital	28	25.148.952	48.819.245
-Decrease (Increase) in Other Operating Assets	28	25.148.952	43.523.142
-Increase (Decrease) in Other Operating Liabilities	28	--	5.296.103
Net cash flow from operating activities (+/-)		(1.011.183.668)	176.968.233
Payments Related to Provisions for Employee Benefits	26	(11.888.297)	(12.532.166)
Payments Related to Other Provisions	24	(9.300.306)	(329.449)
Tax Refunds (Payments)	37	155.441	157.137
B. CASH FLOWS FROM INVESTING ACTIVITIES		119.503.052	133.137.374
Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets	13,16	116.872.601	731.255.478
-Cash Inflows from Sale of Property, Plant and Equipment	13	116.872.601	547.475.621
-Cash Inflows from Sale of Intangible Assets	16	--	183.779.857
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets	13,16	(31.210.452)	(598.118.104)
-Cash Outflows from Purchase of Property, Plant and Equipment	13	(21.027.424)	(521.590.408)
-Cash Outflows from Purchase of Intangible Assets	16	(10.183.028)	(76.527.696)
Cash Inflows from Sale of Investment Property	12	33.840.903	--
C. CASH FLOWS FROM FINANCING ACTIVITIES		1.199.143.139	(675.948.393)
Cash Inflows from Issuance of Shares and Other Equity Instruments	38	1.084.142.086	(11.633.788)
-Cash Inflows from Issuance of Shares	38	1.084.142.086	(11.633.788)
Cash Inflows (Outflows) from Business Combinations under Common Control	38	(172.489)	(126.696)
Cash Inflows from Borrowings	43	822.510.887	277.420.317
-Cash Inflows from Loans	43	822.510.887	277.420.317
Cash Outflows Related to Debt Repayments	43	(660.448.814)	(832.260.950)
-Cash Outflows Related to Loan Repayments	43	(660.448.814)	(832.260.950)
Interest Paid	43	(74.659.228)	(113.717.380)
Interest Received	43	27.770.696	4.370.104
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		286.429.361	(378.547.265)
D. Monetary gain or loss on cash and cash equivalents		(278.306.247)	330.738.835
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		8.123.114	(47.808.430)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		311.944.217	67.647.786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)		320.067.331	19.839.357

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY

Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret Anonim Şirketi was established in 1985 in Izmir, Turkey. The Group's address and main place of business are Çiğli, Izmir. The Group's activities include painting vehicle-mounted equipment, welding vehicle-mounted equipment, manufacturing vehicle-mounted equipment – fire trucks, garbage trucks, vacuum trucks, sewer cleaning vehicles, environmental vehicles, transport vehicles, vehicles for the defense industry, and vehicle-mounted equipment for the construction sector.

The Group's headquarters address, trade registry record, tax office, tax identification number, and communication tools are provided below.

Headquarters Address	Atatürk Organize Sanayi Bölgesi 10032 Sokak No:10 Çiğli / İZMİR
Year of Establishment	1985
Commercial Registry Number	64547 K-316
Tax Office	Hasan Tahsin Tax Office
Tax Number	5280042510
Phone	0 232 376 75 75
Website	www.katmerciler.com.tr

Branches;

1. Malıköy Mah. 23.Cad.No:3 Başkent OSB Sincan / ANKARA Production Facility
2. Kızılırmak Mah. 1445 Sok. No: 2b/82 The Paragon Business Center Çukurambar – Çankaya / ANKARA
3. Küçükbakkalköy Mah. Küçük Setli Sk. Denge Panorama Plaza 2015 No:5 D:23 K:6 Ataşehir / İSTANBUL
4. Mahalle 213 No:27 Ev No: 15 Baghdad/IRAQ
5. Malıköy Mah. 22.Cad. No:9 Başkent OSB Sincan / ANKARA Production Facility 2

The Company's shares were offered to the public in 2010, and as of September 30, 2025, 79,85% are traded on Borsa İstanbul A.Ş. (BIST). (December 31, 2024: 79,85%)

As of September 30, 2025, the Group has 297 employees. (December 31, 2024: 223 people)

The Group's capital structure is presented in Note 28.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Basis of Presentation

- **Applied financial reporting standards**

The accompanying financial statements have been prepared in accordance with Turkish Accounting Standards ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and their related addenda and interpretations. The financial statements and notes are presented in accordance with the TAS taxonomy published by the POA on April 15, 2019.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

2.1) Basis of Presentation (Continued)

- **Comparative information and restatement of prior period financial statements**

The numerical data in the financial statements are presented comparatively with the prior period. When the presentation or classification of items in the financial statements changes, prior period financial statements are reclassified accordingly to ensure comparability, and disclosures are made regarding these matters.

- **Going concern assumption**

The financial statements are prepared on the basis of the continuity of the business under the assumption that the Company will benefit from its assets and fulfill its obligations in the next year and within the natural flow of its activities.

- **Consolidation**

The financial statements of the companies included in the consolidation have been prepared as of the date of the accompanying consolidated financial statements. In preparing the financial statements of subsidiaries, adjustments and reclassifications have been made to the historical cost basis of accounting to conform to the Group's accounting policies and presentation.

Subsidiaries

For the purpose of the accompanying consolidated financial statements, the subsidiaries over whose financial and operating policies the Company has control are determined as follows:

- (a) the Company has the power to exercise more than 50% of the voting rights in the companies as a result of shares owned directly and/or indirectly by the Company; or
- (b) A company is included in consolidation if, although it does not have more than 50% of the voting power, it has the power and authority to control the financial and operating policies for the benefit of the company through the exercise of actual control over the financial and operating policies.

Control power is the power to govern the financial and operating policies of an entity so as to obtain benefits from its involvement in the financial and operating policies of the entity, either directly or indirectly. The financial statements of subsidiaries are included in the scope of consolidation from the date on which management control commences until the date on which control ceases.

	30.09.2025 Share Ratio (%)	31.12.2024 Share Ratio (%)
Katmerciler Profil San. ve Tic. A.Ş.	100,00%	100,00%
Isipan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş.	95,67%	95,67%
Gimkat Araç Üstü Ekipman San. ve Tic. A. Ş	100,00%	100,00%

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

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

2.1) Basis of Presentation (Continued)

- **Consolidation (Continued)**

The statements of financial position and statements of comprehensive income of the companies included in the consolidation are consolidated on a line-by-line basis and the carrying amounts included in the Company's assets and liabilities are eliminated against the related shareholders' equity. Intercompany transactions and balances between consolidated entities are eliminated on consolidation.

The main shareholder of the Group is İsmail Katmerci. (Note 28).

Information regarding the Company's subsidiaries is provided below:

Subsidiaries included in full consolidation in the consolidated financial statements:

	Field of Activity	Country of Establishment
Katmerciler Profil San. ve Tic. A.Ş.	Painting	Turkey
Isıpan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş.	Welding Services	Turkey
Gimkat Araç Üstü Ekipman San. ve Tic. A. Ş	Vehicle-Mounted Equipment Manufacturing	Turkey

The Company does not have any subsidiaries whose shares are traded on any stock exchange.

- **Functional and reporting currency**

Each item in the Company's financial statements has been accounted for using the currency that is the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented using the Company's functional and reporting currency, the Turkish lira (TRY).

Restatement of consolidated financial statements in periods of high inflation

The POA issued a statement on November 23, 2023, regarding the scope and application of TAS 29. It stated that the financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after December 31, 2023, should be restated for the effects of inflation in accordance with the relevant accounting principles in TAS 29.

In this context, inflation adjustment was made in accordance with TAS 29 when preparing the financial statements as of September 30, 2024, December 31, 2024, and September 30, 2025.

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

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.1) Basis of Presentation (Continued)****Restatement of consolidated financial statements in periods of high inflation (Continued)**

TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including financial statements. In the presence of hyperinflation in an economy, TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy 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 the general purchasing power over the last three years based on the Consumer Price Index ("CPI") is over 100%, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for reporting periods ending on or after December 31, 2023.

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

Date	Index	Adjustment factor
30.09.2025	3.367,22	1,000
31.12.2024	2.684,55	1,2542
30.09.2024	2.526,16	1,3329

The main features of the TAS 29 indexation procedures are as follows:

- Using the relevant price index coefficients, all items except those shown with current purchasing power as of the balance sheet date have been indexed. Amounts from previous years have also been indexed in the same manner.
- Monetary assets and liabilities, which are expressed with the current purchasing power as of the balance sheet date, have not been subjected to indexing. Monetary items include cash and items payable or receivable in cash.
- Fixed assets, investments, and similar assets have been indexed based on their acquisition values, ensuring they do not exceed market values. Depreciation expenses have been adjusted in a similar manner. Amounts within equity have been recalculated based on the application of general price indices at the time these amounts were contributed to or arose within the company.
- All items in the income statement, except those affecting the income statement due to non-monetary items in the balance sheet, have been indexed using coefficients calculated based on the periods when income and expenses were initially reflected in the financial statements.
- The gain or loss resulting from general inflation on the net monetary position is the difference between the adjustments made to non-monetary assets, equity items, and income statement accounts. This gain or loss calculated on the net monetary position is included in the net income.

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

2.1) Basis of Presentation (Continued)

Restatement of consolidated financial statements in hyperinflationary economies (Continued)

The effect of applying TAS 29 Financial Reporting in Hyperinflationary Economies is summarized below: Reorganization of the Financial Position Statement

Amounts in the statement of financial position that are not expressed in the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated as they are expressed in the currency current at the end of the reporting period. Non-monetary items must be restated unless they are already stated at their current amounts at the end of the reporting period.

The net monetary gain or loss arising from the restatement of non-monetary items is included in profit or loss and presented separately in the statement of comprehensive income.

Reorganization of the Profit or Loss Statement

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

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

Depreciation and amortization expenses have been adjusted using the restated balances of property, plant and equipment, intangible assets, investment properties, and right-of-use assets.

Reorganization of the Cash Flow Statement

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

Comparative figures

The corresponding figures for the prior reporting period are restated by applying the general price index to present the comparative financial statements in the measuring unit current at the end of the reporting period. Information disclosed for earlier periods is also expressed in the measuring unit current at the end of the reporting period.

2.2) Statement of Compliance with TAS

The accompanying financial statements have been prepared in accordance with Turkish Accounting Standards ("TAS") and their appendices and interpretations, which have been put into effect by the Public Oversight Authority ("POA").

The financial statements and notes have been presented in accordance with the "financial statement examples and usage guide" announced by the POA with its principle decision dated June 07, 2019. The financial statements have been presented in accordance with the formats determined by the "Announcement on TAS Taxonomy" published by the POA on April 15, 2019, and the Financial Statement Examples and Usage Guide published by the CMB.

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

2.3) Amendments to Turkish Financial Reporting Standards

Amendments and interpretations effective from 2025:

- **TAS 21 (Amendments) Lack of Exchangeability**

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

The aforementioned amendment has not had a significant impact on the Group's financial position or performance.

Standards and amendments issued but not yet effective as of September 30, 2025:

- **IFRS 10 and TAS 28 (Amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The POA indefinitely postponed the effective date of these amendments to IFRS 10 and TAS 28, which were made in December 2017, to be amended based on the outcomes of its ongoing research project related to the equity method. However, early application is still permitted.

The Group will assess the effects of these changes after the aforementioned standards are finalized.

- **IFRS 17 Insurance Contracts**

In February 2019, the POA published IFRS 17, a comprehensive new accounting standard covering the recognition, measurement, presentation, and disclosure of insurance contracts. IFRS 17 introduces a model that provides for the measurement of liabilities arising from insurance contracts at their current balance sheet value and the recognition of profit over the period in which the services are provided. Certain changes in future cash flow projections and risk adjustments are also recognized over the period in which the services are provided. Entities may choose to recognize the effects of changes in discount rates in profit or loss or in other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features.

Furthermore, according to the amendments issued by the POA in December 2021, entities have a transition option for aligning classification to address potential accounting mismatches between financial assets and insurance contract liabilities included in comparative information presented when IFRS 17 is first applied.

With the announcement made by the POA, the mandatory effective date of the Standard has been postponed to annual periods beginning on or after January 1, 2026, for the following entities.

