

**TEKFEN HOLDİNG ANONİM ŐİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL
STATEMENTS WITH THE
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR
ENDED 31 DECEMBER 2025

(Translated into English from the report
originally issued in Turkish)

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| ASSETS | Notes | Audited 31 December 2025 | Audited 31 December 2024 |
|---|-------|--------------------------------|--------------------------------|
| Current Assets | | 27.012.127 | 38.257.983 |
| Cash and cash equivalents | 5 | 8.254.958 | 12.356.731 |
| Financial investments | 6 | - | 3.228 |
| Trade receivables | 8 | 5.166.181 | 7.907.418 |
| - Related party receivables | | 102.165 | 213.400 |
| - Trade receivables from third parties | | 5.064.016 | 7.694.018 |
| Other receivables | 9 | 460.687 | 366.254 |
| - Other receivables from third parties | | 460.687 | 366.254 |
| Contract assets arising from ongoing construction works | 11 | 705.157 | 2.639.217 |
| Inventories | 10 | 9.990.211 | 11.153.751 |
| Prepaid expenses | 18 | 1.046.452 | 1.899.490 |
| - Prepaid expenses to third parties | | 1.046.452 | 1.899.490 |
| Assets related with current tax | 33 | 234.191 | 480.311 |
| Other current assets | 23 | 1.034.363 | 1.332.648 |
| - Other current assets from third parties | | 1.034.363 | 1.332.648 |
| | | <u>26.892.200</u> | <u>38.139.048</u> |
| Assets classified as held for sale | 32 | 119.927 | 118.935 |
| Non-Current Assets | | 45.182.761 | 47.965.554 |
| Financial investments | 6 | 5.192.888 | 6.107.748 |
| Trade receivables | 8 | 1.866.187 | 1.757.855 |
| - Trade receivables from third parties | | 1.866.187 | 1.757.855 |
| Other receivables | 9 | 157.905 | 186.939 |
| - Other receivables from third parties | | 157.905 | 186.939 |
| Investments valued by equity method | 12 | 2.277.544 | 2.447.510 |
| Investment property | 13 | 2.819.933 | 3.031.662 |
| Property, plant and equipment | 14 | 28.988.492 | 29.018.102 |
| Right-of-use assets | 15 | 404.099 | 528.135 |
| Intangible assets | | 656.085 | 1.175.934 |
| - Goodwill | 17 | 167.508 | 523.738 |
| - Other intangible assets | 16 | 488.577 | 652.196 |
| Prepaid expenses | 18 | 368.909 | 100.151 |
| - Prepaid expenses to third parties | | 368.909 | 100.151 |
| Deferred tax assets | 33 | 1.845.049 | 3.039.770 |
| Other non-current assets | 23 | 605.670 | 571.748 |
| - Other non-current assets from third parties | | 605.670 | 571.748 |
| TOTAL ASSETS | | <u>72.194.888</u> | <u>86.223.537</u> |

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Translated into English from the report originally issued in Turkish.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| LIABILITIES | Notes | Audited 31 December 2025 | Audited 31 December 2024 |
|--|-------|--------------------------------|--------------------------------|
| Current Liabilities | | 36.089.961 | 35.517.957 |
| Short-term borrowings | 7 | 9.756.337 | 6.947.508 |
| Short-term portion of long-term borrowings | 7 | 3.333.967 | 2.201.668 |
| Trade payables | 8 | 15.325.749 | 14.463.853 |
| - Related party payables | | 2.924 | 7.033 |
| - Trade payables to third parties | | 15.322.825 | 14.456.820 |
| Payables related to employee benefits | 22 | 674.719 | 790.081 |
| Other payables | 9 | 798.635 | 722.676 |
| - Related party payables | | 32.399 | - |
| - Other payables to third parties | | 766.236 | 722.676 |
| Contract liabilities arising from ongoing construction works | 11 | 1.112.183 | 2.042.003 |
| Derivative instruments | 36 | 370.029 | 567.617 |
| Deferred revenue | 18 | 2.870.597 | 4.582.176 |
| - Deferred revenue from third parties | | 2.870.597 | 4.582.176 |
| Current tax liability | 33 | 410.673 | 608.423 |
| Short-term provisions | | 1.362.631 | 2.518.739 |
| - Short-term provisions attributable to employee benefits | 22 | 437.270 | 459.059 |
| - Other short-term provisions | 20 | 925.361 | 2.059.680 |
| Other short-term liabilities | 23 | 74.441 | 73.213 |
| - Other short-term liabilities to third parties | | 74.441 | 73.213 |
| Non-Current Liabilities | | 3.317.126 | 10.284.356 |
| Long-term borrowings | 7 | 1.185.245 | 8.068.025 |
| Trade payables | 8 | 89.267 | 268.971 |
| - Trade payables to third parties | | 89.267 | 268.971 |
| Other payables | 9 | 295.303 | 390.014 |
| - Other payables to third parties | | 295.303 | 390.014 |
| Deferred revenue | 18 | - | 1.685 |
| - Deferred revenue from third parties | | - | 1.685 |
| Long-term provisions | | 978.296 | 1.028.856 |
| - Long-term provisions attributable to employee benefits | 22 | 978.296 | 1.028.856 |
| Deferred tax liabilities | 33 | 769.015 | 526.805 |
| TOTAL LIABILITIES | | 39.407.087 | 45.802.313 |
| EQUITY | | 32.787.801 | 40.421.224 |
| Equity Attributable To Owners Of The Parent | 24 | 32.385.652 | 39.877.398 |
| Paid in capital | | 370.000 | 370.000 |
| Capital structure adjustment | | 9.058.179 | 9.058.179 |
| Treasury shares (-) | | (1.226.755) | (982.160) |
| Premiums in capital stock | | 7.271.305 | 7.271.305 |
| Accumulated other comprehensive income | | | |
| (loss) that will not be reclassified in profit or loss | | (2.679.235) | (2.669.795) |
| - Gain (loss) on investments in equity instruments | | (2.398.503) | (2.358.881) |
| - Gain on revaluation and remeasurement | | (280.732) | (310.914) |
| Accumulated other comprehensive income | | | |
| (loss) that will be reclassified in profit or loss | | (2.381.521) | (1.007.496) |
| - Currency translation reserve | | (2.051.324) | (424.764) |
| - Hedging reserve | 36 | (330.197) | (582.732) |
| Legal reserves | | 7.719.928 | 7.429.481 |
| Prior years' income | | 19.975.215 | 19.878.961 |
| Net profit (loss) for the period | | (5.721.464) | 528.923 |
| Non-controlling Interests | | 402.149 | 543.826 |
| TOTAL LIABILITIES AND EQUITY | | 72.194.888 | 86.223.537 |

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| | <u>Notes</u> | <u>Audited 1 January - 31 December 2025</u> | <u>Audited 1 January - 31 December 2024</u> |
|---|--------------|---|---|
| Revenue | 25 | 53.909.396 | 76.165.900 |
| Cost of revenue (-) | 25 | (51.992.373) | (68.341.390) |
| GROSS PROFIT | | <u>1.917.023</u> | <u>7.824.510</u> |
| General administrative expenses (-) | 26 | (2.604.746) | (3.169.314) |
| Marketing expenses (-) | 26 | (2.052.234) | (3.674.661) |
| Research and development expenses (-) | 26 | (57.104) | (74.268) |
| Other operating income | 28 | 3.909.184 | 3.098.732 |
| Other operating expenses (-) | 28 | (4.414.264) | (3.969.911) |
| Share on profit (loss) of investments valued by equity method | 12 | 1.986 | (245.454) |
| OPERATING LOSS | | <u>(3.300.155)</u> | <u>(210.366)</u> |
| Investment income | 29 | 344.236 | 794.408 |
| Investment expense (-) | 29 | (778.967) | (285.828) |
| PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES) | | <u>(3.734.886)</u> | <u>298.214</u> |
| Financial income | 30 | 1.552.749 | 1.813.344 |
| Financial expense (-) | 30 | (4.384.046) | (3.491.924) |
| Net monetary position gain (loss) | 31 | 2.638.639 | 1.833.556 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION | | <u>(3.927.544)</u> | <u>453.190</u> |
| Tax Income (Loss) from Continuing Operations | 33 | <u>(1.804.659)</u> | <u>88.343</u> |
| Tax expense for the period (-) | | (471.782) | (722.854) |
| Deferred tax income (loss) for the period | | (1.332.877) | 811.197 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD | | <u>(5.732.203)</u> | <u>541.533</u> |
| Distribution of Profit (Loss) for the Period | | | |
| Non-controlling interests | | (10.739) | 12.610 |
| Owners of the parent | | (5.721.464) | 528.923 |
| Earning (Loss) Per Share | 34 | (16,040) | 1,438 |

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| | Notes | Audited 1 January- 31 December 2025 | Audited 1 January- 31 December 2024 |
|---|--------|--|--|
| PROFIT (LOSS) FOR THE PERIOD | | (5.732.203) | 541.533 |
| OTHER COMPREHENSIVE INCOME (EXPENSE): | | | |
| <u>Items that will not be reclassified to profit or loss</u> | | (9.440) | 1.559.967 |
| Gain (loss) on investments in equity instruments | | (87.425) | 1.658.801 |
| Gain (loss) on revaluation of defined benefit plans | 22, 24 | 36.101 | 16.761 |
| Taxes based on other comprehensive expense that will not be reclassified to profit or loss | | 41.884 | (115.595) |
| - <i>Deferred tax expense</i> | | <i>41.884</i> | <i>(115.595)</i> |
| <u>Items that will be reclassified to profit or loss</u> | | (1.504.963) | (2.286.014) |
| Currency translation reserve differences | 24 | (1.757.498) | (2.069.739) |
| Other comprehensive income (expense) related to cash flow hedging | | 336.713 | (279.560) |
| Taxes based on other comprehensive income (expense) that will be reclassified to profit or loss | | (84.178) | 63.285 |
| - <i>Deferred tax expense (income)</i> | | <i>(84.178)</i> | <i>63.285</i> |
| OTHER COMPREHENSIVE EXPENSE | | (1.514.403) | (726.047) |
| TOTAL COMPREHENSIVE EXPENSE | | (7.246.606) | (184.514) |
| Distribution of Total Comprehensive Expense for The Period | | | |
| Non-controlling interests | | (141.677) | (96.760) |
| Owners of the parent | | (7.104.929) | (87.754) |

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| | | | | | Items not to be reclassified to profit or loss | Items to be reclassified to profit or loss | | | Retained Earnings | | Equity attributable to owners of the parent | Non- controlling interests | Equity | |
|---|--------------------|------------------------------------|--------------------|---------------------------------|---|---|------------------------------------|--------------------|-------------------|---------------------------|--|----------------------------------|----------------|-------------------|
| | Paid in capital | Capital structure adjustment | Treasury shares | Premiums in capital stock | Gain (loss) on investments in equity instruments | Gain (loss) on revaluation and remeasurement | Currency translation reserve | Hedging reserve | Legal reserves | Prior years' income | Net profit (loss) for the period | | | |
| Audited | | | | | | | | | | | | | | |
| Opening balance as of 1 January 2024 | 370.000 | 9.058.179 | - | 7.271.305 | (3.900.430) | (329.332) | 1.535.605 | (366.457) | 6.122.369 | 23.339.588 | (2.105.540) | 40.995.287 | 640.586 | 41.635.873 |
| Transfers | - | - | - | - | - | - | - | - | 324.952 | (2.430.492) | 2.105.540 | - | - | - |
| Total comprehensive income (loss) | - | - | - | - | 1.541.549 | 18.418 | (1.960.369) | (216.275) | - | - | 528.923 | (87.754) | (96.760) | (184.514) |
| - Loss for the period | - | - | - | - | - | - | - | - | - | - | 528.923 | 528.923 | 12.610 | 541.533 |
| - Other comprehensive profit (loss) | - | - | - | - | 1.541.549 | 18.418 | (1.960.369) | (216.275) | - | - | - | (616.677) | (109.370) | (726.047) |
| Increase (decrease) due to changes in the proportion of shares in subsidiaries that doesn't result in loss of control | - | - | - | - | - | - | - | - | - | (47.975) | - | (47.975) | - | (47.975) |
| Increase (decrease) due to treasury shares transactions | - | - | (982.160) | - | - | - | - | - | 982.160 | (982.160) | - | (982.160) | - | (982.160) |
| Closing balance as of 31 December 2024 | 370.000 | 9.058.179 | (982.160) | 7.271.305 | (2.358.881) | (310.914) | (424.764) | (582.732) | 7.429.481 | 19.878.961 | 528.923 | 39.877.398 | 543.826 | 40.421.224 |
| Audited | | | | | | | | | | | | | | |
| Opening balance as of 1 January 2025 | 370.000 | 9.058.179 | (982.160) | 7.271.305 | (2.358.881) | (310.914) | (424.764) | (582.732) | 7.429.481 | 19.878.961 | 528.923 | 39.877.398 | 543.826 | 40.421.224 |
| Transfers | - | - | - | - | - | - | - | - | 45.852 | 483.071 | (528.923) | - | - | - |
| Total comprehensive income (loss) | - | - | - | - | (39.622) | 30.182 | (1.626.560) | 252.535 | - | - | (5.721.464) | (7.104.929) | (141.677) | (7.246.606) |
| - Profit for the period | - | - | - | - | - | - | - | - | - | - | (5.721.464) | (5.721.464) | (10.739) | (5.732.203) |
| - Other comprehensive income (loss) | - | - | - | - | (39.622) | 30.182 | (1.626.560) | 252.535 | - | - | - | (1.383.465) | (130.938) | (1.514.403) |
| Dividends | - | - | - | - | - | - | - | - | - | (142.222) | - | (142.222) | - | (142.222) |
| Increase (decrease) due to treasury shares transactions | - | - | (244.595) | - | - | - | - | - | 244.595 | (244.595) | - | (244.595) | - | (244.595) |
| Closing balance as of 31 December 2025 | 370.000 | 9.058.179 | (1.226.755) | 7.271.305 | (2.398.503) | (280.732) | (2.051.324) | (330.197) | 7.719.928 | 19.975.215 | (5.721.464) | 32.385.652 | 402.149 | 32.787.801 |