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

2.3) Amendments to Turkish Financial Reporting Standards (Continued)

- IFRS 17 (Amendments) Insurance Contracts and First-time Application of IFRS 17 and IFRS 9 Comparative Information

Amendments have been made to IFRS 17 to reduce implementation costs, facilitate the disclosure of results, and ease transition.

Additionally, the amendment regarding comparative information allows companies applying IFRS 7 and IFRS 9 for the first time simultaneously to present comparative information for their financial assets as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset previously.

The amendments will be applied when IFRS 17 is first applied.

- IFRS 18 New Financial Statement Presentation Standard

The POA issued IFRS 18 in May 2025, which replaces TAS 1. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the provision of specific totals and subtotals. IFRS 18 requires entities to present all income and expenses included in the statement of profit or loss within one of the categories: operating activities, investing activities, financing activities, or income taxes. The standard also requires the disclosure of management-defined performance measures and introduces new provisions for the aggregation or disaggregation of financial information in a manner consistent with the functions defined for the primary financial statements and notes. With the issuance of IFRS 18, certain amendments have also occurred in other financial reporting standards such as TAS 7, TAS 8, and TAS 34. IFRS 18 and related amendments will be effective for reporting periods beginning on or after January 1, 2027. However, early application is permitted. IFRS 18 will be applied retrospectively.

The effects of the said standard on the Group's financial position and performance are being evaluated.

Amendments issued by the International Accounting Standards Board (IASB) but not yet issued by the POA

The two amendments to IFRS 9 and IFRS 7 mentioned below, along with the Annual Improvements to IFRS Accounting Standards and IFRS 19, have been issued by the IASB but have not yet been adapted/issued by the POA as IFRS. Therefore, they do not form part of IFRS. The Company will make the necessary changes in its financial statements and notes after this Standard and amendments become effective in IFRS.

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

2.3) Amendments to Turkish Financial Reporting Standards (Continued)

- **IFRS 9 and IFRS 7 (Amendments)**

Classification and Measurement of Financial Instruments

IFRS Annual Improvements IFRS 9 and IFRS 7 (Amendments) IFRS 19

Contracts for Electricity Generated from Natural Resources New Subsidiaries without Public Accountability

IFRS 9 and IFRS 7 (Amendments) - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to the classification and measurement of financial instruments (related to IFRS 9 and IFRS 7). The amendment clarified that financial liabilities will be derecognized at the 'settlement date'. However, the amendment introduces an accounting policy choice to derecognize financial liabilities settled through an electronic payment system before the settlement date, provided certain conditions are met. Additionally, the amendment provides clarifying provisions on how to assess the contractual cash flow characteristics of financial assets containing Environmental, Social, and Governance (ESG)-linked or other similar contingent features, and on the application of non-callable assets and contractually linked financial instruments. Furthermore, with this amendment, additional disclosures have been added to IFRS 7 for financial assets and liabilities containing contractual provisions that refer to a contingent event (including ESG-linked ones) and for equity instruments measured at fair value through other comprehensive income.

The Group does not expect a significant impact on the financial statements.

- **Annual Improvements to IFRS Accounting Standards – 11th Amendment**

The IASB issued "Annual Improvements to IFRS Accounting Standards / 11th Amendment" in July 2024, which includes the following amendments:

Hedge accounting performed by an entity applying IFRS 1 First-time Adoption of International Financial Reporting Standards for the first time: The amendment was made to eliminate potential confusion that could arise from inconsistencies between the wording in IFRS 1 and the provisions for hedge accounting in IFRS 9.

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

2.3) Amendments to Turkish Financial Reporting Standards (Continued)

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

IFRS 7 Financial Instruments: Disclosures – Gains or losses on derecognition: IFRS 7 has been amended to change the expression of unobservable inputs and to add a reference to IFRS 13.

IFRS 9 Financial Instruments – Derecognition of a lease liability by a lessee and transaction price: IFRS 9 has been amended to clarify that when a lease liability is extinguished for a lessee, the lessee is required to apply the derecognition provisions in IFRS 9, and any resulting gain or loss is recognized in profit or loss. Additionally, IFRS 9 has been amended to remove the reference to "transaction price".

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

TAS 7 Statement of Cash Flows – Cost method: Following the removal of the term "cost method" in previous amendments, this term has been deleted from the Standard.

The Group does not expect a significant impact on the financial statements.

IFRS 9 and IFRS 7 (Amendments) – Contracts for Electricity Generated from Renewable Sources

In December 2024, the IASB issued the "Contracts for Electricity Generated from Renewable Sources" amendment (related to IFRS 9 and IFRS 7). The amendment clarifies the application of the provisions for the "own-use" exemption and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements to enable investors to understand the impact of these contracts on an entity's financial performance and cash flows.

The Group does not expect a significant impact on the financial statements.

- IFRS 19. New Subsidiaries without Public Accountability: Disclosure Standard

In May 2024, the IASB issued IFRS 19, which offers certain entities the option to provide reduced disclosures when applying the recognition, measurement, and presentation requirements in IFRSs. Unless otherwise specified, entities within the scope that choose to apply IFRS 19 will not be required to apply the disclosure requirements in other IFRSs. An entity that is a subsidiary, does not have public accountability, and has a parent (intermediate or ultimate) that prepares IFRS-compliant consolidated financial statements available to the public may choose to apply IFRS 19.

The Group does not expect a significant impact on the financial statements.

2.4) Changes in Accounting Estimates and Errors

The effect of a change in an accounting estimate is reflected in the financial statements prospectively, by being considered in the determination of net profit or loss for the current period if it affects only that period, or for both the current and future periods if it affects future periods as well. The amount of an error correction is considered retrospectively. An error is corrected by restating the comparative amounts for prior periods in which the error occurred, or by restating the accumulated profits account for the period before the next reporting period if it occurred before that period. If restating the information would result in excessive cost, comparative information for prior periods is not restated, and the accumulated profits account for the next period is restated with the cumulative effect of the error before the beginning of that period.

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

2.5) Summary of significant accounting policies

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and current accounts with banks (Note 51).

- **Financial assets**

Classification

The Group classifies its financial assets into three categories: "measured at amortized cost", "measured at fair value through other comprehensive income", and "measured at fair value through profit or loss". The classification is based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The Group makes its classification of financial assets at the date of their acquisition.

Financial assets are not reclassified after initial recognition, except when the business model used by the Group to manage financial assets changes; in the event of a change in the business model, financial assets are reclassified on the first day of the reporting period following the change.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets held within a business model whose objective is to collect contractual cash flows, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets accounted for at amortized cost include "cash and cash equivalents", "trade receivables", "other receivables", and "financial investments". These assets are measured at their fair value upon initial recognition in the financial statements and subsequently at their discounted amounts using the effective interest method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the statement of profit or loss.

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

2.5) Summary of significant accounting policies (Continued)

• **Related Parties**

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

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

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

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

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- 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. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified in (a).
- a person has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Trade receivables and impairment

Trade receivables arising from the Group's provision of goods or services to a buyer are presented net of unearned finance income ("unearned finance income from deferred sales"). Unearned finance income is calculated by discounting the amounts to be received in subsequent periods from receivables recorded at their original invoice value using the "effective interest method". The effective interest rate is the rate that discounts the estimated future cash receipts or payments over the expected life of the financial asset to the present value of the financial asset. The discounting process is performed on a "compound interest basis". The rate used in this method and determined on a compound interest basis is called the "effective interest rate". Short-term receivables without a determined interest rate are presented at their cost values if the effect of the effective interest rate is not significant (Note 7).

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.4) Summary of significant accounting policies (Continued)****• Trade receivables and impairment (Continued)**

The Group has chosen to apply the "simplified approach" in TAS 9 Standard for the impairment calculation of its trade receivables, which are accounted for at amortized cost and do not contain a significant financing component, in its financial statements.

Under the "simplified approach" of TAS 9 Standard, in cases where trade receivables are considered not to be impaired for valid reasons as regulated in TAS 9 Standard, the loss allowances for trade receivables are measured at an amount equal to "lifetime expected credit losses".

Instead of the "incurred credit loss model" in TAS 39 "Financial Instruments: Recognition and Measurement," which was effective before January 1, 2018, IFRS 9 "Financial Instruments" defines an "expected credit loss model." Expected credit losses are an estimate, weighted by past statistics, of credit losses likely to occur over the expected lives of financial instruments. In calculating expected credit losses, the Group's future-oriented forecasts are taken into account, along with past credit loss experiences.

Considering the Group's ordinary business cycle, for trade receivables whose maturity extends beyond this ordinary business cycle, the Group evaluates whether to provide an allowance for doubtful receivables by assessing situations such as whether the trade receivable is under administrative and/or legal follow-up, whether it is secured or unsecured, and whether there is an objective indicator. The amount of this allowance is the difference between the carrying amount of the receivable and the amount that can be collected. The amount that can be collected is the present value of expected cash inflows, including amounts that can be collected from collateral and guarantees, discounted using the original effective interest rate of the initially recognized receivable.

In cases where trade receivables are not impaired for specific reasons, along with incurred impairment losses, the Group recognizes an allowance for expected credit losses for trade receivables under IFRS 9, equal to lifetime expected credit losses. The calculation of the allowance for expected credit losses is made using the expected credit loss rate determined by the Group based on its past credit loss experiences and forward-looking macroeconomic indicators. Changes in expected credit loss allowances are recorded in the "Impairment Gains (Losses) and Reversals of Impairment Losses Determined in Accordance with IFRS 9" account.

Following the provision for a doubtful receivable amount, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the provision for doubtful receivables and recorded under other income from operating activities.

Trade payables

Trade payables represent obligations to pay for goods and services supplied by vendors for the Group's ordinary operations. If the expected period for payment of trade payables is one year or less (or longer but within the entity's normal operating cycle), these payables are classified as current liabilities. Otherwise, they are classified as non-current liabilities (Note 7).

Trade payables are initially recognized at their fair values and subsequently accounted for at their discounted value using the effective interest method, with an impairment allowance recognized.

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

2.5) Summary of Significant Accounting Policies (Continued)

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- İşleme ilişkili ekonomik faydaların işletmeye akışının olası olması ve
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from service rendering contracts is recognized based on the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized based on the stage of completion of the installation. The stage of completion is determined as the ratio of the time elapsed as of the statement of financial position date to the total estimated time for completion of the installation.
- Service fees included in the prices of goods sold are recognized based on the total cost of services provided for the goods sold, considering the number of services provided in previous sales of goods.
- Revenue from contracts dependent on time spent is recognized based on contract fees as working hours and direct expenses are incurred.

Revenue from construction contracts is recognized in accordance with the accounting policy detailed below.

Royalties

Revenue from royalties is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that the Group will obtain the economic benefits and the revenue can be measured reliably). Royalties determined on a time basis are recognized linearly over the contract period. Production, sales, and other measurements are recorded under the provisions determined based on the core of the royalty agreement.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)****Revenue (Continued)**Dividend and interest income

Dividend income from equity investments is recognized when the shareholders' right to receive payment is established (provided that the Group will obtain economic benefits and the amount of income can be measured reliably).

Interest income from financial assets is recognized when the Group will obtain economic benefits and the amount of income can be measured reliably. Interest income is accrued in the relevant period using the effective interest method, which discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount, based on the outstanding principal balance.

Rental income

Rental income from investment properties is accounted for on a straight-line basis over the term of the relevant lease agreement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Land and plots are not depreciated and are stated at cost less accumulated impairment losses.

Assets under construction for administrative purposes or other purposes not yet determined are stated at cost less any impairment losses. Legal fees are also included in the cost. Borrowing costs are capitalized for assets that require a substantial period of time to get ready for their intended use or sale. When the construction of these assets is completed and they are ready for use, they are classified under the relevant property, plant and equipment item. Such assets are depreciated when they are ready for use, using the same depreciation method as for other fixed assets.

Land and buildings are stated at their revalued amounts. The revalued amount is determined by deducting accumulated depreciation and accumulated impairment losses incurred after the fair value determined at the revaluation date. Revaluations are made at regular intervals such that the fair value to be determined at the statement of financial position date does not differ significantly from the carrying amount.

Depreciable assets are depreciated using the straight-line method based on their estimated economic lives. The economic life and depreciation method are reviewed regularly to ensure that the method and depreciation period are consistent with the economic benefits to be derived from the relevant asset. Depreciation periods are as follows: (Note 13)

Buildings	40-50 Years
Plant, machinery and equipment	5-15 Years
Vehicles	4-5 Years
Fixtures	3-15 Years

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

2.5) Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Assets acquired under finance leases are depreciated over their expected useful lives, similar to owned property, plant and equipment. If there is no reasonable certainty that the ownership will be obtained at the end of the finance lease term, the asset is depreciated over the shorter of its expected useful life and the lease term.

A property, plant and equipment item is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of a property, plant and equipment item or from a property, plant and equipment item being retired from active use is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the statement of profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation and are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, reflecting market conditions at the statement of financial position date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise.

Investment properties are derecognized upon disposal or when no future economic benefits are expected from their disposal or when they become permanently withdrawn from use. The gain or loss arising from the retirement or disposal of an investment property is included in the statement of profit or loss in the period in which it arises.

Transfers are made when there is a change in the use of investment properties. In a transfer from an investment property measured at fair value to an owner-occupied property, the estimated cost for subsequent accounting after the transfer is the fair value of the said property at the date of the change in use. When an owner-occupied property becomes an investment property to be measured at fair value, the entity applies the accounting policy applied to "Property, Plant and Equipment" until the date the change in use occurs.

Leases

The Group has applied the changes in accounting policies resulting from the initial application of "IFRS 16 Leases" standard, among other new standards, amendments, and interpretations effective from January 1, 2019, in accordance with the transition provisions of the relevant standard.

The changes in accounting policies arising from the said standard and the effects of the initial application of the relevant standards are as follows:

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)**The Group - as a Lessee

A contract is considered to be a lease or to contain a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses at contract inception whether a contract is, or contains, a lease. When assessing whether a contract conveys the right to control the use of an identified asset for a period of time, the Group considers the following conditions:

- There is an identified asset, explicitly or implicitly specified, that is the subject of the lease contract.
- The lessee has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use.
- The lessee has the right to direct the use of the identified asset throughout the period of use. The lessee is considered to have the right to direct the use of the identified asset in the following cases:
 - The lessee has the right to operate the asset throughout the period of use (or to direct others to operate the asset in a manner it determines) and the lessor does not have the right to change those operating instructions; or,
 - The lessee designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

If the contract meets these conditions, the Group recognizes a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

Right-of-use asset

The right-of-use asset is initially measured at cost and comprises the following:

- The amount of the initial measurement of the lease liability recognized as a right-of-use asset,
- Any lease incentives received, deducted from the initial measurement of the lease liability recognized as a right-of-use asset,
- Any direct costs incurred by the Group related to the lease, which are added to the initial measurement of the lease liability recognized as a right-of-use asset, and
- Estimated costs to be incurred by the Group for dismantling and removing the identified asset, restoring the site on which it is located, or restoring the identified asset to the condition required by the terms and conditions of the lease contract are also added to the initial measurement.

When applying the cost model, the Group measures the right-of-use asset:

- Net of accumulated depreciation and accumulated impairment losses, and
- Adjusted for any remeasurement of the lease liability. The Group applies the depreciation provisions in "TAS 16 Property, Plant and Equipment" when depreciating the right-of-use asset. It applies "TAS 36 Impairment of Assets" to determine whether the right-of-use asset has suffered impairment and to account for any impairment loss identified.

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

2.5) Summary of Significant Accounting Policies (Continued)

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. 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 lessee's incremental borrowing rate is used.

The lease payments included in the measurement of the Group's lease liability that are not paid at the commencement date comprise the following:

- Fixed payments, less any lease incentives receivable,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date,
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability as follows:

- Increases the carrying amount to reflect interest on the lease liability,
- Reduces the carrying amount to reflect the lease payments made, and
- Remeasures the carrying amount to reflect any reassessments or lease modifications. The Group recognizes the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

Extension and early termination options

Lease liabilities are determined by taking into account extension and early termination options in the contracts. The majority of extension and early termination options included in the contracts consist of options that can be jointly exercised by the Group and the lessor. However, if such extension and early termination options are at the Group's discretion according to the contract and the use of the options is reasonably certain, the lease term is determined considering this fact. If there is a significant change in conditions, the assessment is reviewed by the Group.

Practical expedients

Short-term lease contracts with a lease term of 12 months or less and leases identified by the Group as low-value are evaluated under the exception granted by IFRS 16 Leases Standard, and payments related to these contracts continue to be expensed in the period in which they arise.

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

2.5) Summary of Significant Accounting Policies (Continued)

Intangible Assets

Purchased intangible assets

Purchased intangible assets with finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives. The expected useful life and amortization method are reviewed annually to identify the potential effects of changes in estimates, and changes in estimates are accounted for prospectively. Purchased intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

Trademarks and licenses

Purchased trademarks and licenses are stated at their historical cost. Trademarks and licenses have finite useful lives and are stated at cost less accumulated amortization. Purchased trademarks and licenses are amortized using the straight-line method over their expected useful lives (15-20 years).

Computer software

Purchased computer software is capitalized at the costs incurred during its acquisition and until it is ready for use. These costs are amortized over their useful lives (10 years).

Costs associated with developing and maintaining computer software are expensed in the statement of profit or loss in the period in which they are incurred. Expenditures that are under the Group's control, identifiable, directly attributable to specific software products, and expected to provide economic benefits exceeding their cost for more than one year are recognized as intangible assets. Costs include the costs of employees developing the software and a portion of general production overheads.

Computer software development costs recognized as non-current assets are amortized over their useful lives (not exceeding 3 years).

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at their fair value at the acquisition date. Contractual customer relationships have a definite economic life and are accounted for at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated life of the customer relationships.

Intangible assets acquired through business combinations

Intangible assets acquired through a business combination and identified separately from goodwill are recognized at their fair values at the acquisition date. After initial recognition, intangible assets acquired through a business combination are stated at cost less accumulated amortization and accumulated impairment losses, similar to separately acquired intangible assets.

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

2.5) Summary of Significant Accounting Policies (Continued)

Internally generated intangible assets – research and development expenditures

Research expenditures are recognized in the statement of profit or loss in the period in which they are incurred.

Internally generated intangible assets arising from development activities (or the development phase of an internal project) are recognized only if all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- how the asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount of internally generated intangible assets is the total amount of expenditures incurred from the moment the intangible asset meets the recognition criteria stated above. When internally generated intangible assets cannot be recognized, development expenditures are expensed as incurred.

Subsequent to initial recognition, internally generated intangible assets are also presented at cost less accumulated amortization and accumulated impairment losses, similar to separately acquired intangible assets.

Derecognition of Intangible Assets

An intangible asset is derecognized from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset, if any, is calculated as the difference between the net proceeds from the disposal of the asset and its carrying amount. This difference is recognized in profit or loss when the asset is derecognized from the statement of financial position.

Impairment of Property, Plant and Equipment and Intangible Assets Other Than Goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets, if any, is estimated to determine the impairment amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets of the Company are allocated to cash-generating units if a reasonable and consistent basis of allocation can be identified. Where this is not possible, the Company's assets are allocated to the smallest cash-generating units for which a reasonable and consistent basis of allocation can be identified.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)**

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or more frequently if there is an indication of impairment. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The calculation of value in use uses a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted.

When the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognized directly in profit or loss unless the asset is carried at a revalued amount. In this case, the impairment loss is treated as a revaluation decrease.

When an impairment loss is reversed in subsequent periods, the carrying amount of the asset (or the related cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that would have been determined for the asset (or the related cash-generating unit) had no impairment loss been recognized for the asset in prior periods. Unless the asset is carried at a revalued amount, the reversal of an impairment loss is recognized directly in profit or loss. The reversal of an impairment loss for a revalued asset is treated as a revaluation increase.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of that asset until the asset is substantially ready for its intended use or sale. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Financial Instruments**Financial assets**

The Group has classified its financial assets as "financial assets at fair value through profit or loss", "held-to-maturity investments", "available-for-sale financial assets" and "loans and receivables". The classification is determined at initial recognition, depending on the purpose and nature of the financial asset. Financial assets that are bought and sold in the ordinary course of business are recognized on the trade date [settlement date]. Financial assets are measured at fair value upon initial recognition. For financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are also added to the fair value upon initial recognition.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)****Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Such financial assets, which constitute derivative instruments not designated as effective hedging instruments against financial risk, are also classified as financial assets at fair value through profit or loss. The related financial assets are stated at their fair values, and gains and losses arising from valuation are recognized in the statement of profit or loss.

Held-to-maturity investments

The Group classifies debt instruments with fixed or determinable payments and fixed maturities, for which the Group has the positive intent and ability to hold to maturity, as held-to-maturity investments. Held-to-maturity investments are recognized at amortized cost using the effective interest method, less any impairment losses, and related income is calculated using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

Equity instruments quoted on an active market and certain debt securities held by the Group are classified as available-for-sale financial assets and are stated at fair value. The Group holds unquoted equity instruments that are not traded in an active market but are classified as available-for-sale financial assets and are stated at cost because their fair value cannot be reliably measured. Gains and losses arising from changes in fair value, other than impairment losses recognized in the statement of profit or loss, interest calculated using the effective interest method, and foreign exchange gains/losses on monetary assets, are recognized in other comprehensive income and accumulated in the financial assets revaluation reserve. When an investment is derecognized or impaired, the cumulative gain/loss previously recognized in the financial assets revaluation reserve is reclassified to the statement of profit or loss.

Available-for-sale equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative instruments that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any impairment losses recognized at the end of each reporting period.

Loans and receivables

Trade and other receivables and loans with fixed or determinable payments that are not quoted in an active market are classified in this category. Loans and receivables (trade and other receivables, bank balances, cash, and others) are stated at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized using the effective interest rate method, except when the effect of discounting is not significant.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)****Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are classified in the 'Loans and Receivables' category.

Recognition and derecognition of financial assets

The Group recognizes financial assets and liabilities only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its continuing involvement in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. The Group derecognizes a financial liability only when the obligation specified in the contract is discharged or cancelled or expires.

Financial liabilities

A financial liability is measured at fair value upon initial recognition. For financial liabilities not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial liability are added to its fair value upon initial recognition. Financial liabilities are subsequently accounted for at amortized cost using the effective interest method, including interest expense calculated using the effective interest rate.

Derivative financial instruments and hedge accounting

Changes in the fair value of derivative financial instruments designated as cash flow hedges and effective in this regard are recognized directly in equity, while the ineffective portion is recognized directly in the statement of profit or loss.

When a cash flow hedge of a firm commitment or a forecasted transaction results in the recognition of an asset or a liability, the gains or losses relating to the derivative financial instruments that had previously been recognized in equity are included in the initial measurement of the asset or liability when they are initially recognized. For hedges that do not result in the recognition of an asset or a liability, amounts accumulated in equity are recognized in the statement of profit or loss in the period during which the hedged item affects profit or loss. Changes in the fair value of derivative financial instruments that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss in the period in which they arise.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)**

Hedge accounting is discontinued when the hedging instrument expires, is sold or exercised, or when it no longer meets the criteria for hedge accounting. At that date, any cumulative gain or loss on the hedging instrument recognized in equity remains in equity until the forecasted transaction is expected to occur. If the hedged transaction is no longer expected to occur, the cumulative net gain or loss in equity is transferred to profit or loss for the period.

Effects of Changes in Foreign Exchange Rates

The Group's financial statements are presented in the currency of the primary economic environment in which they operate (functional currency). The financial position and operating results of each entity are expressed in TRY, which is the Group's functional currency and the presentation currency for the financial statements.