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TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

| | Notes | Audited 1 January - 31 December 2025 | Audited 1 January - 31 December 2024 |
|--|-------------|---|---|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| | | 4.588.863 | 6.817.366 |
| Profit (Loss) for the Period | | (5.732.203) | 541.533 |
| Adjustments to Reconcile Net Profit | | 7.996.772 | 4.162.488 |
| - Depreciation and Amortization | 13,14,15,16 | 2.782.769 | 2.904.753 |
| - Impairment/Reversed Provision | 8,25,29 | 750.250 | 80.194 |
| - Provision Adjustments | 20,22 | (238.543) | (1.468.789) |
| - Dividend Income and Expenses | 29 | (130.904) | (75.962) |
| - Interest Income and Expense Adjustments | 30 | 1.108.750 | 871.340 |
| - Gain/Loss on Fair Valuation | 6,29,38 | 304.517 | 119.219 |
| - Group's Share on Profit of Investments Valued by Equity Method | 12 | (1.986) | 245.454 |
| - Allowance for Taxation | 33 | 1.804.659 | (88.343) |
| - Adjustments for Gain/Loss on Sale of Fixed Assets | 29 | (86.112) | (469.987) |
| - Adjustments for Gain/Loss on Sales of Assets Held for Sale | 29 | (30.238) | - |
| - Adjustments for Gain/Loss from Monetary Items | | 1.733.610 | 2.044.609 |
| Movements in Working Capital | | 4.296.957 | 4.163.730 |
| - Changes in Financial Investments | 6 | 3.228 | 2.075.468 |
| - Changes in Trade Receivables | 8 | 2.566.428 | 3.700.861 |
| - Changes in Other Assets | 9 | 199.198 | (26.766) |
| - Changes in Contract Assets Arising from Ongoing Construction Works | 11 | 1.934.060 | (595.145) |
| - Changes in Inventories | 10 | 835.417 | 7.480.873 |
| - Changes in Prepaid Expenses | 18 | 937.472 | 185.767 |
| - Changes in Trade Payables | 8 | 633.821 | (6.361.082) |
| - Changes in Payables Related to Employee Benefits | 22 | (115.362) | 38.097 |
| - Changes in Contract Liabilities Arising from Ongoing Construction Works | 11 | (929.820) | (839.194) |
| - Changes in Other Liabilities | 9 | (54.221) | (125.101) |
| - Changes in Deferred Revenue | 18 | (1.713.264) | (1.370.048) |
| Cash Generated by Operating Activities | | 6.561.526 | 8.867.751 |
| Interest Paid | | (1.570.811) | (1.763.022) |
| Interest Received | | 462.061 | 891.682 |
| Provision Paid Related to Employee Benefits | 22 | (390.238) | (452.932) |
| Other Provision Paid | 20 | (1.893) | (3.259) |
| Tax Paid/Return | 33 | (471.782) | (722.854) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| | | (2.674.290) | (3.231.679) |
| Acquisition of Non-controlling Interests' Shares | | - | (54.019) |
| Cash Outflows for Acquisition of Shares in Other Entities or Shares in Funds or Borrowing Instruments | 6,17,38 | (7.888) | (977.685) |
| Proceeds from Sales of Tangible and Intangible Assets | 14,16 | 256.570 | 362.178 |
| Acquisition of Tangible and Intangible Assets | 14,16 | (2.830.881) | (3.052.326) |
| Proceeds from Sales of Investment Properties | 13 | - | 356.496 |
| Acquisition of Investment Properties | 13 | (28.442) | (56.837) |
| Proceeds from Sales of Assets Held for Sale | 32 | 83.733 | 64.822 |
| Advances and Debts Given | 18 | (278.286) | 49.730 |
| Dividend Received | 29 | 130.904 | 75.962 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | | (1.946.921) | 1.294.241 |
| Cash Outflows for Payments due to Treasury Shares | | (244.595) | (982.160) |
| Proceeds from Borrowings | 7 | 6.463.411 | 17.017.792 |
| Repayments of Borrowings | 7 | (7.805.597) | (14.315.501) |
| Payments of Lease Obligations | 7 | (217.918) | (425.890) |
| Dividend paid | 24 | (142.222) | - |
| CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT | | | |
| | | (32.348) | 4.879.928 |
| D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS | | | |
| | | (1.220.114) | (1.006.476) |
| MONETARY LOSS ON CASH AND CASH EQUIVALENTS | | | |
| | | (2.849.311) | (3.976.186) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D) | | | |
| | | (4.101.773) | (102.734) |
| E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | | |
| | | 12.356.731 | 12.459.465 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E) | | | |
| | 5 | 8.254.958 | 12.356.731 |

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Translated into English from the report originally issued in Turkish.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

As of 31 December 2025, Tekfen Holding (“the Company”) and its subsidiaries (together referred to as “the Group”) has 10.941 employees (31 December 2024: 12.611) including the personnel of subcontractors. Registered address of the Company is Kültür Mahallesi, Budak Sokak, Tekfen Sitesi A Blok, No: 7, Beşiktaş, İstanbul, Türkiye.

The Company shares are being publicly traded in Borsa Istanbul since 23 November 2007.

The Company held its Extraordinary General Assembly on 18 December 2025, during which the members of the Board of Directors were elected. As of the balance sheet date, Can Kültür Sanat ve Eğitim Kurumları İşletmeciliği A.Ş. (“Can Kültür”), together with MCN Gayrimenkul Yatırım A.Ş. and KCN Gayrimenkul Yatırım A.Ş. (“Can Group”), holds 42,8% of the Company’s share capital.

Pursuant to the decision of the Küçükçekmece 4th Criminal Court of Peace dated 10 September 2025 and numbered 2025/7178 D. İş, the Board of the Savings Deposit Insurance Fund (“SDIF”) was appointed as trustee over the Can Group companies. Accordingly, the management of the Group has come under the indirect control of the SDIF, which acts as trustee for the Can Group companies, the Company’s majority shareholder.

As of 31 December 2025, details of the Company’s subsidiaries and joint ventures, including their operating segments, countries of incorporation and direct/indirect ownership interests, are presented below:

| Subsidiaries | Nature of Business | Country of Origin | Direct/Indirect Share Participation | | Business Segment |
|--|--------------------------------|-------------------|-------------------------------------|------|---------------------------|
| | | | 2025 | 2024 | |
| Tekfen İnşaat ve Tesisat A.Ş. “Tekfen İnşaat” | Construction | Turkey | 100 | 100 | Engineering & Contracting |
| Tekfen Mühendislik A.Ş. “Temaş” | Engineering | Turkey | 100 | 100 | Engineering & Contracting |
| Tekfen İmalat ve Mühendislik A.Ş. “Timaş” | Manufacturing | Turkey | 100 | 100 | Engineering & Contracting |
| Tekfen Engineering UK Limited “Temaş UK” | Engineering | United Kingdom | 100 | 100 | Engineering & Contracting |
| Cenub Tikinti Servis ASC “Cenub Tikinti” | Construction | Azerbaijan | 51 | 51 | Engineering & Contracting |
| HMB Hallesche Mitteldeutsche Bau-Aktiengesellschaft “HMB” | Trading | Germany | 100 | 100 | Engineering & Contracting |
| Denkmal in Dahlem Otto-Hahn-Platz GmbH “Denkmal Dahlem” | Construction | Germany | 89 | 89 | Engineering & Contracting |
| OOO Rusfen “Rusfen” | Construction | Russia | 100 | 100 | Engineering & Contracting |
| Gate Construction “Gate Construction” | Construction | Kazakhstan | 100 | 100 | Engineering & Contracting |
| Tekfen Construction and Installation W.L.L “Tekfen Construction” | Construction | Qatar | 49 | 49 | Engineering & Contracting |
| Toros Tarım Sanayi ve Ticaret A.Ş. “Toros Tarım” | Agriculture- Shipping Agent | Turkey | 100 | 100 | Agricultural Industry |
| Toros Adana Yumurtalık Serbest Bölgesi Kur. ve İşleticisi A.Ş. “Tayseb” | Service | Turkey | 100 | 100 | Agricultural Industry |
| Toros Terminal Servisleri ve Denizcilik A.Ş. “Toros Terminal” | Service | Turkey | 100 | 100 | Agricultural Industry |
| Toros Gemi Acenteliği ve Ticaret A.Ş. “Toros Gemi” | Shipping Agent | Turkey | 100 | 100 | Agricultural Industry |
| Alanar Meyve ve Gıda Üretim Pazarlama Sanayi ve Tic. A.Ş. “Alanar Meyve” | Fruit Manufacturing | Turkey | 100 | 100 | Agricultural Industry |
| Toros Agroport Romania S.A “Toros Agroport” | Fertilizer Trade | Romania | 100 | 100 | Agricultural Industry |
| Tekfen Turizm ve İşletmecilik A.Ş. “Tekfen Turizm” | Service | Turkey | 100 | 100 | Investment |
| Tekfen Sigorta Aracılık Hizmetleri A.Ş. “Tekfen Sigorta” | Insurance Service | Turkey | 100 | 100 | Investment |
| Tekfen International Finance and Investments S.A. “Tekfen Finance” | Investment | Luxembourg | 100 | 100 | Investment |
| Tekfen Teknoloji Yatırım ve Ticaret A.Ş. “Tekfen Teknoloji” | Investment | Turkey | 100 | 100 | Investment |
| CFS Petrokimya Sanayi A.Ş. “CFS” | Investment | Turkey | 100 | 100 | Agricultural Industry |
| Techinvestments MMC “Techinvestments” | Investment | Azerbaijan | 100 | 100 | Investment |
| Tekfen Ventures L.P. “Tekfen Ventures” | Investment | USA | 100 | 100 | Investment |
| Tekfen Venture Management LLC “Venture Management” | Management Service | USA | 100 | 100 | Investment |
| TV Pivot Investors, LP “TV Pivot” | Investment | USA | 100 | 100 | Investment |
| Tekfen Engineering USA Inc. “Temaş USA” | Engineering | USA | 100 | 100 | Engineering & Contracting |
| Tekfen Yenilenebilir Enerji Çözümleri A.Ş. “Tekfen Yenilenebilir” | Energy | Turkey | 100 | 100 | Investment |

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

| Subsidiaries | Nature of Business | Country of Origin | Direct/Indirect Share Participation | | Business Segment |
|---|--------------------|-------------------|-------------------------------------|------|---------------------------|
| | | | 2025 | 2024 | |
| Tekfen Taşınmaz Yatırım ve Yönetim A.Ş. "Tekfen Taşınmaz" | Investment | Turkey | 100 | 100 | Investment |
| Tekfen Derince Gayrimenkul A.Ş. "Tekfen Derince" | Investment | Turkey | 100 | 100 | Engineering & Contracting |
| Tekmarmara Enerji Üretim A.Ş. "Tekmarmara" ⁽¹⁾ | Energy | Turkey | - | 100 | Investment |
| Babadağ Enerji Üretim A.Ş. "Babadağ" | Energy | Turkey | 100 | 100 | Investment |

⁽¹⁾ Tekmarmara was established on 15 March 2024. As of 16 January 2025, it has been transferred to Babadağ along with all its assets and liabilities.

| Joint Ventures | Nature of Business | Country of Origin | Direct/Indirect Share Participation | | Business Segment |
|-------------------|--------------------|-------------------|-------------------------------------|------|---------------------------|
| | | | 2025 | 2024 | |
| Azfen MMC "Azfen" | Construction | Azerbaijan | 40 | 40 | Engineering & Contracting |

Approval of consolidated financial statements

Consolidated financial statements are approved by the Board of Directors and have been granted authorization to be published on the date of 5 March 2026. The General Assembly and other regulatory organs reserve their right to modify and change these consolidated financial statements.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 The Basis of Presentation

Basis of Preparation of Financial Statements and Summary of Significant Accounting Policies

The Company and its subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles in line with the Turkish Commercial Code ("TCC") and Tax Legislation. Subsidiaries those are registered in foreign countries maintain their books of account and prepare their statutory financial statements in local currencies and in accordance with the prevailing accounting principles in their registered countries.