In preparing the financial statements of each entity, transactions denominated in foreign currencies (currencies other than TRY) are recorded at the exchange rates prevailing at the dates of the transactions. Foreign currency denominated monetary assets and liabilities in the statement of financial position are translated into Turkish Liras using the exchange rates prevailing at the statement of financial position date. Non-monetary items measured at fair value that are denominated in foreign currencies are translated into TRY using the exchange rates at the date when the fair value was determined. Non-monetary items measured at historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise, except for the following cases:

- Exchange differences on foreign currency borrowings that are regarded as an adjustment to interest costs on assets under construction for future use and are included in the cost of such assets.
- Exchange differences arising from transactions undertaken to provide financial protection against foreign currency risks (accounting policies for hedging against risks are described below).
- Exchange differences arising from monetary receivables and payables from foreign operations that form part of the net investment in a foreign operation, are accounted for in the translation reserve, and are recognized in profit or loss on disposal of the net investment, where there is no intention or likelihood of settlement.

The foreign exchange rates prevailing at the statement of financial position dates are as follows:

	30.09.2025	31.12.2024
USD / TRY	41,5068	35,2233
EUR / TRY	48,7512	36,7429
GBP / TRY	55,7010	44,2458

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

2.5) Summary of Significant Accounting Policies (Continued)

Events After the Reporting Period

Events after the reporting period comprise all events between the statement of financial position date and the date when the financial statements are authorized for issue, even if they occur after the announcement of profit or loss or other selected financial information to the public.

If adjusting events after the statement of financial position date occur, the Group adjusts the amounts recognized in its financial statements to reflect those events.

Provisions, Contingent Assets and Liabilities

A provision is recognized in the financial statements when there is a present obligation 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 the best estimate of 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. When a provision is measured using the estimated cash flows required to settle the present obligation, its carrying amount is equal to 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 can be measured reliably.

Contracts that may cause damage

Present obligations arising from onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract.

Restructuring

A restructuring provision is recognized when the Group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected by the restructuring by starting to implement that plan or announcing its main features to those affected by it. The calculation of a restructuring provision relates only to the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructuring and not associated with the Group's ongoing activities.

Guarantees

Provisions for guarantee costs are recognized at the date of sale of the related products based on management's best estimate of the expenditure required to settle the Group's obligations.

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

2.5) Summary of Significant Accounting Policies (Continued)

Government Grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are financing instruments, instead of being recognized in profit or loss to net off the expenditure items they finance, should be associated with the statement of financial position (balance sheet) as unearned revenue and recognized in profit or loss on a systematic basis over the economic life of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognized in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan and the proceeds received.

Income Taxes

Since Turkish tax legislation does not permit the parent company and its subsidiaries to file a consolidated tax return, tax provisions have been calculated separately for each entity, as reflected in the accompanying financial statements.

Income tax expense comprises the sum of current tax and deferred tax expense.

Current tax

The current year's tax liability is calculated based on the taxable portion of the period's profit. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 liabilities or assets are determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and their amounts considered for legal tax base calculation, using enacted tax rates based on the balance sheet method. Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are calculated only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. These assets and liabilities are not recognized if they arise from the initial recognition of an asset or liability (other than in a business combination) in a transaction that affects neither accounting profit nor taxable profit/loss, or from goodwill.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.5) Summary of Significant Accounting Policies (Continued)**

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax for the period

Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity, along with the related item.

Employee Benefits**Employment termination benefits**

In Turkey, employment termination benefits are paid in case of retirement or dismissal, in accordance with existing laws and collective bargaining agreements. In accordance with the updated TAS 19 Employee Benefits Standard ("TAS 19"), such payments are classified as defined benefit plans.

The employment termination benefit liability recognized in the statement of financial position is calculated based on the net present value of the future obligations expected to arise from the retirement of all employees and is reflected in the financial statements. All actuarial gains and losses calculated are recognized under other comprehensive income.

Profit share and bonus payments

The Group recognizes a liability and an expense for profit share and bonuses, calculated based on a method that considers the profit attributable to the company's shareholders after certain adjustments. The Group makes provisions when there is a contractual obligation or a past practice that creates a constructive obligation.

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

2.5) Summary of Significant Accounting Policies (Continued)

Statement of Cash Flows

In the statement of cash flows, cash flows for the period are classified and reported based on operating, investing, and financing activities.

Capital and Dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded as a deduction from retained earnings in the period the dividend decision is made.

Offsetting / Netting

Financial assets and liabilities are presented on a net basis when there is a legally enforceable right to offset, an intention to settle the assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.6) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires Group management to make assumptions and estimates that affect the reported amounts of assets and liabilities, contingent liabilities and commitments as of the date of the reporting period, and the reported amounts of revenues and expenses for the reporting period. Actual results may differ from these estimates. Estimates are reviewed regularly, necessary adjustments are made, and they are reflected in the statement of profit or loss in the period in which they occur.

The primary sources of assumptions and estimates that have a significant impact on the amounts reflected in the financial statements, and that exist at the statement of financial position date or may occur in the future, are as follows:

- Employment termination benefits are determined using actuarial assumptions such as discount rates, future salary increases, and employee turnover rates. Estimates include significant uncertainties arising from these long-term plans.
- When making provisions for lawsuits, the probability of losing the lawsuits and the liabilities that would arise in case of loss are evaluated by Group management, taking into account the opinions of the Group's Legal Counsel and experts. Group management determines the amount of the lawsuit provision based on the best estimates.
- Group management has made certain significant assumptions in determining the useful lives of property, plant and equipment and intangible assets, based on the experience of technical personnel.
- Deferred tax assets and liabilities are recorded largely using the tax rates in effect for temporary differences between the carrying amounts of assets and liabilities and their tax bases. Based on available evidence, it has been assessed whether it is probable that all or a portion of deferred tax assets will be realized or not. Key factors considered include the potential for future period income, accumulated losses from prior years, tax planning strategies to be implemented if necessary, and the nature of income that can be used to realize the deferred tax asset.

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 3 – BUSINESS COMBINATIONS

None. (31.12.2024: None.)

NOTE 4 – INTERESTS IN OTHER ENTITIES

The Group's subsidiaries are detailed in Note 2.1.

Direct and indirect participations subject to the consolidated financial statements prepared as of September 30, 2025 and December 31, 2024 are as follows:

	30.09.2025		31.12.2024	
	Direct	Indirect	Direct	Indirect
Katmerciler Profil San. ve Tic. A.Ş.	100,00%	--	100,00%	--
Isipan Otomotiv ve Üst Ekipman Metal ve Makine San. ve Tic. A.Ş.	95,67%	--	95,67%	--
Gimkat Araç Üstü Ekipman San. ve Tic. A. Ş	100,00%	--	100,00%	--

NOTE 5 – SEGMENT REPORTING

The Group's field of activity, the nature and economic characteristics of its services, production processes, and methods used to classify customers by risk are similar. Furthermore, the Group's organizational structure is designed to manage a single activity rather than separate segments encompassing different activities. For these reasons, the Group's operations are considered as a single operating segment, and the Group's operating results, the determination of resources to be allocated to these activities, and the examination of the performance of these activities are evaluated within this framework.

NOTE 6 – RELATED PARTY DISCLOSURES**• Short-Term Other Receivables**

Details of the Group's short-term other receivables from related parties are as follows:

	30.09.2025	31.12.2024
KTM Gayrimenkul Yatırım Taah. Tic. A.Ş.	365.385	--
Total	365.385	--

• Short-Term Other Payables

Details of the Group's short-term other payables to related parties are as follows:

	30.09.2025	31.12.2024
KTM Gayrimenkul Yatırım Taah. Tic. A.Ş.	--	296.679
Total	--	296.679

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 6 – RELATED PARTY DISCLOSURES (Continued)

- **Purchases from Related Parties**

None. (31.12.2024: None.)

- **Sales to Related Parties**

None. (31.12.2024: None.)

- **Benefits Provided to Key Management Personnel**

Details of salaries and similar benefits provided to the Company's key management personnel are as follows:

	30.09.2025	31.12.2024
Salaries, bonuses, expenses and aid payments	10.641.656	16.842.536
Total	10.641.656	16.842.536

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

- **Short-Term Trade Receivables**

Details of the Group's short-term trade receivables are as follows:

	30.09.2025	31.12.2024
Trade receivables	1.863.385.423	1.305.708.529
Notes receivable	88.238.334	104.746.248
Doubtful trade receivables	52.801.821	52.144.500
Allowance for doubtful trade receivables (-)	(52.801.821)	(52.144.500)
Receivables discounting (-)	(2.354.711)	(14.035.989)
Expected credit losses (-)	(18.538.006)	(13.654.510)
Total	1.930.731.040	1.382.764.279

There is no collateral on the Company's trade receivables. The average maturity of receivables is 9 days. (31.12.2024: 14 days.)

The movement table of the Group's allowance for doubtful receivables is as follows:

	30.09.2025	31.12.2024
Beginning of period	(52.144.500)	(53.021.649)
Increase during the period	(5.186.295)	--
Provisions no longer required	--	877.149
Effect of inflation	4.528.974	--
End of Period	(52.801.821)	(52.144.500)

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NOTE 7 – TRADE RECEIVABLES AND PAYABLES (Continued)

- **Short-Term Trade Payables**

The detail of the Group's short-term trade payables is as follows:

	30.09.2025	31.12.2024
Suppliers	261.180.868	155.249.660
Notes payable	268.367.356	176.318.545
Rediscount on payables (-)	(12.810.373)	(12.426.840)
Total	516.737.851	319.141.365

The average maturity of payables is 29 days. (31.12.2024: 32 days.)

NOTE 8 – RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None. (31.12.2024: None.)

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

- **Short-Term Other Receivables**

The detail of the Group's short-term other receivables is as follows:

	30.09.2025	31.12.2024
Deposits and guarantees given	222.198	1.036.447
Other receivables from related parties (Note 6)	365.385	--
Other	6.561.998	6.774.150
Total	7.149.581	7.810.597

(*) The majority of the related amount consists of VAT refund receivables.

- **Long-Term Other Receivables**

The detail of the Group's long-term other receivables is as follows:

	30.09.2025	31.12.2024
Deposits and guarantees given	84.319	130.848
Total	84.319	130.848

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES (Continued)

- **Short-Term Other Payables**

The detail of the Group's short-term other payables is as follows:

	30.09.2025	31.12.2024
Other payables to related parties (Note 6)	--	296.679
Taxes and funds payable	35.954.141	18.949.506
Deposits and guarantees received	14.928	18.724
Other	451.165	1.271.046
Total	36.420.234	20.535.954

NOTE 10 – INVENTORIES

The detail of the Group's inventories is as follows:

	30.09.2025	31.12.2024
Raw materials and supplies	4.363.717.281	3.324.630.691
Semi-finished goods	2.194.118.585	2.170.347.041
Finished goods	332.333.759	382.043.033
Commercial goods	660.411	828.351
Other inventories	4.690.155	9.713.457
Total	6.895.520.191	5.887.562.572

All of the Group's inventories are covered by insurance.

NOTE 11 – PREPAID EXPENSES AND DEFERRED REVENUE

- **Current Prepaid Expenses**

The detail of the Group's current prepaid expenses is as follows:

	30.09.2025	31.12.2024
Advances given	2.181.542.015	1.380.889.633
Expenses relating to following months	42.625.247	8.033.608
Business advances	1.454.457	1.451.381
Advances given to staff	47.552	116.163
Total	2.225.669.271	1.390.490.785

- **Non-Current Prepaid Expenses**

The detail of the Group's non-current prepaid expenses is as follows:

	30.09.2025	31.12.2024
Expenses related to future years(*)	97.874.379	4.729.540
Total	97.874.379	4.729.540

(*)The related amount consists of foreign service, software expenses, car insurance and insurance expenses.

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NOTE 11 – PREPAID EXPENSES AND DEFERRED REVENUE (Continued)

- **Current Deferred Revenue**

The detail of the Group's current deferred revenue is as follows:

	30.09.2025	31.12.2024
Advances received for orders(*)	2.026.639.892	1.544.533.214
Total	2.026.639.892	1.544.533.214

(*) The related amount represents advances received for goods and services.