The accompanying consolidated financial statements have been prepared in accordance with the Communiqué Series II, 14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. Turkish Accounting and Financial Reporting Standards ("TFRS") and additions and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA") are predicated on in accordance with article 5th of the Communiqué.

The consolidated financial statements and notes are presented in accordance with the formats of Examples of Financial Statements and Usage Guide announced by CMB and "Announcement regarding to TFRS Taxonomy" which was published by POA on 3 July 2024.

The consolidated financial statements have been prepared on the historical cost basis adjusted for the effects of inflation on the Turkish Lira ("TRY") as of the reporting date, excluding monetary assets and liabilities determined in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies and assets and liabilities measured at fair value, as specified below:

- Financial assets measured at fair value through profit or loss and derivative financial instruments,
- Financial assets measured at fair value through other comprehensive income,

Historical cost is generally based on the fair value of the consideration paid on the date of purchase in exchange for assets.

Financial Reporting in Hyperinflationary Economy

Financial reporting in hyperinflationary economy with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 December 2024, on the purchasing power basis as of 31 December 2025.

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 The Basis of Presentation (cont'd)

Pursuant to the decision of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

The adjustments made in accordance with TAS 29 have been calculated using the correction coefficient obtained from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TSI"). As of 31 December 2025, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

| Year End | Index | Conversion Factor | Three-year Inflation Rate |
|------------------|----------|-------------------|---------------------------|
| 31 December 2025 | 3.513,87 | 1,00000 | 211% |
| 31 December 2024 | 2.684,55 | 1,30892 | 291% |
| 31 December 2023 | 1.859,38 | 1,88981 | 268% |

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Consolidated financial statements are expressed in terms of the purchasing power at the balance sheet date of the current period. Consolidated financial statements from the previous period have also been adjusted for the purchasing power of the current period.
- Monetary assets and liabilities are already expressed based on the purchasing power at the end of the reporting period and therefore are not adjusted. Monetary items are money held and items to be received or paid in money.
- Non-monetary assets, liabilities and equity are adjusted based on the purchasing power of the current period.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when they were initially recognized in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement (Note 31).

Functional and Reporting Currency

The separate financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Company, and the reporting currency for the consolidated financial statements.

In accordance with TAS 21 (The Effects of Changes in Foreign Exchange Rates), balance sheet items of functional currencies are differed from TRY, are translated with the rate prevailing at the balance sheet date and revenue, expenses and cash flows are translated with the exchange rates at the transaction date (historical rates) or yearly average rate in the case of uncertain transaction date. Gain/loss arising from the translation is recognized in the currency translation reserve under equity. The functional currency of Tekfen İnşaat, a subsidiary of the Group, is US Dollars. The US Dollar is used to a significant extent in, or has a significant impact on, the operations of Tekfen İnşaat and reflects the economic substance of the underlying events and circumstances relevant to Tekfen İnşaat. The purchase and selling prices, the main services and products and majority of financial debts and finance expenses are mainly denominated in US Dollar. Therefore, the Group has determined US Dollar as the functional currency of the Tekfen İnşaat in line with TAS 21 - The Effects of Changes in Foreign Exchange Rates. Due to the depreciation of the TRY against foreign currencies in the current year, Tekfen İnşaat income and expenses for the current year have been converted into TRY using the year-end average exchange rates.

The exchange rates used in the consolidation process as of 31 December 2025 are 1 USD= 42,8623 TRY, 1 EUR= 50,4532 TRY, 1 AZN= 25,2131 TRY, 1 SAR= 11,4299 TRY, 1 QAR= 11,7431 TRY, 1 RON= 9,8463 TRY (As of 31 December 2024; 1 USD= 35,2233 TRY, 1 EUR= 36,7429 TRY, 1 AZN= 20,7196 TRY, 1 SAR= 9,3929 TRY, 1 QAR= 9,6502 TRY, 1 RON= 7,3414).

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 The Basis of Presentation (cont'd)

Going Concern

As of 31 December 2025, the Group's current liabilities exceeded its current assets by 9.077.834 (net working capital deficit) (31 December 2024: 2.740.026 net working capital surplus). For the period ended 31 December 2025, the Group incurred a net loss for attributable to owners of parent amounted to 5.721.464 and retained earnings amounted to 19.975.215 (31 December 2024: 528.923 profit and 19.878.961 retained earnings).

The aforementioned financial indicators reflect uncertainties that should be taken into consideration in assessing the Company's ability to continue as a going concern. However, as a result of the analyses and management's assessments, as detailed below, it has been concluded that such uncertainties have been eliminated and that the Company has the ability to continue its operations in the foreseeable future.

As a result of the changes in the shareholding structure during 2025, the Group received written notifications from certain banks in accordance with the notification obligations stipulated under the general loan agreements to which the Group is a party. In this context, while certain banks demanded repayment of cash and non-cash borrowings, others notified the Group that they reserved their contractual rights, and some made no demands. The majority of the Group's non-cash borrowings consist of guarantees provided by the Group's subsidiary Tekfen İnşaat to project owners within the scope of its construction contracts, and by the subsidiary Toros Tarım to the tax authority as collateral for its tax receivables. The real risk associated with the guarantee letters issued by Tekfen İnşaat is limited, the related projects are mostly in the final stage of the completion. The current balance sheet structure and collateral/guarantee mechanisms provide a strong capacity for managing such liabilities.

Considering the status of negotiations with banks as of the reporting date, borrowings amounting to 2.750.560, previously classified as non-current liabilities, have been reclassified as current liabilities in accordance with the contractual provisions. As of the reporting date, negotiations with certain banks have been concluded and confirmation letters stating that no event of default exists or that contractual provisions have been waived have been obtained. Negotiations with other banks are continuing as planned, and management holds a reasonable expectation that these negotiations will be successfully concluded and that additional financing opportunities will be secured.

The Group management's action plans related to the going concern assessment are summarized below:

- Completion of negotiations with banks and ensuring the waiver confirmations.
- Renewal/extension of existing credit facilities and evaluation of additional financing opportunities with favorable cost terms.
- Tight monitoring of collection processes, optimization of payment terms, and assessment of rescheduling alternatives when necessary, in order to balance cash flows.
- Postponement of non-essential expenditures and optimization of procurement and resource utilization processes to enhance operational efficiency and maintain cost discipline.
- Improvement of asset efficiency through increasing the turnover rate of working capital items (inventories, receivables, advances).

The objective of these plans is to ensure that cash generated from operations and external financing sources are used together, in a timely and sufficient manner, to meet short-term obligations.

Management's twelve-month going concern projections are based on:

- (i) the completion of negotiations with banks in line with updated schedules,
- (ii) the realization of cash generation capacity consistent with operational plans, and
- (iii) the absence of any unusually adverse deterioration in market conditions.

SDIF, which has been appointed as trustee for the shares of the Can Group in the Company's share capital, has appointed Namık Ülke as Head of Group Companies and Kenan Alpdündar as Deputy Head responsible for Financial Affairs. Due to resignations during the period, Nevzat Avunç (Deputy Chairman of the SDIF), Taner Yalçın, and Erdem Şair were appointed as members of the Board of Directors of Tekfen Holding upon the recommendation of the SDIF Fund Board. At the Extraordinary General Assembly meeting held on December 18, 2025, Nevzat Avunç (re-elected), Taner Yalçın (re-elected), and Erdem Şair (re-elected), together with Ömer Şanlı, Mahmut Çelik, İsmail Coşkun, Bircan Ünlü, Sibel Koç, and Esra Özkan, were elected to serve on the Board of Directors for a term of three years. Management is of the opinion that the Group will be able to obtain sufficient financial resources to continue its operations in the foreseeable future. In preparing its projections, management has based its assessment on several assumptions, including the favorable conclusion of certain ongoing negotiations with banks, the realization of operational cash generation in line with the plans, and the absence of adverse deviations.

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(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 The Basis of Presentation (cont'd)

Going Concern (cont'd)

The summary consolidated financial statements have been prepared on a going concern basis. This basis assumes that the Company will continue its operations in the normal course of business, generate profits from its assets to meet its obligations, and, considering twelve-month forecasts and current developments following the reporting period, maintain access to the financial resources required to sustain the Group's operations in the foreseeable future.

Consolidation Principles

Consolidated financial statements are made of entities' financial statements that are either controlled by the Company or its subsidiaries. The Company and its subsidiaries control an investee when it is exposed, or have rights, to variable returns from its involvement with the investee and have the ability to affect those returns through its power over the investee.

Control is maintained by the Company where it has less voting rights than the majority of an investee but still voting rights are sufficient to give the practical ability to direct or manage relevant activities of the related investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to maintain power.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. The results of the purchased or sold subsidiaries of the Group are shown in the consolidated profit or loss and consolidated other comprehensive income statement that belongs to the dates after they purchased or the dates before they sold.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates or joint ventures are included in these consolidated financial statements using the equity method of accounting, except the ones that are classified as assets held for sale in accordance with TFRS 5. Under the equity method, an investment in associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture and any impairment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Any additional losses are recognized if the Group is exposed to any legal or constructive obligation or the Group has made payments on behalf of the associate or a joint venture.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 The Basis of Presentation (cont'd)

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The details of the joint operations of the Group as of 31 December 2025 are as follows:

| Joint Operations | Nature of Business | Country of Origin | Direct/Indirect | | Business Segment |
|---|--------------------|-------------------|-----------------|------|---------------------------|
| | | | 2025 | 2024 | |
| Tekfen-Tubin-Özdemir J.V. "TÖT J.V." | Construction | Turkey | 71 | 71 | Engineering & Contracting |
| Gama-Tekfen-Tokar J.V. "GTT J.V." | Construction | Turkey | 35 | 35 | Engineering & Contracting |
| Tekfen TML J.V. "Tekfen TML J.V." | Construction | Libya | 67 | 67 | Engineering & Contracting |
| Doğuş - Tekfen Adı Ortaklığı "Doğuş - Tekfen" | Construction | Turkey | 50 | 50 | Engineering & Contracting |
| Tekfen - Al Jaber Engineering "Tekfen – Al Jaber J.V." | Construction | Qatar | 50 | 50 | Engineering & Contracting |
| Tekfen - T Engineering Ortak Girişimi "Tekfen - T Engineering J.V." | Construction | Turkey | 85 | 85 | Engineering & Contracting |
| Istek Construction "Istek J.V." | Construction | Kazakhstan | 50 | 50 | Engineering & Contracting |

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly,
- Its liabilities, including its share of any liabilities incurred jointly,
- Its revenue generated from the sale of any product/output arising from the joint operation,
- Its share of the revenue from the sale of the output by the joint operation,
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the TFRS applicable to the particular assets, liabilities, revenues and expenses.

2.2 Changes in Accounting Policies

Significant changes in accounting policies have been applied retrospectively and prior period consolidated financial statements are restated. In the current year, there are not any material changes in accounting policies of the Group.

2.3 Changes in Accounting Estimates and Errors

If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively. If any significant accounting errors are found out, changes are applied retrospectively and prior year's financial statements are restated.

2.4 Adoption of New and Amended Standards

New and revised standards and interpretations are presented below:

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

- Amendments to TAS 21 - "Lack of exchangeability"

(b) Standards issued but not yet effective and not early adopted:

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

- TFRS 17, "The new Standard for insurance contracts"

- TFRS 9 and TFRS 7 (Amendments), "Classification and Measurement of Financial Instruments"

- TFRS 9 and TFRS 7 (Amendments), "Contracts Referencing Nature-dependent Electricity"

- TFRS 18, "Presentation and Disclosure in New Financial Statements Standard"

- TFRS 19, "Subsidiaries without Public Accountability: Disclosures"

(c) Changes published by the International Accounting Standards Board (IASB) but not yet published by the Public Oversight, Accounting and Auditing Standards Authority (POA):

- IAS 21 - Translation to a Hyperinflationary Presentation

The Group is assessing the impact of standards, amendments, and interpretations that have been published but are not yet effective as of 31 December 2025, on the consolidated financial position and performance.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies

Revenue

When the Group meets its performance obligation by transferring a product or service that is committed before, the revenue is recognised in consolidated financial statements. When the the client takes over the control of an asset, the asset is deemed transferred. The Group recognises revenue based on the following five principles:

- Determining client agreements,
- Determining performance obligations in agreements,
- Determining transaction price in agreements,
- Distributing transaction price to performance obligations in agreements,
- Recognising the revenue as each performance obligation is met.

If all of the below-mentioned conditions are met, the Group recognises an agreement made with the client as revenue:

- Parties to the agreement approved the agreement (in writing, orally or in other means in line with commercial practices) and committed to meet their respective obligations,
- Group can define the rights of each party of the goods or services to be transferred,
- Group can define payment conditions concerning the goods or services to be transferred,
- The agreement is commercial in essence.
- It is possible that the Group will collect money in return for goods and services to be transferred to the client.

At the beginning of the agreement, the Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation. The Group's performance obligations are defined as follows:

- Different goods or service (goods or service packages) or
- A group of different goods or services which are similar in a great extent and transferred to the client with the same method.

A group of different goods or services are subject to the same transfer method if the below conditions are met:

- Each different product or service that the Group committed to transfer to the client must meet required conditions and constitute a performance obligation to be met in time and
- As per the relevant paragraph of the standard, using the same method to measure the progress of the Group in meeting its obligation to transfer each product or service included in the group to the client.

Group takes into account agreement provisions and commercial customs in order to determine transaction price. Transaction price is the price, which the Group expects to deserve in return for goods and services Group committed to provide to client, excluding amounts (eg. some sales taxes) collected on behalf of third parties. A committed price in an agreement with a client can include both the fixed amounts and variable amounts. If the price the Group commits in the agreement is variable, the Group determines the price it deserves in return for goods and services committed to client through estimation. For the Group to include some or all of variable price it estimates in transaction price, it should be very likely that there will not be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated. When assessing whether or not there will be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated, the Group must take into account both realisation possibility and impact of revenue cancellation.

The Group recognizes revenue from the following major sources:

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

Sale of goods

The Group evaluates the goods promised in each contract with the customers and determines each commitment given for transfer of goods as a separate performance obligation. Afterwards, it is determined that whether the performance obligations will be fulfilled over-time or at a point-in-time. If the Group transfers the control of a good over-time and thus fulfills the performance obligations related to those sales over time, it measures the progress of the fulfillment of the performance obligations in full and recognize revenue over-time in the consolidated financial statements. Revenue related to the performance obligations of goods transfer is recognized when the control of the goods is fully transferred to the customers.

Rental income

Rental income from investment properties is recognized on an accrual basis over the term of the relevant lease.

Construction contracts

In contracts where third parties undertake the management, control and coordination of the construction activities are referred to as service contracts and they are only recognized as revenues when they are benefited by third parties.

When the revenue of a construction contract can be estimated reliably, contract revenue associated with the construction contract shall be recognized by reference to the percentage of completion (over time based cost-to-cost method) of the contract activity at the balance sheet date. Percentage of completion is measured by the proportion of the contract costs incurred for work performed to date divided by the estimated total contract costs. This calculation does not apply if the percentage of completion cannot be measured reliably.

Changes in construction contract, additional receivable variation order and incentive payments are included in the project revenue in accordance with the probable consent of the employer if the revenue is measured reliably.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

Construction contract costs consist of direct costs such as all raw materials and direct labor expenses and indirect labor costs related with contract performance, equipment, maintenance, and depreciation expenses. Selling and general administration expenses are recognized when they occur. Provision for cost of estimated loss of incomplete contracts is recognized immediately in the year, which such loss is forecasted. Changes in estimated profitability due to business efficiency, business conditions, provisions for contract penalties and final contract arrangements can cause revisions in costs incurred and revenues obtained at the end of the project. Impact of these revisions is accounted for in the year, in which such revision is made.

Contract assets arising from ongoing construction works indicates the revenue recognized on construction contracts more than billings, and contract liabilities arising from ongoing construction works indicate the billings in excess of the revenue recognized on construction contracts. Progress billings for construction work completed as of the balance sheet date and invoiced in the following month are recognized as accrued revenue.

Group management does not recognize the additional receivables under compensation outside the scope of the contract that may be subject to litigation as income, unless negotiations have reached to an advanced stage such that it is probable that the customer will accept the variation order and the amount of the additional receivable can be measured reliably.

Retention Receivables from Contractors

The Group's progress billings from its employees are subject to retention deductions, which vary, based on the individual agreements. These balances are collected based on contract terms either via letter of bank guarantees or from the contractors upon successful completion of the contract at the end of the warranty period. Retention receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Retention Payables to Subcontractors

The Group's progress billings to its subcontractors are subject to retention deductions, which vary, based on the individual agreements. These payables are paid to subcontractors after they successfully complete the guarantee periods. Retention payables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make a sale.

For construction projects, the materials have been produced especially for these projects are included in the project costs when they are delivered to contract sites.

Property, Plant and Equipment

Property plant and equipment are carried at cost values adjusted for inflation less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes legal fees. In case of the qualifying assets which necessarily take a substantial period of time to get ready for its intended use or sale, borrowing costs are capitalized. When the construction of these assets is completed and they are ready for use, they are transferred to the relevant property, plant and equipment class. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged to write off the cost of property, plant and equipment, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- The contract involved the use of an identified asset – this may be specified explicitly or implicitly,
- The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified,
- The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Leases (cont'd)

As a lessee (cont'd)

- d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
- The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

The Group recognizes a right of use and a rent obligation in the consolidated financial statements at the date of the lease.

Right-of-use asset

The right-of-use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group.

To apply a cost model, the Group measure the right-of-use asset at cost:

- Less any accumulated depreciation and any accumulated impairment losses; and
- Adjusted for any remeasurement of the lease liability.

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- 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 as at the commencement date,
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Leases (cont'd)

Lease liability (cont'd)

After the commencement date, the Group measures the lease liability by:

- Increasing the carrying amount to reflect interest on the lease liability,
- Reducing the carrying amount to reflect the lease payments made, and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised insubstance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determines the periodic discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group remeasures the lease liability to reflect changes to the lease payments. the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- There is a change in the lease term. The Group determines the revised lease payments on the basis of the revised lease term; or
- There is a change in the assessment of an option to purchase the underlying asset.

The Group determines the revised lease payments to reflect the change in amounts payable under the purchase option. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of the standard and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

Intangible Assets

Intangible assets acquired separately are reported at cost values adjusted for inflation less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of Assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalization is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments

Financial Assets

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

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

The Group reclassifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: (a) the Group's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset. When, and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. The Group applies the reclassification prospectively from the reclassification date. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Financial assets measured at amortized cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

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

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

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

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial Assets (cont'd)

Financial assets measured at fair value through other comprehensive income

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

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

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the Group accounts for the cumulative gain or loss that was previously recognized in other comprehensive income in consolidated financial statements. Interest calculated using the effective interest method is recognized in profit or loss.

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

Financial assets measured at fair value through profit or loss

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

Impairment

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or fair value through other comprehensive income.

The Group applies the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income.

At each reporting date, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables that do not contain a significant financing component, which is referred as simplified approach.

Financial Liabilities

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

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

- (a) financial liabilities at fair value through profit or loss: Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial Liabilities (cont'd)

(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. In subsequent periods, the Group recognizes any income on the transferred asset and any expense incurred on the financial liability.

(c) contingent consideration recognized by an acquirer in a business combination to which TFRS 3 applies. Such contingent consideration is subsequently be measured at fair value with changes recognized in profit or loss.

Recognition and Derecognition of Financial Assets and Liabilities

The Group recognizes a financial asset or a financial liability only when the Group becomes party to the contractual provisions of the instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for derecognition. If a transfer of financial asset does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group will continue to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

If the Group retains all the risks and rewards arising from the ownership of a transferred asset, the financial asset continues to be recognized, and a liability amount secured against the transferred financial asset is also accounted for in respect of the income obtained. The Group derecognizes a financial liability from the consolidated balance sheet only when the obligation defined in the contract is eliminated, canceled, or expires.

Derivative Financial Instruments and Hedge Accounting

The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives are included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item influences profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Group utilizes derivative financial instruments to hedge against foreign currency and interest rate risks. Derivative instruments are initially recognized at fair value. Subsequent changes in their fair value are recognized in profit or loss.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Foreign Currency Transactions

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

In preparing the financial statements of the individual entities, transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated to functional currency at the rates prevailing on the balance sheet date.

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

Exchange differences are recognized in profit or loss in the period in which they arise except for which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

Presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Arising translation differences are recognized in other comprehensive income and transferred to accumulated other comprehensive income (loss) that will be reclassified in profit or loss under equity. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

Earnings Per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

Events After the Reporting Period

Events after the reporting period comprise of events which occur between the reporting date and the date on which the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or after public disclosure of any other selected financial information.

The Group adjusts the amounts recognized in its financial statements if adjusting events occur after the balance sheet date.

Provisions, Contingent Assets and Liabilities

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

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

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

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Provisions, Contingent Assets and Liabilities (cont'd)

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision.

An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Warranties

Provisions of warranty costs are recognized at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

Government Grants and Incentives

Government incentives are not recognized in the financial statements unless there is a reasonable assurance that Group will comply with the conditions attaching to them and the incentives will be received.

Government incentives are accounted systematically in profit or loss where they are matched with the relevant costs recorded as expenses during the period. Government incentives as a financial instrument should be associated with the balance sheet as unearned revenue to offset the related expense item instead of being recognized in profit or loss and must be accounted systematically in profit or loss depending on useful lives of the related assets.

Government incentives that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Investment Property

Investment property, which is property, held to earn rentals and/or for capital appreciation is carried at cost values adjusted for inflation less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Depreciation is provided on investment property on a straight-line basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

Corporate Income Tax

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

Tax expense represents the sum of the period tax expense and deferred tax income / (expense).

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Corporate Income Tax (cont'd)

Controlled foreign corporation income

Turkish CFC regime was introduced in 2006 by Turkish Corporate Income Tax Act. Due to CFC regulations, Turkish Corporate income taxpayer which manages their investments via foreign subsidiaries will need to declare and pay corporate income tax in Turkey under certain conditions regardless of whether or not the income generated through foreign subsidiaries is transferred to Turkey. In other words, to gain the profit is forced to be free from the distribution of the generated profit. Corporations which are established in foreign companies directly or indirectly controlled by a Turkish individual or corporation which holds (separately or together) at least 50% of their capital, dividend or voting rights which will be deemed as CFC. The other conditions of CFC are 25% or more of the income of the foreign subsidiary should be passive income (such as rent, dividend, interest), the foreign subsidiary should be subject to less than 10% effective tax burden over its corporate income and the gross revenue of foreign company should exceed the foreign currency equivalent of TRY 100.000.

If the CFC earnings, which are declared in Turkey and related taxes are paid, will be brought up to scene as dividend in the forthcoming periods; they will not be included into taxable income to prevent double taxation.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income 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 liability for current tax is calculated using tax rates that have been enacted for each entity included in the consolidation by the balance sheet date.

Deferred tax.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the reporting date, 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 set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized in profit or loss except when they are directly related to a transaction which is accounted under equity. Otherwise, they are recognized in equity, along with the related transaction.

Assets Held for Sale

Non-current assets are classified as "assets held for sale" and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Employee Benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring, involuntarily leaving the Group or when the conditions presented in law are met. Such payments are considered as being part of defined retirement benefit plan according to the revised TAS 19 *Employee Benefits* ("TAS 19").