NOTE 12 – INVESTMENT PROPERTY

The detail of the Group's investment property is as follows:

	1.01.2024	Revaluation	31.12.2024	Disposals (-)	30.09.2025
Land and plots	62.735.938	14.773.276	77.509.214	--	77.509.214
Buildings	19.362.745	26.920.773	46.283.518	(33.840.903)	12.442.615
Total	82.098.683	41.694.048	123.792.732	(33.840.903)	89.951.829

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

The movements of the Group's property, plant and equipment are as follows:

	1.01.2024	Additions	Disposals	Revaluation	31.12.2024	Additions	Disposals	Revaluation	30.09.2025
Cost									
Land and plots	751.448.389	--	(418.039.097)	68.655.252	402.064.544	--	--	--	402.064.544
Ground and surface structures	21.987.089	--	(12.054.435)	4.865.196	14.797.850	--	(6.101.726)	--	8.696.124
Buildings	560.547.800	--	(229.774.585)	544.978.142	875.751.358	398.867	(103.590.471)	--	772.559.753
Plant, machinery and equipment	203.128.678	469.197	--	--	203.597.875	909.738	--	--	204.507.614
Vehicles	61.972.808	190.842	--	--	62.163.650	16.486.686	(7.180.404)	--	71.469.931
Fixtures	65.688.870	617.167	--	--	66.306.037	2.221.877	--	--	68.527.914
Ongoing investments	619.402	52.721	(442.453)	--	229.669	1.010.257	--	--	1.239.926
Total	1.665.393.036	1.329.927	(660.310.570)	618.498.590	1.624.910.983	21.027.424	(116.872.601)	--	1.529.065.806
Ground and surface structures	(5.872.390)	(2.793.215)	4.018.145	--	(4.647.461)	(1.306.503)	2.039.521	--	(3.914.443)
Buildings	(35.654.417)	(23.303.884)	8.592.321	--	(50.365.980)	(14.968.164)	3.536.706	--	(61.797.439)
Plant, machinery and equipment	(168.221.779)	(6.355.842)	--	--	(174.577.621)	(3.898.070)	--	--	(178.475.691)
Vehicles	(31.646.954)	(8.436.170)	--	--	(40.083.125)	(9.217.719)	5.184.707	--	(44.116.136)
Fixtures	(57.391.639)	(2.269.947)	--	--	(59.661.586)	(1.089.170)	--	--	(60.750.756)
Accumulated depreciation	(298.787.180)	(43.159.059)	12.610.466	--	(329.335.773)	(30.479.626)	10.760.934	--	(349.054.465)
Net book value	1.366.605.856				1.295.575.211				1.180.011.342

The Group has insurance coverage of TRY 719.724.103 on its property, plant and equipment. (31.12.2024: TRY 236.560.203.)

Details of depreciation expenses transferred to the statement of profit or loss are provided in Note 34. Information regarding all mortgages, restrictions, and annotations on the Group's assets is disclosed in Note 25.

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NOTE 14 – DECOMMISSIONING OF SERVICE, RIGHTS ON FUNDS FROM RESTORATION AND ENVIRONMENT REHABILITATION

None. (31.12.2024: None.)

NOTE 15 – MEMBERS' SHARES IN COOPERATIVE ENTITIES AND SIMILAR FINANCIAL INSTRUMENTS

None. (31.12.2024: None.)

NOTE 16 – INTANGIBLE ASSETS

The movements of the Group's intangible assets are as follows:

	1.01.2024	Additions	Disposals	31.12.2024	Additions	Disposals	30.09.2025
Cost							
Rights	24.810.205	115.101	--	24.925.306	969.409	--	25.894.715
Research and development expenses	230.627.101	51.750.169	--	282.377.270	9.213.619	--	291.590.889
Other intangible assets	65.891.383	--	--	65.891.383	--	--	65.891.383
Total	321.328.689	51.865.270	--	373.193.959	10.183.028	--	383.376.987
Accumulated amortization							
Rights	(23.663.196)	(437.726)	--	(24.100.921)	(290.482)	--	(24.391.404)
Research and development expenses	(149.610.584)	(52.619.521)	--	(202.230.105)	(40.539.563)	--	(242.769.668)
Other intangible assets	(56.865.593)	(3.436.971)	--	(60.302.565)	(2.042.712)	--	(62.345.277)
Total	(230.139.373)	(56.494.217)	--	(286.633.591)	(42.872.757)	--	(329.506.348)
Net book value	91.189.316			86.560.368			53.870.639

NOTE 17 – GOODWILL

None. (31.12.2024: None.)

NOTE 18 – INVESTIGATION AND EVALUATION OF MINERAL RESOURCES

None. (31.12.2024: None.)

NOTE 19 – LEASING TRANSACTIONS

None. (31.12.2024: None.)

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NOTE 20 – SERVICE CONCESSION ARRANGEMENTS

None. (31.12.2024: None.)

NOTE 21 – IMPAIRMENT OF ASSETS

Details of the Group's impaired assets are as follows:

	30.09.2025	31.12.2024
Impairment of short-term doubtful trade receivables (Note 7)	52.801.821	52.144.500
Total	52.801.821	1.682.266

NOTE 22 – GOVERNMENT GRANTS AND ASSISTANCE

In accordance with Law No. 5510, the Group submits its monthly premium and service declarations within the legal period and has no outstanding premium, administrative fine, late payment penalty, or late payment interest debt to the Social Security Institution (SSI). Therefore, the portion of the employer's share of disability, old-age, and death insurance premiums corresponding to 5 percentage points is covered by the Treasury.

NOTE 23 – BORROWING COSTS

There were no borrowing costs capitalized to the cost of assets directly related to assets during the accounting period ended September 30, 2025 (December 31, 2024: None). Borrowing costs, other than for qualifying assets, are included in the statement of profit or loss.

NOTE 24 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

- **Short-Term Provisions**

Details of the Group's short-term provisions are as follows:

	30.09.2025	31.12.2024
Unused leave liability	14.281.490	10.673.608
Total short-term provisions for employee benefits	14.281.490	10.673.608
Lawsuit provisions	11.820.224	3.160.723
Guarantee provisions	2.757.711	7.349.909
Total other short-term provisions	14.577.935	10.510.632
Total short-term provisions	28.859.425	21.184.240

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NOTE 24 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

- **Long-Term Provisions**

Details of the Group's long-term provisions are as follows:

	30.09.2025	31.12.2024
Severance pay liability	35.647.518	35.056.471
Total	35.647.518	35.056.471

In accordance with the Turkish Labor Law, the Group is obliged to pay employment termination benefits to each employee who has completed at least one year of service and retires after 25 years of employment (58 for women, 60 for men), whose employment contract is terminated, who is called for military service, or who passes away.

As of September 30, 2025, the employment termination benefits to be paid are subject to a ceiling of 46.655,43 TRY per month (December 31, 2024: 41.828 TRY).

The employment termination benefits liability is not legally subject to any funding. The provision for employment termination benefits is calculated by estimating the present value of the Company's probable future liability arising from employees' retirement. TAS 19 Employee Benefits requires the Company's liabilities to be developed using actuarial valuation methods under defined benefit plans. Accordingly, the actuarial assumptions used in calculating the total liabilities are stated below:

	30.09.2025	31.12.2024
Inflation Rate:	25,77%	25,77%
Interest Rate:	28,84%	28,84%
Discount Rate:	2,44%	2,44%

The main assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the applied discount rate represents the expected real rate after adjusting for future inflation effects. For this reason, as of September 30, 2025, the provisions in the accompanying financial statements are calculated by estimating the present value of the probable future liability arising from employees' retirement.

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

	30.09.2025	31.12.2024
Beginning of Period	35.056.471	40.601.999
Service cost	47.025.548	34.873.112
Interest cost	510.269	710.897
Employment termination benefits paid	(11.888.297)	(20.756.357)
Actuarial (gain) / loss	(27.949.125)	(7.893.042)
Impact of inflation (-)	(7.107.348)	(12.480.138)
Period End	35.647.518	35.056.471

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NOTE 25 – COMMITMENTS

- **Guarantees, Pledges, and Mortgages Received**

None. (31.12.2024: None.)

- **Guarantees, Pledges, and Mortgages Given**

The tables regarding the Group's position on guarantees, pledges, and mortgages given are as follows:

	30.09.2025	31.12.2024
Letters of guarantee given	1.413.849.594	1.007.699.889
Mortgages given	2.514.938.216	1.191.449.505
Total	3.928.787.810	2.199.149.394

Information regarding the Group's guarantee position is as follows:

	30.09.2025	31.12.2024
A. Total amount of guarantees, pledges, and mortgages given on its own behalf	3.928.787.810	2.199.149.394
B. Total amount of guarantees, pledges, and mortgages given in favor of subsidiaries included in full consolidation	-	-
C. Total amount of guarantees, pledges, and mortgages given to secure the debt of other third parties for the purpose of conducting ordinary commercial activities	-	-
D. Total amount of other guarantees, pledges, and mortgages given	-	-
Total	3.928.787.810	2.199.149.394
Ratio of other guarantees, pledges, and mortgages to the Company's equity	0,00%	0,00%

The ratio of other guarantees, pledges, and mortgages given by the Group to the Group's equity is 0,00% as of September 30, 2025. (31.12.2024: 0,00%).

NOTE 26 – EMPLOYEE BENEFITS LIABILITIES

The detail of the Group's employee benefits liabilities is as follows:

	30.09.2025	31.12.2024
Payables to personnel	15.922.940	22.176.242
Social security deductions payable	37.196.036	33.300.617
Total	53.118.976	55.476.859

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NOTE 27 – OTHER ASSETS AND LIABILITIES

- **Other Current Assets**

The detail of the Group's other current assets is as follows:

	30.09.2025	31.12.2024
VAT carried forward	57.471.625	83.050.428
Other	577.695	147.844
Total	58.049.320	83.198.272

NOTE 28 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

- **Paid-in Capital**

The Group adopted the registered capital system in accordance with the provisions of Capital Markets Law No. 6362 and transitioned to the registered capital system with the Capital Markets Board's decision dated 16.04.2018 and numbered 18/493. The Group's registered capital ceiling is 16.500.000.000 TRY, and this capital is divided into 16.500.000.000 shares, each with a nominal value of 1 TRY. The registered capital ceiling permit granted by the Capital Markets Board is valid for 5 years between 2024-2028. The Group's issued capital is 2.153.250.000 TRY, and this issued capital has been fully paid without any collusion.

The Group's capital is 2.153.250.000 TRY in total, divided into 172.260.000 registered Group A shares, each with a value of 1 TRY, and 1.980.990.000 bearer Group B shares, each with a value of 1 TRY. (December 31, 2024: capital is 1.076.625.000 TRY in total, corresponding to 86.130.000 registered Group A shares, each with a value of 1 TRY, and 990.495.000 bearer Group B shares, each with a value of 1 TRY.)

The Group's shareholders and their shares in the capital at historical values are as follows:

		30.09.2025		31.12.2024	
Shareholders	Share ratio	TRY	Share ratio	TRY	
İsmail Katmerci	9,26%	199.352.346	9,26%	99.676.173	
Havva Katmerci	2,69%	57.915.000	2,69%	28.957.500	
Mehmet Katmerci	2,82%	60.687.000	2,82%	30.343.500	
Ayşenur Orancı	2,69%	57.915.000	2,69%	28.957.500	
Furkan Katmerci	2,69%	57.915.000	2,69%	28.957.500	
Open to public	79,85%	1.719.465.654	79,85%	859.732.827	
Total	100%	2.153.250.000	100%	1.076.625.000	
Capital commitments		--		--	
Paid-in capital		2.153.250.000		1.076.625.000	

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NOTE 28 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

30.09.2025	Group A	Group B	Total
İsmail Katmerci	137.808.000	61.544.346	199.352.346
Havva Katmerci	8.613.000	49.302.000	57.915.000
Mehmet Katmerci	8.613.000	52.074.000	60.687.000
Ayşenur Orancı	8.613.000	49.302.000	57.915.000
Furkan Katmerci	8.613.000	49.302.000	57.915.000
Open to public	--	1.719.465.654	1.719.465.654
Total	172.260.000	1.980.990.000	2.153.250.000

31.12.2024	Group A	Group B	Total
İsmail Katmerci	68.904.000	30.772.173	99.676.173
Havva Katmerci	4.306.500	24.651.000	28.957.500
Mehmet Katmerci	4.306.500	26.037.000	30.343.500
Ayşenur Orancı	4.306.500	24.651.000	28.957.500
Furkan Katmerci	4.306.500	24.651.000	28.957.500
Open to public	--	859.732.827	859.732.827
Total	86.130.000	990.495.000	1.076.625.000

- **Capital Adjustment Differences**

The detail of the Group's capital adjustment differences is as follows:

	30.09.2025	31.12.2024
Capital adjustment differences	4.421.923.631	4.364.479.552
Total	4.421.923.631	4.364.479.552

- **Share Premiums/Discounts**

The detail of the Group's share premiums/discounts is as follows:

	30.09.2025	31.12.2024
Share premiums/(discounts)	25.090.829	17.573.743
Total	25.090.829	17.573.743

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NOTE 28 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

- **Accumulated Other Comprehensive Income (Expenses) Not to be Reclassified to Profit or Loss**

The detail of the Group's accumulated other comprehensive income (expenses) not to be reclassified to profit or loss is as follows:

	30.09.2025	31.12.2024
Defined benefit plan remeasurement gains/(losses)	15.115.435	18.959.228
Property, plant and equipment revaluation increases/(decreases)	581.145.079	783.754.677
Total	596.260.514	802.713.904

- **Restricted Reserves Allocated from Profit**

The detail of the Group's restricted reserves allocated from profit is as follows:

	30.09.2025	31.12.2024
Legal reserves	85.675.227	85.161.282
Total	85.675.227	85.161.282

In accordance with the Turkish Commercial Code, legal reserves are separated into first and second legal reserves. According to the Turkish Commercial Code, first legal reserves are appropriated at 5% of the statutory net profit until they reach 20% of the company's paid-in capital. Second legal reserves are 10% of the distributed profit exceeding 5% of the paid-in capital. According to the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-in capital; otherwise, they cannot be used in any way.

- **Total Retained Earnings / (Accumulated Losses)**

The detail of the Group's total retained earnings / (accumulated losses) is as follows:

	30.09.2025	31.12.2024
Retained earnings/(accumulated losses)	289.136.789	(270.062.980)
Extraordinary reserves	97.117.815	90.338.472
Special funds	7.361.387	32.946.758
Total	393.615.991	(146.777.751)

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NOTE 29 – REVENUE AND COST OF SALES

The detail of the Group's revenue and cost of sales amounts is as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Domestic sales	478.744.287	637.242.021	164.755.200	81.097.878
Foreign sales	1.265.319.219	753.458.294	417.531.678	94.197.094
Other sales	12.480.783	20.320.307	6.440.594	5.103.443
Gross Sales	1.756.544.289	1.411.020.622	588.727.472	180.398.414
Sales returns (-)	(680.825)	(37.416.774)	--	(2.184.101)
Sales discounts (-)	(219.098)	(3.120.574)	--	(897.685)
Net Sales	1.755.644.366	1.370.483.274	588.727.473	177.316.628
Cost of goods sold (-)	(911.400.048)	(761.611.155)	(364.998.656)	(51.027.314)
Cost of goods sold (-)	(75.319.590)	(22.286.323)	--	--
Cost of services sold (-)	(17.575.066)	(44.666.481)	(11.967.970)	(29.166.342)
Cost of other sales (-)	(822.891)	--	--	--
Cost of Sales (-)	(1.005.117.595)	(828.563.958)	(376.966.625)	(80.193.656)
GROSS PROFIT/LOSS	750.526.771	541.919.316	211.760.847	97.122.972

NOTE 30 – CONSTRUCTION CONTRACTS

None. (31.12.2024: None.)

NOTE 31 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

The Group's general administrative and marketing expenses are presented below;

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
General administrative expenses (-)	(143.841.546)	(103.961.199)	(46.760.600)	(31.913.018)
Marketing expenses (-)	(161.431.509)	(163.801.828)	(76.449.367)	(33.698.055)
Research and development expenses (-)	(64.071.565)	(50.139.787)	(25.941.165)	40.102.578
Total	(369.344.620)	(317.902.814)	(149.151.132)	(25.508.495)

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NOTE 31 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES (Continued)

The detail of general administrative expenses is as follows;

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Personnel expenses (-)	(42.263.854)	(40.998.147)	(13.287.973)	(35.006.669)
Taxes, duties and fees (-)	(40.483.814)	(10.702.816)	(23.732.132)	(7.025.489)
Depreciation and amortization expenses (-)	(18.444.140)	(5.249.738)	(5.870.397)	29.992.090
Representation and entertainment expenses (-)	(7.023.716)	(6.176.545)	(3.501.882)	(5.736.455)
Benefits and services obtained from third parties (-)	(5.472.257)	(3.202.237)	(3.519.557)	888.556
Consultancy expenses (-)	(4.852.454)	(4.749.551)	(1.355.322)	(3.422.810)
Rent expenses (-)	(4.633.958)	(2.496.430)	(1.529.392)	2.918.522
Electricity, water, fuel expenses (-)	(3.215.177)	(1.629.739)	(1.848.645)	(924.518)
Capital increase expenses (-)	(3.040.821)	(103)	(176.146)	436.755
Severance and vacation pay expenses (-)	(1.324.436)	(6.882.808)	127.895	(4.970.664)
Maintenance and repair expenses (-)	(1.147.758)	(728.717)	734.130	(728.717)
Communication expenses (-)	(1.065.326)	(4.386.930)	(556.896)	(880.032)
Insurance expenses (-)	(847.482)	(993.888)	(356.038)	(217.720)
Aid and donation expenses (-)	(832.810)	(866.860)	(384.453)	(535.510)
Other (-)	(9.193.543)	(14.896.691)	8.496.208	(6.700.359)
Total	(143.841.546)	(103.961.199)	(46.760.600)	(31.913.018)

Details of marketing expenses are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
International sales expenses (-)	(58.777.707)	(79.623.747)	(38.338.335)	(38.106.537)
Export expenses	(51.586.218)	(35.873.412)	(19.357.398)	(2.690.337)
Personnel expenses (-)	(31.596.292)	(21.793.948)	(9.612.339)	(6.945.933)
Taxes, duties and fees (-)	(9.905.852)	(14.331.546)	(7.341.059)	(1.591.757)
Travel and accommodation expenses (-)	(4.581.219)	(4.059.060)	(2.603.828)	(926.135)
Rent expenses (-)	(1.517.758)	(684.537)	(338.892)	(150.489)
Communication expenses (-)	(1.269.445)	(621.523)	(1.213.529)	(591.759)
Plant and machinery expenses (-)	(490.702)	(352.247)	(490.702)	56.946
Benefits and services obtained from third parties (-)	(307.600)	(1.223.358)	(154.475)	(1.169.097)
Depreciation expenses (-)	(119.631)	(3.119.481)	(37.593)	(3.000.130)
Other (-)	(1.279.086)	(2.118.970)	3.038.783	21.417.174
Total	(161.431.509)	(163.801.828)	(76.449.367)	(33.698.055)

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NOTE 31 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES (Continued)

Details of research and development expenses are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Depreciation expenses (-)	(64.071.565)	(50.139.787)	(25.941.165)	40.102.578
Total	(64.071.565)	(50.139.787)	(25.941.165)	40.102.578

NOTE 32 – OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

The Group's other income from operating activities is as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Rediscount interest income	24.000.707	8.348.766	(6.434.261)	(5.321.201)
Reversal of provisions no longer needed	3.105.607	2.300.641	(644.787)	(1.564.609)
Foreign exchange gains from operating activities	533.226.352	357.163.234	144.789.111	107.794.896
Commission income	4.098.318	--	4.098.318	--
Other	5.276.313	81.655.058	2.011.409	2.886.825
Total	569.707.297	449.467.700	143.819.791	103.795.911

The Group's other expenses from operating activities are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Foreign exchange losses from operating activities (-)	(224.266.166)	(148.855.348)	(47.846.420)	(41.738.580)
Provision expenses (-)	(20.046.483)	(8.233.053)	(10.958.460)	1.783.196
Rediscount interest expenses (-)	(12.281.400)	(31.927.691)	6.528.664	(9.893.786)
Other (-)	(292.135)	(407.180)	262.119	29.486.152
Total	(256.886.184)	(189.423.271)	(31.859.440)	(20.363.018)

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NOTE 33- INCOME / (EXPENSES) FROM INVESTMENT ACTIVITIES

- **Income from Investment Activities**

Details of the Group's income from investment activities are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Rental income from investment properties	--	909.805	--	909.805
Gains on sale of marketable securities	2.546.058	22.784	18.428	760
Gains on sale of property, plant and equipment and intangible assets	88.002.598	162.122.176	(2.297.222)	(5.131.277)
Total	90.548.656	163.054.765	(2.278.794)	(4.220.713)

- **Expenses from Investment Activities**

Details of the Group's expenses from investment activities are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Impairment losses and losses on sale of investment properties (-)	(27.601.582)	--	2.071.328	--
Total	(27.601.582)	--	2.071.328	--

- **Impairment Determined in Accordance with IFRS 9**

Impairment gains / (losses) and reversals of impairment losses determined in accordance with IFRS 9 are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Impairment of trade receivables and reversals of impairment losses (-)	(7.651.811)	(5.302.965)	(13.489.569)	(4.307.306)
Total	(7.651.811)	(5.302.965)	(13.489.569)	(4.307.306)

NOTE 34 – FINANCE INCOME / (COSTS)

- **Finance Income**

The Group's finance income is as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Interest income	27.770.696	4.370.104	6.349.260	1.252.212
Foreign exchange gains	58.596.254	6.647.426	7.555.802	499.029
Total	86.366.950	11.017.530	13.905.062	1.751.241

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NOTE 34 – FINANCE INCOME / (COSTS) (Continued)**• Finance Costs**

The Group's finance costs are as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Interest expenses (-)	(74.659.228)	(113.717.380)	318.024	(2.228.371)
Foreign exchange losses (-)	(173.711.070)	(222.273.227)	(52.343.553)	(103.416.381)
Bank expense charges (-)	(67.334.483)	(67.039.988)	(54.257.632)	(52.410.032)
Total	(315.704.780)	(403.030.595)	(106.283.160)	(158.054.784)

• Net Monetary Position Gains (Losses)

The Group's net monetary position gains (losses) are as follows:

Non-Monetary Items	01.01.2025- 30.09.2025
Financial Position Items	
Inventories	1.543.509.048
Property, plant and equipment	196.637.486
Intangible assets	(13.759.867)
Investment properties	18.236.828
Paid-in capital	(1.178.948.519)
Restricted reserves allocated from profit	(17.779.538)
Prepaid expenses	1.436.755
Share premiums/discounts	(4.182.354)
Retained earnings/(accumulated losses)	(65.398.442)
Deferred revenue	(225.282.358)
Other reserves	8.244.270
Statement of Profit or Loss Items	
Revenue	(157.998.845)
Cost of sales	56.885.715
Research and development expenses	32.649.936
Marketing, sales and distribution expenses	9.706.393
General administrative expenses	15.372.513
Other income/expenses from operating activities	(22.336.804)
Income from investment activities	(2.526.198)
Finance income/costs	31.975.493
Total	226.441.513

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NOTE 35 – ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

None. (31.12.2024: None.)

NOTE 36 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None. (31.12.2024: None.)

NOTE 37 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

- **Deferred Tax**

The Group accounts for deferred tax assets and liabilities for temporary timing differences arising from the differences between its tax-based statutory financial statements and the financial statements prepared in accordance with TAS. These differences generally arise from certain income and expense items being recognized in different periods in the tax-based financial statements and the financial statements prepared in accordance with TAS, and these differences are stated below.

In accordance with Law No. 7456 on "Imposition of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6.02 and Amendments to Certain Laws and Decree Law No. 375", which was published in the Official Gazette dated July 14, 2023, and entered into force, the corporate tax rate for 2025 and 2024 will be applied as 25% and 25%, respectively. In accordance with the said law, deferred tax assets and liabilities in the financial statements as of September 30, 2025, have been calculated with a tax rate of 25% for the portion of temporary differences that will create a tax effect for the year 2024.