The retirement benefit obligation recognized in the consolidated financial statements represents the net present value of the defined benefit obligation. The calculated actuarial gains and losses are all recognized in other comprehensive income.

The Company and its subsidiaries are liable to pay retirement benefit for its qualified personnel. In addition to this, according to Group's retirement benefit policy, the Group pays retirement benefits to its retirees. The Group and its consolidated subsidiaries, regarding the retirement benefits of its personnel employed abroad, is subject to laws and regulations of the countries its personnel is located within. Regarding the laws mentioned, required provision has been provided for in the consolidated financial statements.

Preference Shares

As determined in the articles of association of Tekfen Holding A.Ş., 30 of the registered preference shares belong to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı ("Tekfen Vakfı"). The constitutive preference shares grant no voting rights or any membership rights to their owners.

According to the articles of association of the Company, 5% of the net profit is reserved as first order legal reserves up to 20% of the paid-up capital. At least 30% but not less than the rate and amount determined by the CMB of the amount that to be found by the addition of donations made within the year to the remaining part of the net profit is distributed as first dividend. Up to 3% of the remaining net profit is devoted to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds preference shares.

According to TAS 32, if, as a result of contingent settlement provisions, the issuer does not have an unconditional right to avoid settlement by delivery of cash or other financial instrument, the instrument is a financial liability of the issuer.

Preference shares owned by Tekfen Vakfı are considered as negotiable instruments and realized as a financial liability assuming that they will continue to take advantage of the right at upper limit as long as the Group's existing shareholders structure and management remains the same. In assessment of fair values of related constitutive preference shares, the Group's market value as of balance sheet date is taken into consideration. Calculated fair value depends on different conditions which may occur in foreseeable future and is therefore discounted and realized as liability in the consolidated financial statements.

Business Combinations

The acquisition of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 Income Taxes and TAS 19 Employee Benefits respectively,
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 Share-based Payment at the acquisition date,
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 are measured in accordance with that Standard.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Business Combinations (cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets, or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Summary of Significant Accounting Policies (cont'd)

Related Parties

Related parties are the person or business associated with the entity that prepared its financial statements (reporting entity).

- a) A person, or a member of that person's immediate family, is deemed to be associated with the reporting entity if,
- (i) Has control or joint control over the reporting entity,
 - (ii) Has a significant influence on the reporting entity,
 - (iii) If the reporting enterprise or a parent company of the reporting enterprise is a member of the key management personnel.
- b) If any of the following conditions exist, the entity is deemed to be related to the reporting entity:
- (i) If the entity and the reporting entity are members of the same group (each parent company, subsidiary and other subsidiary is associated with the others).
 - (ii) If the business is a subsidiary or business partnership of the other business (or a member of a group to which the other business is a member).
 - (iii) If both businesses are joint ventures of the same third party.
 - (iv) If one of the enterprises is a business partnership of a third enterprise and the other enterprise is a subsidiary of the the third enterprise.
 - (v) In the event that there are benefit plans for the employees of the company, the reporting enterprise or an enterprise associated with the reporting enterprise after they leave their employment. If the reporting enterprise itself has such a plan, the sponsoring employers are also associated with the reporting enterprise.
 - (vi) If the business is controlled or jointly controlled by a person identified in (a).
 - (vii) If a person defined in subparagraph (i) of article (a) has a significant influence on the enterprise or is a member of the key management personnel of the enterprise (or the parent company of this enterprise).

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

2.6 Critical Accounting Judgments, Key Sources of Estimation Uncertainty and Assumptions

In the process of applying accounting policies, which are described in Note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Deferred taxes

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually arise from the fact that certain income and expense items are recognized in different reporting periods for TFRS and tax purposes. In the subsidiaries of the Group, there are deferred tax assets resulting from tax loss carryforwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carryforwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the assessment made, the Group recognizes deferred tax assets in certain entities because it is probable that taxable profit will be available sufficient to recognize deferred tax assets in those entities.

Income tax

The Group operates in various tax jurisdictions and is subject to applicable tax legislation and tax laws in these countries. The Group requires the use of significant estimates of determining provision of income tax. The Group estimates the usage of financial losses carried forward and the tax provision arising from tax liabilities. When the final tax results are determined, realized amounts may be different than the estimated amounts and as of the balance sheet date an adjustment may be made on the recognized income tax provision.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.6 Critical Accounting Judgments, Key Sources of Estimation Uncertainty and Assumptions (cont'd)

Change in contract fee

Changes in contract fees are recognized in the consolidated financial statements to the extent that those changes are likely to be approved by the customers, based on the percentage of completion method of the construction projects. Estimates on the collection of those changes are made based on the Group management's past experiences, the related contract terms, and the related legislation.

Percentage of completion

The Group uses the percentage of completion method in accounting for its construction contracts. Use of the percentage of completion method requires the Group to estimate the proportion of work performed to date as a proportion of the total work to be performed.

Construction costing estimates

The Group calculates the remaining costs to complete on construction projects through its internally developed projections. Factors such as escalations in material prices, labour costs and other costs are included in these projections based on best estimate as of the balance sheet dates. Any unanticipated escalation in the subsequent periods will require the reassessment of the remaining costs.

Non-current retention receivables

Non-current retention receivable and payable are stated at their fair value each period end by discounting the Group's effective deposit and borrowing rates respectively, which management considers to be the appropriate discount rates for these assets and liabilities.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques based on market-observable data, market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows.

3. JOINT OPERATIONS

Group's significant partnerships subject to joint operations are described in Note 2.

Financial information related to these joint operations is as follows:

| | 31 December 2025 | 31 December 2024 |
|-------------------------|-----------------------------------|-----------------------------------|
| Current assets | 773.230 | 871.711 |
| Non-current assets | 234.150 | 522.797 |
| Current liabilities | 2.786.540 | 3.571.208 |
| Non-current liabilities | 13.042 | 12.236 |
| Shareholders' equity | (1.792.202) | (2.188.936) |
| | 1 January- 31 December 2025 | 1 January- 31 December 2024 |
| Revenue | 385.203 | 622.354 |
| Cost of revenue (-) | (278.548) | (95.047) |
| Profit for the period | 214.822 | 535.035 |

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4. SEGMENTAL REPORTING

a) Segmental results

| | 1 January - 31 December 2025 | | | Total |
|---|------------------------------|--------------------------|--------------------|--------------------|
| | Engineering & Contracting | Agricultural Industry | Investment | |
| Revenue | 19.640.253 | 33.287.406 | 981.737 | 53.909.396 |
| Cost of revenue (-) | (21.795.286) | (29.504.097) | (692.990) | (51.992.373) |
| GROSS PROFIT (LOSS) | (2.155.033) | 3.783.309 | 288.747 | 1.917.023 |
| General administrative expenses (-) | (1.097.883) | (869.013) | (637.850) | (2.604.746) |
| Marketing expenses (-) | (61.474) | (1.990.479) | (281) | (2.052.234) |
| Research and development expenses (-) | - | (57.104) | - | (57.104) |
| Other operating income | 1.431.840 | 2.409.844 | 67.500 | 3.909.184 |
| Other operating expenses (-) | (1.507.979) | (2.786.312) | (119.973) | (4.414.264) |
| Share on profit of investments valued by equity method | 1.986 | - | - | 1.986 |
| OPERATING PROFIT (LOSS) | (3.388.543) | 490.245 | (401.857) | (3.300.155) |
| Investment income | 172.258 | 74.059 | 97.919 | 344.236 |
| Investment expense (-) | (20.331) | (306.693) | (451.943) | (778.967) |
| PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES) | (3.236.616) | 257.611 | (755.881) | (3.734.886) |
| Financial income | 573.802 | 288.281 | 690.666 | 1.552.749 |
| Financial expenses (-) | (654.599) | (1.780.347) | (1.949.100) | (4.384.046) |
| Net monetary position gain (loss) | 340 | 2.147.773 | 490.526 | 2.638.639 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION | (3.317.073) | 913.318 | (1.523.789) | (3.927.544) |
| Tax (expense) income from continuing operations | (956.385) | (643.136) | (205.138) | (1.804.659) |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD | (4.273.458) | 270.182 | (1.728.927) | (5.732.203) |

For the year ended 31 December 2025, revenue amounting 5.420.424 was obtained from a single non-related client of Engineering and Contracting segment which constitute 10,1% of the Group's revenue.

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4. SEGMENTAL REPORTING (cont'd)

a) Segmental results (cont'd)

| | 1 January - 31 December 2024 | | | Total |
|---|------------------------------|-----------------------|------------------|------------------|
| | Engineering & Contracting | Agricultural Industry | Investment | |
| Revenue | 28.284.277 | 46.888.118 | 993.505 | 76.165.900 |
| Cost of revenue (-) | (25.360.549) | (42.340.415) | (640.426) | (68.341.390) |
| GROSS PROFIT | 2.923.728 | 4.547.703 | 353.079 | 7.824.510 |
| General administrative expenses (-) | (1.542.959) | (806.050) | (820.305) | (3.169.314) |
| Marketing expenses (-) | (67.068) | (3.607.297) | (296) | (3.674.661) |
| Research and development expenses (-) | - | (74.268) | - | (74.268) |
| Other operating income | 1.177.709 | 1.831.453 | 89.570 | 3.098.732 |
| Other operating expenses (-) | (961.199) | (2.798.755) | (209.957) | (3.969.911) |
| Share on loss of investments valued by equity method | (245.454) | - | - | (245.454) |
| OPERATING PROFIT (LOSS) | 1.284.757 | (907.214) | (587.909) | (210.366) |
| Investment income | 560.694 | 35.235 | 198.479 | 794.408 |
| Investment expense (-) | (55.692) | (60.918) | (169.218) | (285.828) |
| PROFIT (LOSS) BEFORE FINANCIAL INCOME(EXPENSE) | 1.789.759 | (932.897) | (558.648) | 298.214 |
| Financial income | 273.153 | 625.795 | 914.396 | 1.813.344 |
| Financial expenses (-) | (878.882) | (1.979.642) | (633.400) | (3.491.924) |
| Net monetary position gain (loss) | 1.408 | 2.304.461 | (472.313) | 1.833.556 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXATION | 1.185.438 | 17.717 | (749.965) | 453.190 |
| Tax (expense) income from continuing operations | (148.158) | 421.396 | (184.895) | 88.343 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS FOR THE PERIOD | 1.037.280 | 439.113 | (934.860) | 541.533 |

For the year ended 31 December 2024, there is not any revenue obtained from a single non-related client which constitute higher than 10% of the Group's total revenue.

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4. SEGMENTAL REPORTING (cont'd)

b) Segmental assets and liabilities

| Balance sheet | 31 December 2025 | | | |
|--|---------------------------|-----------------------|------------|------------|
| | Engineering & Contracting | Agricultural Industry | Investment | Total |
| Total assets | 20.019.693 | 41.657.941 | 10.517.254 | 72.194.888 |
| Current and non-current liabilities | 16.295.325 | 16.913.052 | 6.198.710 | 39.407.087 |
| Equity attributable to owners of the parents | (6.339.062) | 22.984.703 | 15.740.011 | 32.385.652 |
| Non-controlling interests | 397.335 | 4.814 | - | 402.149 |

| Balance sheet | 31 December 2024 | | | |
|--|---------------------------|-----------------------|------------|------------|
| | Engineering & Contracting | Agricultural Industry | Investment | Total |
| Total assets | 28.999.137 | 43.103.996 | 14.120.404 | 86.223.537 |
| Current and non-current liabilities | 21.163.350 | 15.716.616 | 8.922.347 | 45.802.313 |
| Equity attributable to owners of the parents | (1.520.100) | 22.793.679 | 18.603.819 | 39.877.398 |
| Non-controlling interests | 538.652 | 5.174 | - | 543.826 |

c) Segmental information related to property, plant and equipment, intangible assets, investment property, right-of-use assets and revenue

| | 1 January - 31 December 2025 | | | |
|---|------------------------------|-----------------------|------------|-----------|
| | Engineering & Contracting | Agricultural Industry | Investment | Total |
| Capital expenditures (*) | 418.403 | 2.383.912 | 57.008 | 2.859.323 |
| Depreciation and amortization expense for the period (**) | 731.286 | 1.852.237 | 199.246 | 2.782.769 |
| Intra-segment revenue | 711.160 | 1.140.859 | 120.683 | 1.972.702 |
| Inter-segment revenue | 4.535 | 77 | 428.398 | 433.010 |

| | 1 January - 31 December 2024 | | | |
|---|------------------------------|-----------------------|------------|-----------|
| | Engineering & Contracting | Agricultural Industry | Investment | Total |
| Capital expenditures (*) | 527.864 | 2.491.592 | 89.707 | 3.109.163 |
| Depreciation and amortization expense for the period (**) | 1.042.163 | 1.681.456 | 181.134 | 2.904.753 |
| Intra-segment revenue | 2.067.096 | 970.361 | 128.654 | 3.166.111 |
| Inter-segment revenue | 2.145 | 2.721 | 582.598 | 587.464 |

(*)Right-of-use assets have not been recognized.