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NOTE 37 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

• **Deferred Tax (Continued)**

	30.09.2025		31.12.2024	
	Total	Deferred tax	Total	Deferred tax
	temporary differences	asset/ (liability)	temporary differences	asset/ (liability)
Deferred tax assets:				
Doubtful trade receivables	21.431.673	5.357.918	20.376.512	5.094.128
Receivable discounts	2.354.711	588.678	14.035.989	3.508.997
Expected credit loss	18.538.006	4.634.502	13.654.510	3.413.627
Litigation provisions	11.820.224	2.955.056	3.160.723	790.181
Warranty expense provisions	2.757.711	689.428	7.086.109	1.771.527
Provision for unused vacation	14.281.490	3.570.373	10.673.607	2.668.402
Provision for employment termination benefits	35.647.518	8.911.880	35.056.471	8.764.118
Property, plant and equipment and intangible asset adjustments	35.499.989	8.874.997	3.520.301	928.987
Cash capital increase interest deduction	760.900.684	114.135.103	1.087.967.654	271.991.914
Commission expenses	34.779.455	8.694.864	48.764.230	12.191.058
Tax Procedure Law (TPL) inventory inflation adjustment cancellations	263.066.183	65.766.546	329.962.830	82.490.708
Tax Procedure Law (TPL) tangible and intangible fixed asset inflation adjustment cancellations	657.119.219	164.279.805	824.268.953	206.067.238
Tax Procedure Law (TPL) prepaid expenses inflation adjustment cancellations	--	--	1.871.255	467.814
Tax Procedure Law (TPL) deposits and guarantees given inflation adjustment cancellations	14.910	3.727	18.701	4.675
TAS-29 deferred tax inflation adjustments	225.282.358	56.320.589	4.440.354	1.110.089
Deferred tax assets	2.083.494.131	444.783.464	2.404.858.199	601.263.461
Deferred tax liability:				
Land and building revaluation	(723.994.096)	(148.716.283)	(908.102.811)	(186.534.221)
Property, plant and equipment and intangible asset adjustments	(132.856)	(33.214)	(132.304)	(33.076)
PPE revaluation	(73.495.080)	(23.326.250)	(92.184.576)	(29.258.019)
Debt re-discounting	(12.810.373)	(3.202.593)	(12.426.840)	(3.106.710)
Property, plant and equipment and intangible assets adjustments	(30.880.496)	(7.720.124)	(121.665.910)	(30.416.477)
TAS-29 PPE-IA inflation adjustments	(568.571.751)	(142.142.938)	(483.774.560)	(120.943.640)
TAS-29 inventories inflation adjustments	(1.543.509.048)	(385.877.262)	(1.595.016.845)	(398.754.211)
TAS-29 prepaid expenses inflation adjustments	(1.436.755)	(359.189)	(2.623.868)	(655.967)
TAS-29 PPE inflation adjustments	(38.046.749)	(9.511.687)	--	--
Tax Procedure Law deferred revenue inflation adjustment cancellations	(15.773.263)	(3.943.316)	(19.784.339)	(4.946.085)
Inventories adjustment	(100.000.000)	(25.000.000)	--	--
Deferred tax liabilities	(3.108.650.468)	(749.832.857)	(3.235.712.053)	(774.648.407)
Deferred tax assets / (liabilities), net		(305.049.393)		(173.384.945)

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NOTE 37 – INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**• Corporate Tax**

The Group is subject to corporate tax in Turkey. Necessary provisions have been made in the accompanying financial statements for the estimated tax liabilities related to the Company's current period operating results. Turkish tax legislation does not allow the parent company, the Company, to file tax returns based on the financial statements of its subsidiaries. The corporate tax rate to be accrued on taxable corporate income is calculated on the remaining tax base after adding non-deductible expenses from the tax base expensed in determining commercial profit and deducting tax-exempt earnings, non-taxable income, and other deductions (if any, prior year losses and investment incentives used if preferred). The effective tax rate applied in 2025 is 25% (31.12.2024: 25%).

The Group's tax income / (expenses) in the statement of financial position are as follows:

	30.09.2025	31.12.2024
Prepaid taxes and funds	587.989	743.430
Current tax assets	587.989	743.430
	30.09.2025	31.12.2024
Provision for corporate tax	51.980.341	11.768.758)
Prepaid corporate tax (-)	(42.705.356)	(11.251.958)
Current tax liabilities	9.274.985	516.800

The detail of the Group's tax receivables / (liabilities) in the statement of profit or loss is as follows:

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Provision for corporate tax	(51.980.341)	(7.697.172)	(8.821.303)	(5.956.101)
Deferred tax income / (expense), net	(166.816.500)	(883.027.426)	(106.021.250)	(670.461.809)
Total tax income / (expense), net	(218.796.841)	(890.724.598)	(114.842.553)	(676.417.910)

NOTE 38 – EARNINGS PER SHARE

	1.01.2025 30.09.2025	1.01.2024 30.09.2024	1.07.2025 30.09.2025	1.07.2024 30.09.2024
Net profit/(loss) attributable to shareholders	527.605.369	326.247.643	61.727.057	114.801.153
Number of shares issued	2.153.250.000	1.076.625.000	1.076.625.000	1.076.625.000
Earnings/(loss) per share	0,25	0,30	0,06	0,11
Diluted earnings per share (TRY)	0,25	0,30	0,06	0,11

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NOTE 39 – SHARE-BASED PAYMENTS

None. (31.12.2024: None.)

NOTE 40 – INSURANCE CONTRACTS

None. (31.12.2024: None.)

NOTE 41 – EFFECTS OF EXCHANGE RATE CHANGES

The Group's foreign currency risk as of 30.09.2025 is presented in the table in Note 46, and the foreign exchange gain and loss for the accounting period ended 30.09.2025 are shown in other income / (expenses) from operating activities (Note: 32) and finance income / (costs) (Note: 35) in the accompanying financial statements.

NOTE 42 – REPORTING IN A HYPERINFLATIONARY ECONOMY

According to TAS 29 Financial Reporting in Hyperinflationary Economies, entities whose functional currency is the currency of a hyperinflationary economy report their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 defines characteristics that may indicate the existence of a hyperinflationary economy and recommends that entities begin applying the Standard at the same date.

The POA issued a statement on November 23, 2023, regarding the scope and application of TAS 29. It stated that financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after December 31, 2023, should be restated for the effects of inflation in accordance with the relevant accounting principles in TAS 29.

In this context, inflation adjustment was made in accordance with TAS 29 when preparing the financial statements as of September 30, 2025, and December 31, 2024.

NOTE 43 – FINANCIAL INSTRUMENTS

- **Other Financial Assets Measured at Fair Value Through Profit or Loss**

Details of short-term financial investments are as follows:

	30.09.2025	31.12.2024
Funds	493.397	144.899
Equity securities with an active market (*)	2.739.114	3.435.659
Total	3.232.511	3.580.558

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NOTE 43 – FINANCIAL INSTRUMENTS (Continued)**• Financial Liabilities**

Details of the Group's financial liabilities are as follows:

	30.09.2025	31.12.2024
Bank loans	927.654.985	320.142.726
Liabilities from finance leases	5.407.190	1.047.197
Deferred finance lease borrowing costs (-)	(639.179)	--
Total short-term borrowings	932.422.996	321.189.922
Bank loans	246.108.312	485.181.692
Current portion of total long-term borrowings	246.108.312	485.181.692
Bank loans	460.714.137	663.207.331
Liabilities from finance leases	8.822.466	17.916.058
Deferred finance lease borrowing costs (-)	(438.004)	(1.927.169)
Total long-term borrowings	469.098.599	679.196.220
Total financial borrowings	1.647.629.907	1.485.567.834

The average effective interest rate for the Group's long-term loans is in the range of 6,84% - 60%. (December 31, 2024: in the range of %1,40 - %60). Information on collateral/guarantees given for the Group's bank loans is provided in Note 25. Information on foreign currency financial liabilities is provided in Note 46.

The aging of the Group's long-term financial liabilities is presented below:

	30.09.2025	31.12.2024
Payable within 1 year	1.178.531.308	806.371.614
Payable within 1 - 2 years	469.098.599	660.372.501
Payable within 2-3 years	-	18.823.718
Total	1.647.629.907	1.485.567.834

NOTE 44 – DERIVATIVE INSTRUMENTS

None. (31.12.2024: None.)

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NOTE 45 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

• **Credit Risk Management**

	Receivables					
	Trade Receivables		Other Receivables		In Banks	Total
	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	
30.09.2025						
Maximum credit risk exposure as of the reporting date	--	1.930.731.040	365.385	6.868.515	317.485.764	2.255.450.704
- Portion of maximum risk secured by collateral	--	--	--	--	--	--
A- Net carrying amount of financial assets that are not past due or impaired	--	1.930.731.040	--	6.868.515	317.485.764	2.255.085.319
B- Carrying amount of financial assets whose terms have been renegotiated, which would otherwise be past due or impaired	--	--	--	--	--	--
C- Net carrying amount of assets that are past due but not impaired	--	--	--	--	--	--
D- Net carrying amounts of impaired assets	--	--	--	--	--	--
- Past due	--	52.801.821	--	--	--	52.801.821
- Impaired	--	(52.801.821)	--	--	--	(52.801.821)
E- Off-balance sheet items with credit risk	--	--	--	--	--	--

	Receivables					
	Trade Receivables		Other Receivables		In Banks	Total
	Related Parties	Other Parties	Related Parties	Other Parties	Deposits	
31.12.2024						
Maximum credit risk exposure as of the reporting date	--	1.382.764.279	--	7.941.445	269.492.315	1.660.198.039
- Portion of maximum risk secured by collateral	--	--	--	--	--	--
A- Net carrying amount of financial assets that are neither past due nor impaired	--	1.382.764.279	--	7.941.445	269.492.315	1.660.198.039
B- Carrying amount of financial assets whose terms have been renegotiated, which would otherwise be past due or impaired	--	--	--	--	--	--
C- Net carrying amount of assets that are past due but not impaired	--	--	--	--	--	--
D- Net carrying amounts of impaired assets	--	--	--	--	--	--
- Past due	--	52.144.500	--	--	--	52.144.500
- Impaired	--	(52.144.500)	--	--	--	(52.144.500)
E- Off-balance sheet items with credit risk	--	--	--	--	--	--

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NOTE 45 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)**• Liquidity Risk Management**

Liquidity risk is the possibility that the Group may not be able to meet its net funding obligations. Events that result in a decrease in funding sources, such as market disruptions or credit rating downgrades, lead to the emergence of liquidity risk. Group management manages liquidity risk by diversifying funding sources and maintaining sufficient cash and similar resources to meet its current and prospective obligations.

The tables below show the Group's liquidity risk;

30.09.2025	Book value	Cashflow according to the agreement	0-1 Year	1-2 Years	2-3 Years
Non-derivative financial liabilities:	2.253.906.968	(2.253.906.968)	(1.784.808.369)	(469.098.599)	--
Financial liabilities	1.647.629.907	(1.647.629.907)	(1.178.531.308)	(469.098.599)	--
Employee benefits liabilities	53.118.976	(53.118.976)	(53.118.976)	--	--
Trade and other payables	553.158.085	(553.158.085)	(553.158.085)	--	--
Derivative financial liabilities:	--	--	--	--	--
Total	2.253.906.968	(2.253.906.968)	(1.784.808.369)	(469.098.599)	--

31.12.2024	Book value	Cashflow according to the agreement	0-1 Year	1-2 Years	2-3 Years
Non-derivative financial liabilities:	1.880.722.013	(1.880.722.013)	(1.201.525.793)	(660.372.501)	(18.823.718)
Financial liabilities	1.485.567.834	(1.485.567.834)	(806.371.614)	(660.372.501)	(18.823.718)
Employee benefits liabilities	55.476.859	(55.476.859)	(55.476.859)	--	--
Trade and other payables	339.677.319	(339.677.319)	(339.677.319)	--	--
Derivative financial liabilities:	--	--	--	--	--
Total	1.880.722.013	(1.880.722.013)	(1.201.525.793)	(660.372.501)	(18.823.718)

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NOTE 45 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Foreign Currency Risk Management**

Currency risk refers to the effects arising from exchange rate movements when holding foreign currency assets, liabilities, and off-balance sheet liabilities. Foreign currency transactions during the period are translated at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the end of the period. Exchange gains or losses arising from the translation of monetary foreign currency assets and liabilities are reflected in the statement of profit or loss. The Group's monetary foreign currency liabilities exceed its monetary foreign currency receivables; in the event of an increase in exchange rates, the Group is exposed to foreign currency risk. The foreign currency denominated assets and liabilities held by the Group are as follows:

	30.09.2025				31.12.2024			
	TRY Equivalent	USD Dollar	EUR	Other	TRY Equivalent	USD Dollar	EUR	Other
1. Trade Receivables	1.855.546.358	28.613.991	13.699.584	--	1.272.239.504	19.042.965	16.370.059	--
2a. Monetary Financial Assets (Including Cash, Bank accounts)	289.300.371	5.738.145	1.048.760	--	22.421.065	523.629	108.242	--
2b. Non-Monetary Financial Assets	--	--	--	--	--	--	--	--
3. Other	1.926.057.893	42.637.864	3.185.127	89.885	--	--	--	--
4. Current Assets (1+2+3)	4.070.904.622	76.990.001	17.933.471	89.885	1.294.660.569	19.566.594	16.478.301	--
5. Trade Receivables	--	--	--	--	--	--	--	--
6a. Monetary Financial Assets	--	--	--	--	--	--	--	--
6b. Non-Monetary Financial Assets	--	--	--	--	--	--	--	--
7. Other	--	--	--	--	--	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--	--	--	--	--	--
9. Total Assets (4+8)	4.070.904.622	76.990.001	17.933.471	89.885	1.294.660.569	19.566.594	16.478.301	--
10. Trade Payables	273.963.882	1.706.166	4.153.770	56.973	61.221.236	1.160.942	553.278	--
11. Financial Liabilities	651.121.945	2.840.429	10.937.676	--	236.549.680	--	6.437.970	--
12a. Other Monetary Liabilities	1.001.929.048	11.705.713	10.500.158	368.000	10.380.558	294.707	--	--
12b. Other Non-Monetary Liabilities	--	--	--	--	--	--	--	--
13. Current Liabilities (10+11+12)	1.927.014.875	16.252.308	25.591.604	424.973	308.151.475	1.455.649	6.991.248	--
14. Trade Payables	--	--	--	--	--	--	--	--
15. Financial Liabilities	923.484.913	1.501.366	17.664.550	--	1.053.968.810	2.678	28.682.398	--
16 a. Other Monetary Liabilities	--	--	--	--	--	--	--	--
16 b. Other Non-Monetary Liabilities	--	--	--	--	--	--	--	--
17. Long-Term Liabilities (14+15+16)	923.484.913	1.501.366	17.664.550	--	1.053.968.810	2.678	28.682.398	--
18. Total Liabilities (13+17)	2.850.499.788	17.753.674	43.256.154	424.973	1.362.120.285	1.458.327	35.673.646	--
19. Net Asset / (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--	--	--	--	--	--
19a. Amount of Off-Balance Sheet Foreign Currency Derivative Instruments with Asset Characteristics	--	--	--	--	--	--	--	--
19b. Amount of Off-Balance Sheet Foreign Currency Derivative Instruments with Liability Characteristics	--	--	--	--	--	--	--	--
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	1.220.404.834	59.236.327	(25.322.683)	(335.088)	(67.459.716)	18.108.267	(19.195.345)	--
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(705.653.059)	16.598.463	(28.507.810)	(424.973)	(67.459.716)	18.108.267	(19.195.345)	--
22. Total Fair Value of Financial Instruments Used for Currency Hedge	--	--	--	--	--	--	--	--
23. Amount of Hedged Portion of Foreign Currency Assets	--	--	--	--	--	--	--	--
24. Amount of Hedged Portion of Foreign Currency Liabilities	--	--	--	--	--	--	--	--

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(All amounts are expressed in Turkish Lira ("TRY") based on the purchasing power parity as of September 30, 2025, unless otherwise stated.)

NOTE 45 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- Foreign Currency Risk Management (Continued)

	Profit/Loss		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
30.09.2025				
If the USD exchange rate changes by 20%:				
1- USD net asset/liability	491.742.074	(491.742.074)	491.742.074	(491.742.074)
2- Hedged portion of USD risk (-)				
3- Net USD Impact (1+2)	491.742.074	(491.742.074)	491.742.074	(491.742.074)
If the EUR exchange rate changes by 20%:				
4- EUR net asset/liability	(246.902.235)	246.902.235	(246.902.235)	246.902.235
5- Hedged portion of EUR risk (-)				
6- Net EUR Impact (4+5)	(246.902.235)	246.902.235	(246.902.235)	246.902.235
If other foreign currency exchange rates change by an average of 20%:				
7- Other foreign currency net asset/liability	(758.873)	758.873	(758.873)	758.873
8- Hedged portion of other foreign currency risk (-)	--	--	--	--
9- Net Impact of Other Foreign Currency Assets (7+8)	(758.873)	758.873	(758.873)	758.873
TOTAL (3+6+9)	244.080.967	(244.080.967)	244.080.967	(244.080.967)
31.12.2024				
If the USD exchange rate changes by 20%:				
1- USD net asset/liability	127.566.585	(127.566.585)	127.566.585	(127.566.585)
2- Hedged portion of USD risk (-)	--	--	--	--
3- Net USD Impact (1+2)	127.566.585	(127.566.585)	127.566.585	(127.566.585)
If the Euro exchange rate changes by 20%:				
4- Euro net asset/liability	(141.058.528)	141.058.528	(141.058.528)	141.058.528
5- Hedged portion of Euro risk (-)	--	--	--	--
6- Net Euro Impact (4+5)	(141.058.528)	141.058.528	(141.058.528)	141.058.528
If other exchange rates change by an average of 20%:				
7- Other currency net asset/liability	--	--	--	--
8- Hedged portion of other currency risk (-)	--	--	--	--
9- Net Impact of Other Currency Assets (7+8)	--	--	--	--
TOTAL (3+6+9)	(13.491.943)	13.491.943	(13.491.943)	13.491.943

According to the statement of financial position foreign currency position, if the Turkish Liras had appreciated/depreciated by 20% against the US Dollar and Euro, and all other variables remained constant, the net foreign exchange gain/loss resulting from foreign currency assets and liabilities would have been 491.742.074 TRY higher/lower for the US Dollar and 246.902.235 TRY higher/lower for the Euro for the accounting period ended on the same date. (December 31, 2024: 127.566.585 TRY for the US Dollar, (141.058.528) TRY for the Euro.)

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NOTE 45 – NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

- **Interest Rate Risk Management**

Fluctuations in the value of financial instruments may occur due to changes in market prices. Such fluctuations may arise from changes in the price of securities or from factors specific to the issuer of the security or affecting the entire market. The Group's interest rate risk is primarily related to bank loans.

The interest rate on interest-bearing financial liabilities varies, while interest-bearing financial assets have a fixed interest rate, and future cash flows do not change with the size of these assets. The Group's exposure to changes in market interest rates is primarily dependent on the Group's variable interest rate debt obligations. The Group's policy in this regard is to manage interest costs by using fixed and variable interest rate borrowings.

Although the interest rate on interest-bearing financial liabilities varies, interest-bearing financial assets have a fixed interest rate, and future cash flows do not change with the size of these assets. The Group's exposure to changes in market interest rates is primarily dependent on the Group's variable interest rate debt obligations. The Group's policy in this regard is to manage interest costs by using fixed and variable interest rate borrowings.

	30.09.2025	31.12.2024
Fixed-rate instruments		
Time deposits	20.000.000	214.070.923
Financial liabilities	1.647.629.907	1.485.567.834
Total	1.667.629.907	1.699.638.757
Variable-rate instruments		
Financial liabilities	--	--
Total	--	--

- **Capital Risk Management**

In managing capital, the Group's objectives are to ensure the continuity of the Group's operations to provide returns to its shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital management using the debt/equity ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated by deducting cash and cash equivalents from total debt (which includes current and non-current liabilities as shown in the statement of financial position). Total capital is calculated by summing equity and net debt as shown in the statement of financial position.

The Group's net debt / total capital ratio is as follows:

	30.09.2025	31.12.2024
Total liabilities	4.659.707.582	3.655.720.435
Less: Cash and cash equivalents	(320.067.331)	(311.944.217)
Net debt	4.339.640.251	3.343.776.219
Total equity	8.203.421.561	6.923.485.726
Debt/Equity Ratio	0,53	0,48

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NOTE 46 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE SCOPE OF HEDGE ACCOUNTING)

- **Fair value of financial instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation techniques. However, estimates are required in interpreting market data to determine fair value. Accordingly, the estimates presented herein may not be indicative of the amounts the Group could realize in a current market transaction.

The following methods and assumptions have been used in estimating the fair value of financial instruments:

Financial assets

The carrying amounts of financial assets, including cash and cash equivalents, which are stated at cost, are expected to approximate their fair values due to their short-term nature.

The carrying amounts of trade receivables, together with their related allowance for doubtful receivables, are expected to reflect their fair value.

Financial liabilities

The fair values of short-term bank loans and other monetary liabilities are expected to approximate their carrying amounts due to their short-term nature.

- **Fair value measurement hierarchy table**

The Group classifies fair value measurements of financial instruments recognized at fair value in the financial statements using a three-level hierarchy, based on the source of inputs for each class of financial instrument, as follows:

Level 1: Valuation techniques using quoted (unadjusted) market prices in active markets for identical financial instruments.

Level 2: Other valuation techniques that include inputs that are observable either directly or indirectly. The fair values of financial assets not traded in an active market are calculated using observable market data to the highest extent possible and with the lowest level of entity-specific assumptions.

Level 3: Valuation techniques that do not include observable market inputs.

30.09.2025	Level 1	Level 2	Level 3
Financial investments	--	3.232.511	--
Total	--	3.232.511	--

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NOTE 46 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES WITHIN THE SCOPE OF HEDGE ACCOUNTING) (Continued)

31.12.2024	Level 1	Level 2	Level 3
Financial investments	--	3.580.558	--
Total	--	3.580.558	--

NOTE 47 – EVENTS AFTER THE REPORTING PERIOD

None. (31.12.2024: None.)

NOTE 48 – OTHER MATTERS SIGNIFICANTLY AFFECTING THE FINANCIAL STATEMENTS OR REQUIRING DISCLOSURE FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

	30.09.2025	31.12.2024
Other assurance services for the reporting period	600.000	1.066.151
Tax advisory services for the reporting period	--	--
Other non-audit services for the reporting period	--	--
Total	600.000	1.066.151

NOTE 49 – FIRST-TIME ADOPTION OF TAS

None. (31.12.2024: None.)

NOTE 50 – DISCLOSURES RELATED TO INDIVIDUAL FINANCIAL STATEMENTS

None. (31.12.2024: None.)

KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2025**

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NOTE 51 – DISCLOSURES RELATED TO THE STATEMENT OF CASH FLOWS

The detail of the Group's cash and cash equivalents is as follows:

	30.09.2025	31.12.2024
Cash	1.064.900	506.742
Cash in banks	317.485.764	269.492.316
-Demand deposits	297.485.764	55.421.392
<i>Demand deposits TRY</i>	9.422.334	33.490.361
<i>Demand deposits USD</i>	237.621.658	18.172.164
<i>Demand deposits EUR</i>	50.441.772	3.758.866
-Time deposits	20.000.000	214.070.924
Post-dated checks and notes received	1.516.667	41.945.159
Total	320.067.331	311.944.217

As of 30.09.2025, the maturity of deposits is daily, and the interest rate is 41%. (31.12.2024: 32 days, average interest rate 46%)

NOTE 52 – DISCLOSURES RELATED TO THE STATEMENT OF CHANGES IN EQUITY

The effects of changes in accounting policies explained in Note 2, accumulated profit/loss account, and accumulated other comprehensive income/expenses that will not be reclassified to profit or loss shown in other comprehensive income are presented in the statement of changes in equity.