(**) The depreciation expense of 2.186 is removed from the cost of inventories (2024: 1.305).

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4. SEGMENTAL REPORTING (cont'd)

d) Geographical segmental information

| | Turkey | CIS | Middle Eastern Countries | Other | Eliminations | Total |
|---|-------------|------------|--------------------------------|------------|---------------|------------|
| Revenue (1 January - 31 December 2025) | 40.001.261 | 4.126.949 | 11.872.441 | 314.457 | (2.405.712) | 53.909.396 |
| Total assets (31 December 2025) | 157.678.792 | 25.135.562 | 14.479.268 | 23.734.948 | (148.833.682) | 72.194.888 |
| Capital expenditures (1 January - 31 December 2025) | 2.463.321 | 828 | 395.174 | - | - | 2.859.323 |

| | Turkey | CIS | Middle Eastern Countries | Other | Eliminations | Total |
|---|-------------|------------|--------------------------------|------------|---------------|------------|
| Revenue (1 January - 31 December 2024) | 60.624.389 | 6.274.605 | 11.634.813 | 1.385.668 | (3.753.575) | 76.165.900 |
| Total assets (31 December 2024) | 167.819.633 | 27.793.775 | 15.698.290 | 14.411.511 | (139.499.672) | 86.223.537 |
| Capital expenditures (1 January - 31 December 2024) | 2.623.023 | 137.412 | 348.524 | 204 | - | 3.109.163 |

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5. CASH AND CASH EQUIVALENTS

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Cash on hand | 3.938 | 7.360 |
| Demand deposits | 1.139.974 | 886.168 |
| Time deposits with maturity of three months or less | 2.607.918 | 8.465.643 |
| Liquid funds | - | 73.171 |
| Other cash equivalents* | 4.503.128 | 2.924.389 |
| | <u>8.254.958</u> | <u>12.356.731</u> |

*Comprised of credit card receivables with maturities of less than three months.

Explanations about the nature and level of risks related to cash and cash equivalents are provided in Note 37.

6. FINANCIAL INVESTMENTS

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| <u>Short-term financial investments</u> | | |
| Time deposits with maturity of longer than three months | - | 3.228 |
| | <u>-</u> | <u>3.228</u> |
| <u>Long-term financial investments</u> | | |
| Fair value through other comprehensive income financial investments | 2.852.037 | 3.289.930 |
| Fair value through profit or loss financial investments | 2.338.826 | 2.815.186 |
| Long term funds | 2.025 | 2.632 |
| | <u>5.192.888</u> | <u>6.107.748</u> |
| Financial investments total | <u>5.192.888</u> | <u>6.110.976</u> |

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6. FINANCIAL INVESTMENTS (cont'd)

Long-term financial investments are as follows:

| Details | Share % | 31 December 2025 | Share % | 31 December 2024 |
|--|------------|---------------------|------------|---------------------|
| <u>Fair value through other comprehensive income financial investments</u> | | | | |
| <u>Traded</u> | | | | |
| Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. | 10,47 | 772.063 | 10,47 | 1.146.911 |
| Türkiye Sınai Kalkınma Bankası A.Ş. | <1 | 16.225 | <1 | 21.015 |
| Akçansa Çimento Sanayi ve Ticareti A.Ş. | <1 | 919 | <1 | 1.309 |
| Turcas Petrol A.Ş. | <1 | 189 | <1 | 165 |
| | | <u>789.396</u> | | <u>1.169.400</u> |
| <u>Non-traded</u> | | | | |
| Toren Doğalgaz Depolama ve Madencilik A.Ş. ⁽¹⁾ | 2,50 | - | 2,50 | - |
| Gaz Depo ve Madencilik A.Ş. ⁽¹⁾ | 2,50 | - | 2,50 | - |
| SOCAR Polymer Investments LLC | 10,00 | 1.337.480 | 10,00 | 1.395.800 |
| Cording Dortmund Hiltropwall SCSp | 12,58 | 7.115 | 12,58 | 7.653 |
| Berlin Light JV S.a.r.l | 9,60 | 313.366 | 11,44 | 310.006 |
| Mersin Serbest Bölge İşleticisi A.Ş. | 9,56 | 261.039 | 9,56 | 270.568 |
| Akmerkez Lokantacılık Gıda San. ve Tic. A.Ş. ⁽²⁾ | 30,50 | 12.639 | 30,50 | 12.639 |
| Üçgen Bakım ve Yönetim Hizmetleri A.Ş. ⁽²⁾ | 27,45 | 3.121 | 27,45 | 3.122 |
| Antalya Serbest Bölge Kurucu ve İşleticisi A.Ş. | 10,00 | 127.567 | 10,00 | 120.456 |
| Other | | 314 | | 286 |
| | | <u>2.062.641</u> | | <u>2.120.530</u> |
| Fair value through profit or loss financial investments | | 2.338.826 | | 2.815.186 |
| <u>Long term funds</u> | | <u>2.025</u> | | <u>2.632</u> |
| <u>Long-term financial investments total</u> | | <u>5.192.888</u> | | <u>6.107.748</u> |

⁽¹⁾ Related assets are considered as financial assets that are not equity instruments. As of the balance sheet date, since the addressees of the Group have not fulfilled their treasury shares debts in accordance with the terms of the contract, a written warning was sent first, and then a lawsuit was filed demanding the fulfillment of the treasury shares debt of the addressees due to the failure to reach an agreement in the mediation process. Parallel to this, a provision for impairment has been set aside for all of the book values of the assets. (2024: A provision for impairment has been set aside for all of the book values of the assets).

⁽²⁾ As of 31 December 2025 and 2024, entities classified as financial investment are not included in the consolidation since their total assets do not have a significant effect at the accompanying consolidated financial statements.

As of reporting date, the positive change of 12.546 and negative change of 260.688 in the fair value of the Group's fair value through profit or loss financial investments has been recognized in the investment income and expenses lines of consolidated statement of profit or loss (31 December 2024: 49.947 positive, 169.167 negative).

Explanations about the nature and level of risks related to financial investments are provided in Note 37.

Explanations about the fair value changes of financial investments are provided in Note 38.

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7. SHORT AND LONG-TERM BORROWINGS

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Short-term bank loans | 9.756.337 | 6.285.947 |
| Short-term portion of long-term bank loans and interest payments | 3.289.050 | 2.041.706 |
| Short-term portion of long-term lease payables | 44.917 | 159.962 |
| Current issued debt instruments | - | 661.561 |
| Total short-term borrowings | 13.090.304 | 9.149.176 |
| Long-term bank loans | 1.045.600 | 7.920.675 |
| Long-term lease payables | 139.645 | 147.350 |
| Total long-term borrowings | 1.185.245 | 8.068.025 |
| Total borrowings | 14.275.549 | 17.217.201 |

The details of bank loans are as follows:

| Original currency | Weighted average interest rate % | | 31 December 2025 | | |
|----------------------|-------------------------------------|-----------|-------------------|------------------|-------------------|
| | Short-term | Long-term | Short-term | Long-term | Total |
| US Dollars | 7,50 | 8,07 | 10.442.418 | 742.881 | 11.185.299 |
| EUR | 6,13 | 6,12 | 1.671.912 | 302.719 | 1.974.631 |
| TRY | 42,65 | - | 931.057 | - | 931.057 |
| | | | 13.045.387 | 1.045.600 | 14.090.987 |

| Original currency | Weighted average interest rate % | | 31 December 2024 | | |
|----------------------|-------------------------------------|-----------|------------------|------------------|-------------------|
| | Short-term | Long-term | Short-term | Long-term | Total |
| US Dollars | 7,79 | 8,34 | 5.579.300 | 7.630.094 | 13.209.394 |
| EUR | 6,80 | 6,65 | 1.576.395 | 288.561 | 1.864.956 |
| TRY | 49,49 | 18,37 | 1.171.958 | 2.020 | 1.173.978 |
| | | | 8.327.653 | 7.920.675 | 16.248.328 |

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7. SHORT AND LONG-TERM BORROWINGS (cont'd)

Repayment schedule of bank loans is as follows:

| | 31 December 2025 | 31 December 2024 |
|----------------------------|---------------------|---------------------|
| To be paid within 1 year | 13.045.387 | 8.327.653 |
| To be paid within 1-2 year | 510.070 | 4.526.389 |
| To be paid within 2-3 year | 207.653 | 2.818.571 |
| To be paid within 3-4 year | 159.725 | 223.035 |
| To be paid within 4-5 year | 112.101 | 171.809 |
| Within 5 or more years | 56.051 | 180.871 |
| | <u>14.090.987</u> | <u>16.248.328</u> |

The movement of the Group's borrowings is as follows:

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Opening balance as at 1 January | 17.217.201 | 17.349.822 |
| Currency translation effect | 1.117.920 | (1.770.803) |
| Loans used during the period | 6.463.411 | 17.017.792 |
| Additions from lease obligations during the period | 109.015 | 219.409 |
| Interest effect | 45.296 | 58.014 |
| Debt instruments issued during the period | - | 661.561 |
| Effect of business combinations | - | 184.626 |
| Paid during the period | (8.023.515) | (14.741.391) |
| Monetary gain/(loss) | (2.653.779) | (1.761.829) |
| Closing balance as at 31 December | <u>14.275.549</u> | <u>17.217.201</u> |

Group's bank loans in the amounts of 129.534 thousand USD (5.552.122), 3.939 thousand EUR (198.737), and 1.057.653 are subject to fixed interest rates. (31 December 2024: 95.656 thousand USD (3.369.309), 5.991 thousand EUR (220.129), 1.403.332).

Bank loan in the amounts of 131.417 USD (5.632.849) and 28.756 EUR (1.450.826) and 200.000 is borrowed at floating interest rates thus exposing the Group's cash flow to interest rate risk (31 December 2024: 190.826 USD (6.721.518), 32.787 EUR (1.204.675), 1.503).

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8. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As at balance sheet date, details of trade receivables of the Group are as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Short-term trade receivables | | |
| Receivables from Engineering & Contracting segment operations | 3.755.070 | 5.902.250 |
| Receivables from Agricultural Industry segment operations | 1.202.096 | 1.787.300 |
| Receivables from Investment segment operations | 92.047 | 83.474 |
| Provision for doubtful receivables | (407.850) | (408.687) |
| Retention receivables (Note: 11) | 411.138 | 302.711 |
| Due from related parties (Note: 35) | 102.165 | 213.400 |
| Other | 11.515 | 26.970 |
| | <u>5.166.181</u> | <u>7.907.418</u> |
| Long-term trade receivables | | |
| Retention receivables (Note: 11) | 1.648.961 | 1.255.409 |
| Receivables from Engineering & Contracting segment operations | 217.226 | 502.446 |
| | <u>1.866.187</u> | <u>1.757.855</u> |

Postdated cheques amounting to 609.245 (31 December 2024: 1.042.290), notes receivables amounting to 1.372 (31 December 2024: 2.840), positive foreign currency differences amounting to 1.977 (31 December 2024: Positive 55.137) are included in short and long-term trade receivables.

Average maturity date for trade receivables varies between the segments. Average maturity date for Engineering and Contracting segment, for projects in abroad is 81 days (31 December 2024: 85 days), for domestic projects is 247 days (31 December 2024: 100 days), for Agricultural Industry segment is 46 days (31 December 2024: 39 days), for Investment segment is 30 days (31 December 2024: 30 days).

As of 31 December 2025, receivables amounting 1.168.449 was obtained from a non-related client which constitute 16,9% of the Group's receivables (31 December 2024: 1.072.629, 11,3%).

As of 31 December 2025, 407.850 of provision for doubtful receivables was determined based on past uncollectible receivable cases encountered and future expectations (31 December 2024: 408.687).

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

| | 2025 | 2024 |
|-----------------------------|------------------|------------------|
| Provision as at 1 January | (408.687) | (557.562) |
| Charge for the year | (110.312) | (17.922) |
| Collected | 9.497 | 2.473 |
| Write off of bad debt | 67.321 | 41.338 |
| Currency translation effect | 15.432 | 96.292 |
| Monetary gain/(loss) | 18.899 | 26.694 |
| Provision as at 31 December | <u>(407.850)</u> | <u>(408.687)</u> |

85.239 and 25.073 of doubtful receivable expense has been charged to general administrative expenses and cost of revenue respectively (2024: 14.583 and 3.339 of doubtful receivable expense has been charged to general administrative expenses and cost of revenue respectively).

Explanations about the nature and level of risks related to trade receivables are provided in Note 37.

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8. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables:

As at balance sheet date, details of trade payables of the Group are as follows:

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| <u>Short-term trade payables</u> | | |
| Payables from Engineering & Contracting segment operations | 4.909.629 | 4.823.539 |
| Payables from Agricultural Industry segment operations | 8.820.306 | 8.105.710 |
| Payables from Investment segment operations | 394.910 | 386.651 |
| Due to related parties (Note: 35) | 2.924 | 7.033 |
| Retention payables (Note: 11) | 1.182.100 | 1.124.678 |
| Other trade payables | 15.880 | 16.242 |
| | <u>15.325.749</u> | <u>14.463.853</u> |
| <u>Long-term trade payables</u> | | |
| Retention payables (Note: 11) | 89.267 | 238.913 |
| Payables from Engineering & Contracting segment operations | - | 30.058 |
| | <u>89.267</u> | <u>268.971</u> |

Foreign currency differences amounting to 385.362 (31 December 2024: 253.330) are included in short and long-term trade payables.

For Agricultural Industry segment, payables attributable to inventory supplied through imports constitute 95% (31 December 2024: 87%) of trade payables as at balance sheet date and average payable period for these import purchases is 153 days (31 December 2024: 124 days) whereas average payable period for domestic purchases is 30 days (31 December 2024: 30 days). For Engineering and Contracting segment, average payable period for purchases is 132 days (31 December 2024: 141 days). Investment segment is 30 days (31 December 2024: 30 days).

Explanations about the nature and level of risks related to trade payables are provided in Note 37.

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9. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables:

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Other short-term receivables | | |
| Blocked deposits | 149.206 | - |
| Deposits and guarantees given | 24.456 | 70.500 |
| VAT receivables | 61.175 | 252.703 |
| Receivables related to business combinations | 934 | 915 |
| Receivables related to sale of financial investment | 4.115 | 4.425 |
| Other doubtful receivables | 571 | 747 |
| Other doubtful receivable provision (-) | (571) | (747) |
| Other receivables | 220.801 | 37.711 |
| | <u>460.687</u> | <u>366.254</u> |
| Other long-term receivables | | |
| Deposits and guarantees given | 157.693 | 186.939 |
| Other receivables | 212 | - |
| | <u>157.905</u> | <u>186.939</u> |

b) Other Payables:

| | 31 December 2025 | 31 December 2024 |
|-----------------------------------|---------------------|---------------------|
| Other short-term payables | | |
| Taxes and funds payable | 491.194 | 504.648 |
| Deposits and guarantees received | 14.707 | 14.901 |
| Related party payables (Note: 35) | 32.399 | - |
| Other payables | 260.335 | 203.127 |
| | <u>798.635</u> | <u>722.676</u> |
| Other long-term payables | | |
| Fair value of redeemed shares | 273.504 | 366.385 |
| Deposits and guarantees received | 21.799 | 23.629 |
| | <u>295.303</u> | <u>390.014</u> |

Explanations about the nature and level of risks related to other receivables and payables are provided in Note 37.

10. INVENTORIES

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Raw materials | 1.806.146 | 1.795.549 |
| Work in progress | 2.602.023 | 2.496.822 |
| Finished goods | 176.144 | 362.261 |
| Trading goods | 438.616 | 342.602 |
| Goods in transit | 1.709.837 | 1.747.726 |
| Inventory at construction sites | 3.294.219 | 4.096.065 |
| Other inventories | 476.200 | 499.760 |
| Allowance for impairment on inventory (-) | (512.974) | (187.034) |
| | <u>9.990.211</u> | <u>11.153.751</u> |

During the year ended 31 December 2025, there are no borrowing costs added to inventory (31 December 2024: None).

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10. INVENTORIES (cont'd)

| <u>Movement of allowance for impairment on inventory</u> | <u>2025</u> | <u>2024</u> |
|--|------------------|------------------|
| Provision as at 1 January | (187.034) | (153.225) |
| Charge for the period (Note: 25) | (342.797) | (86.617) |
| Currency translation effect | (33.054) | 23.327 |
| Provision released (Note: 25) | 49.911 | 29.481 |
| Provision as at 31 December | <u>(512.974)</u> | <u>(187.034)</u> |

All of impairment expense on inventory has been charged to cost of revenue (2024: All of impairment expense on inventory has been charged to cost of revenue).

11. CONTRACT ASSETS AND LIABILITIES ARISING FROM ONGOING CONSTRUCTION WORKS

| | <u>31 December 2025</u> | <u>31 December 2024</u> |
|--|-----------------------------|-----------------------------|
| Cost incurred on uncompleted contracts | 273.476.512 | 287.506.038 |
| Recognised gain less losses (net) | 1.158.031 | 4.706.957 |
| | <u>274.634.543</u> | <u>292.212.995</u> |
| Less: Billings to date (-) | (275.041.569) | (291.615.781) |
| | <u>(407.026)</u> | <u>597.214</u> |

Costs and billings incurred on uncompleted contracts in consolidated financial statements are follows:

| | <u>31 December 2025</u> | <u>31 December 2024</u> |
|---|-----------------------------|-----------------------------|
| Contract assets arising from ongoing construction works | 705.157 | 2.639.217 |
| Contract liabilities arising from ongoing construction works | (1.112.183) | (2.042.003) |
| | <u>(407.026)</u> | <u>597.214</u> |
| <u>Contract assets arising from ongoing construction works</u> | | |
| Contracts undersigned abroad | 418.708 | 1.898.404 |
| Contracts undersigned in Turkey | 286.449 | 740.813 |
| | <u>705.157</u> | <u>2.639.217</u> |
| <u>Contract liabilities arising from ongoing construction works</u> | | |
| Contracts undersigned abroad | (982.825) | (1.652.074) |
| Contracts undersigned in Turkey | (129.358) | (389.929) |
| | <u>(1.112.183)</u> | <u>(2.042.003)</u> |
| | <u>(407.026)</u> | <u>597.214</u> |

The Group has 609.040 of advances given to subcontractors and other suppliers for construction projects classified in short-term prepaid expenses (31 December 2024: 1.161.614). Also, the Group has 768.613 of advances received for contracting projects classified in deferred revenue (31 December 2024: 2.751.355) (Note:18).

As of 31 December 2025, the Group has 1.271.367 of retention payables to subcontractors (31 December 2024: 1.363.591). Also, the amount of retention receivables is 2.060.099 (31 December 2024: 1.558.120) (Note: 8).

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12. INVESTMENTS VALUED BY EQUITY METHOD

The details of the joint ventures of the Group, which are valued by equity method, are as follows:

| Joint Ventures | Location of foundation and operation | 31 December 2025 | | 31 December 2024 | | Power to appoint | Industry |
|----------------|--------------------------------------|--------------------|------------------|--------------------|------------------|------------------|---------------------------|
| | | Participation Rate | Amount | Participation Rate | Amount | | |
| Azfen | Azerbaijan | 40% | 2.277.544 | 40% | 2.447.510 | 40% | Engineering & Contracting |
| | | | <u>2.277.544</u> | | <u>2.447.510</u> | | |

Movement of Group's joint ventures during the year is as follows:

| | 2025 | 2024 |
|-----------------------------------|------------------|------------------|
| Opening balance as at 1 January | 2.447.510 | 3.271.546 |
| Group's share on profit (loss) | 1.986 | (245.454) |
| Currency translation effect | (171.952) | (578.582) |
| Closing balance as at 31 December | <u>2.277.544</u> | <u>2.447.510</u> |

Group's share on profit /loss of joint ventures is as follows:

| | | |
|---|--------------|------------------|
| Azfen | 1.986 | (245.454) |
| Share on profit (loss) of investments valued by equity method | <u>1.986</u> | <u>(245.454)</u> |

Information related to financial position:

| Azfen | 31 December 2025 | 31 December 2024 |
|------------------------------|------------------|------------------|
| Cash and cash equivalents | 1.490.675 | 1.502.436 |
| Other current assets | 1.123.421 | 962.722 |
| Other non-current assets | 3.804.944 | 4.152.740 |
| Total Assets | <u>6.419.040</u> | <u>6.617.898</u> |
| Other short-term liabilities | 725.180 | 499.121 |
| Total Liabilities | <u>725.180</u> | <u>499.121</u> |
| Net Assets | 5.693.860 | 6.118.775 |
| Group's Ownership Rate | %40 | 40% |
| Group's share on Net Assets | <u>2.277.544</u> | <u>2.447.510</u> |

Information related to statement of profit or loss :

| Azfen | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------|------------------------------|
| Revenue | 2.623.744 | 1.900.268 |
| Depreciation and amortization expense (-) | (121.145) | (174.743) |
| Operating loss | (40.970) | (729.288) |
| Tax income (expense) (-) | 46.259 | 118.885 |
| Profit (Loss) for the Period | <u>4.965</u> | <u>(613.635)</u> |
| Group's Ownership Rate | 40% | 40% |
| Group's Share on Profit (Loss) for the Period | <u>1.986</u> | <u>(245.454)</u> |

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13. INVESTMENT PROPERTY

| <u>Cost value</u> | <u>Land</u> | <u>Buildings</u> | <u>Total</u> |
|--|----------------|--------------------|--------------------|
| Opening balance as at 1 January 2025 | 916.454 | 4.124.062 | 5.040.516 |
| Currency translation effect | (75.952) | (61.134) | (137.086) |
| Additions | - | 28.442 | 28.442 |
| Transfers to property, plant and equipment | - | (70.977) | (70.977) |
| Closing balance as at 31 December 2025 | <u>840.502</u> | <u>4.020.393</u> | <u>4.860.895</u> |
| <u>Accumulated depreciation</u> | | | |
| Opening balance as at 1 January 2025 | - | (2.008.854) | (2.008.854) |
| Currency translation effect | - | 60.813 | 60.813 |
| Charge for the year | - | (88.349) | (88.349) |
| Transfers to property, plant and equipment | - | (4.572) | (4.572) |
| Closing balance as at 31 December 2025 | <u>-</u> | <u>(2.040.962)</u> | <u>(2.040.962)</u> |
| Carrying value as at 31 December 2025 | <u>840.502</u> | <u>1.979.431</u> | <u>2.819.933</u> |
| <u>Cost value</u> | | | |
| Opening balance as at 1 January 2024 | 924.865 | 4.119.069 | 5.043.934 |
| Currency translation effect | (1.488) | 48.636 | 47.148 |
| Additions | - | 56.837 | 56.837 |
| Disposals | (6.923) | (106.977) | (113.900) |
| Transfers from property, plant and equipment | - | 6.497 | 6.497 |
| Closing balance as at 31 December 2024 | <u>916.454</u> | <u>4.124.062</u> | <u>5.040.516</u> |
| <u>Accumulated depreciation</u> | | | |
| Opening balance as at 1 January 2024 | - | (1.987.128) | (1.987.128) |
| Currency translation effect | - | (3.058) | (3.058) |
| Charge for the year | - | (91.973) | (91.973) |
| Disposals | - | 73.305 | 73.305 |
| Closing balance as at 31 December 2024 | <u>-</u> | <u>(2.008.854)</u> | <u>(2.008.854)</u> |
| Carrying value as at 31 December 2024 | <u>916.454</u> | <u>2.115.208</u> | <u>3.031.662</u> |

Investment Property includes buildings over rental income earned and lands that are held for the investment purposes. Useful lives of investment properties are within 4 and 50 years.

Depreciation expense has been charged to cost of revenue (2024: Depreciation expense has been charged to cost of revenue).

For the year ended 31 December 2025 total rental income earned from investment properties is 380.777 (31 December 2024: 351.237). Direct operating and depreciation expenses arising on the investment properties in the year amounted to 102.161 (31 December 2024: 108.694).

The fair values of the Group's investment properties have been determined by independent valuation firms authorized by the Capital Markets Board, which are not related parties of the Group. The valuation study has been concluded according to the current purchase and sale prices of similar real estates. According to the valuation reports prepared by independent valuation companies, the fair values of investment properties as of 31 December 2025 are 11.112.417 in total (31 December 2024: 11.269.874). There is no restriction on the ability to convert the investment properties into cash or collect the amount to be obtained in case of disposal.

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14. PROPERTY, PLANT AND EQUIPMENT

| | Land and land improvements | Buildings | Machinery and equipment | Vehicles | Furniture and fixtures | Construction in progress | Leasehold improvements | Total |
|---|-------------------------------|-------------|----------------------------|-----------|---------------------------|-----------------------------|---------------------------|--------------|
| Cost value | | | | | | | | |
| Opening balance as at 1 January 2025 | 11.765.906 | 10.523.598 | 37.840.565 | 753.471 | 3.635.528 | 1.687.101 | 6.523.452 | 72.729.621 |
| Currency translation effect | (117.417) | (535.434) | (1.077.193) | (37.885) | (103.822) | (18.778) | (29.028) | (1.919.557) |
| Additions | 32.699 | 90.917 | 280.275 | - | 199.739 | 2.204.693 | 17.550 | 2.825.873 |
| Disposals | (91.505) | - | (1.212.429) | (92.458) | (11.528) | (19.920) | (182.399) | (1.610.239) |
| Transfers | 1.162.006 | 755.372 | 508.614 | 1.769 | 281.028 | (3.162.830) | 494.498 | 40.457 |
| Closing balance as at 31 December 2025 | 12.751.689 | 10.834.453 | 36.339.832 | 624.897 | 4.000.945 | 690.266 | 6.824.073 | 72.066.155 |
| Accumulated depreciation | | | | | | | | |
| Opening balance as at 1 January 2025 | (4.992.156) | (5.536.070) | (27.423.211) | (631.526) | (2.506.105) | - | (2.622.451) | (43.711.519) |
| Currency translation effect | 12.970 | 468.117 | 1.029.037 | 28.505 | 27.615 | - | 28.602 | 1.594.846 |
| Charge for the year | (344.620) | (261.118) | (1.257.281) | (23.029) | (243.226) | - | (321.296) | (2.450.570) |
| Cancellation of allowance for impairment (Note: 29) | - | - | (24.190) | - | - | - | (1.420) | (25.610) |
| Disposals | 68.314 | - | 1.173.958 | 80.156 | 12.838 | - | 175.385 | 1.510.651 |
| Transfers | - | 22.047 | 260.050 | - | (277.558) | - | - | 4.539 |
| Closing balance as at 31 December 2025 | (5.255.492) | (5.307.024) | (26.241.637) | (545.894) | (2.986.436) | - | (2.741.180) | (43.077.663) |
| Carrying value as at 31 December 2025 | 7.496.197 | 5.527.429 | 10.098.195 | 79.003 | 1.014.509 | 690.266 | 4.082.893 | 28.988.492 |

Impairment provision amounting to 25.610 has been recognized for the portion of the carrying amount of property, plant, and equipment that exceeds their recoverable amount. In the current period, there is no impairment loss recognized in the current period (31 December 2024: Impairment provision 53.023, impairment reversal: 47.887) (Note: 29).

For the year ended 31 December 2025, no additional capitalized borrowing costs are included in property, plant, and equipment (31 December 2024: None).

As of 31 December 2025, there are no pledges or mortgages on property, plant, and equipment (31 December 2024: None).

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14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| | Land and land improvements | Buildings | Machinery and equipment | Vehicles | Furniture and fixtures | Construction in progress | Leasehold improvements | Total |
|--|-------------------------------|-------------|----------------------------|-----------|---------------------------|-----------------------------|---------------------------|--------------|
| Cost value | | | | | | | | |
| Opening balance as at 1 January 2024 | 12.986.616 | 10.086.774 | 39.946.867 | 824.732 | 3.501.690 | 1.147.097 | 6.725.138 | 75.218.914 |
| Currency translation effect | (1.112.007) | (358.240) | (2.440.070) | (94.390) | (386.578) | (34.311) | (44.713) | (4.470.309) |
| Additions | 9.804 | 106.805 | 265.168 | 5.051 | 207.224 | 2.445.220 | 1.276 | 3.040.548 |
| Acquired through business combination | - | - | 524.995 | 2.965 | 1.979 | - | - | 529.939 |
| Allowance for impairment (Note: 29) | - | - | - | - | - | (53.023) | - | (53.023) |
| Disposals | (181.080) | (128) | (719.913) | (26.621) | (136.409) | - | (464.822) | (1.528.973) |
| Transfers | 62.573 | 688.387 | 263.518 | 41.734 | 447.622 | (1.817.882) | 306.573 | (7.475) |
| Closing balance as at 31 December 2024 | 11.765.906 | 10.523.598 | 37.840.565 | 753.471 | 3.635.528 | 1.687.101 | 6.523.452 | 72.729.621 |
| Accumulated depreciation | | | | | | | | |
| Opening balance as at 1 January 2024 | (5.405.641) | (5.528.878) | (29.339.727) | (705.179) | (2.207.818) | - | (2.832.588) | (46.019.831) |
| Currency translation effect | 615.645 | 138.412 | 2.175.403 | 90.119 | 220.211 | - | 38.503 | 3.278.293 |
| Charge for the year | (311.662) | (193.534) | (1.248.746) | (35.321) | (258.711) | - | (290.775) | (2.338.749) |
| Allowance for impairment (Note: 29) | - | 47.887 | - | - | - | - | - | 47.887 |
| Disposals | 109.502 | 43 | 618.535 | 18.855 | 111.537 | - | 462.409 | 1.320.881 |
| Transfers | - | - | 371.324 | - | (371.324) | - | - | - |
| Closing balance as at 31 December 2024 | (4.992.156) | (5.536.070) | (27.423.211) | (631.526) | (2.506.105) | - | (2.622.451) | (43.711.519) |
| Carrying value as at 31 December 2024 | 6.773.750 | 4.987.528 | 10.417.354 | 121.945 | 1.129.423 | 1.687.101 | 3.901.001 | 29.018.102 |

Property, plant, and equipment are depreciated over the following useful lives:

| | Useful life |
|----------------------------|-------------|
| Land and land improvements | 2-50 years |
| Buildings | 5-50 years |
| Machinery and equipment | 2-50 years |
| Vehicles | 2-30 years |
| Furniture and fixtures | 2-50 years |
| Leasehold improvements | 3-50 years |

Depreciation expense of 2.331.029 (2024: 2.150.620) has been charged to cost of revenue, 28.040 (2024: 52.482) to marketing expenses, 86.533 (2024: 129.269) to general administrative expenses, 7.154 (2024: 7.682) to research and development expenses. The depreciation expense of 2.186 (2024: 1.305) has been removed from the cost of inventories.

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15. RIGHT-OF-USE ASSETS

| | Land and land improvements | Buildings | Machinery and equipments | Vehicles | Furniture and fixtures and other | Total |
|--|-------------------------------|----------------|-----------------------------|-----------------|--|------------------|
| <u>Cost value</u> | | | | | | |
| Opening balance as at 1 January 2025 | 360.835 | 66.749 | 491.736 | 139.067 | - | 1.058.387 |
| Currency translation effect | - | (7.909) | (57.488) | (54) | - | (65.451) |
| Additions | 46.613 | 19.320 | - | 58.927 | - | 124.860 |
| Disposals | (11.946) | (67.669) | (318.355) | (68.039) | - | (466.009) |
| Closing balance as at 31 December 2025 | <u>395.502</u> | <u>10.491</u> | <u>115.893</u> | <u>129.901</u> | <u>-</u> | <u>651.787</u> |
| <u>Accumulated depreciation</u> | | | | | | |
| Opening balance as at 1 January 2025 | (57.248) | (29.997) | (380.604) | (62.403) | - | (530.252) |
| Currency translation effect | - | 3.160 | 46.448 | 41 | - | 49.649 |
| Charge for the year | (23.794) | (8.015) | (71.563) | (74.099) | - | (177.471) |
| Disposals | 5.924 | 27.171 | 314.314 | 62.977 | - | 410.386 |
| Closing balance as at 31 December 2025 | <u>(75.118)</u> | <u>(7.681)</u> | <u>(91.405)</u> | <u>(73.484)</u> | <u>-</u> | <u>(247.688)</u> |
| Carrying value as at 31 December 2025 | <u>320.384</u> | <u>2.810</u> | <u>24.488</u> | <u>56.417</u> | <u>-</u> | <u>404.099</u> |

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15. RIGHT-OF-USE ASSETS (cont'd)

| | Land and land improvements | Buildings | Machinery and equipments | Vehicles | Furniture and fixtures and other | Total |
|--|-------------------------------|-----------------|-----------------------------|-----------------|--|------------------|
| Cost value | | | | | | |
| Opening balance as at 1 January 2024 | 343.898 | 86.707 | 623.656 | 129.873 | 3.564 | 1.187.698 |
| Currency translation effect | - | (16.972) | (76.862) | 3.448 | - | (90.386) |
| Additions | 37.608 | 1.887 | 118.561 | 63.435 | - | 221.491 |
| Acquired through business combination | 6.107 | - | - | - | - | 6.107 |
| Disposals | (26.778) | (4.873) | (173.619) | (57.689) | (3.564) | (266.523) |
| Closing balance as at 31 December 2024 | <u>360.835</u> | <u>66.749</u> | <u>491.736</u> | <u>139.067</u> | <u>-</u> | <u>1.058.387</u> |
| Accumulated depreciation | | | | | | |
| Opening balance as at 1 January 2024 | (47.047) | (25.765) | (301.291) | (47.303) | (2.715) | (424.121) |
| Currency translation effect | 151 | 6.517 | 25.650 | (3.885) | - | 28.433 |
| Charge for the year | (42.777) | (15.076) | (279.913) | (70.197) | (849) | (408.812) |
| Disposals | 32.425 | 4.327 | 174.950 | 57.701 | 3.564 | 272.967 |
| Transfers | - | - | - | 1.281 | - | 1.281 |
| Closing balance as at 31 December 2024 | <u>(57.248)</u> | <u>(29.997)</u> | <u>(380.604)</u> | <u>(62.403)</u> | <u>-</u> | <u>(530.252)</u> |
| Carrying value as at 31 December 2024 | <u>303.587</u> | <u>36.752</u> | <u>111.132</u> | <u>76.664</u> | <u>-</u> | <u>528.135</u> |

Right-of-use assets are depreciated over the following useful lives:

| | Useful life |
|----------------------------------|-------------|
| Land and land improvements | 2-50 years |
| Buildings | 5-50 years |
| Machinery and equipment | 2-25 years |
| Vehicles | 2-15 years |
| Furniture and fixtures and other | 2-50 years |

Depreciation expense of 121.929 (2024: 354.514) has been charged to cost of revenue, 21.429 (2024: 25.907) to marketing expenses, 34.114 (2024: 28.392) to general administrative expenses. There is no expense added on the research and development expenses (2024: None).

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16. OTHER INTANGIBLE ASSETS

| <u>Cost Value</u> | <u>Rights</u> | <u>Other</u> | <u>Total</u> |
|--|--------------------|----------------|--------------------|
| Opening balance as at 1 January 2025 | 1.612.670 | 7.328 | 1.619.998 |
| Currency translation effect | (44.374) | (410) | (44.784) |
| Additions | 5.008 | - | 5.008 |
| Disposals | (48.351) | - | (48.351) |
| Transfers | 3.995 | - | 3.995 |
| Closing balance as at 31 December 2025 | <u>1.528.948</u> | <u>6.918</u> | <u>1.535.866</u> |
| <u>Accumulated amortization</u> | | | |
| Opening balance as at 1 January 2025 | (961.168) | (6.634) | (967.802) |
| Currency translation effect | 40.603 | 418 | 41.021 |
| Charge for the year | (63.918) | (274) | (64.192) |
| Disposals | 48.351 | - | 48.351 |
| Allowance for impairment (Note: 29) | (104.544) | - | (104.544) |
| Transfers | (123) | - | (123) |
| Closing balance as at 31 December 2025 | <u>(1.040.799)</u> | <u>(6.490)</u> | <u>(1.047.289)</u> |
| Carrying value as at 31 December 2025 | <u>488.149</u> | <u>428</u> | <u>488.577</u> |
| <u>Cost value</u> | <u>Rights</u> | <u>Other</u> | <u>Total</u> |
| Opening balance as at 1 January 2024 | 1.291.138 | 11.174 | 1.302.312 |
| Currency translation effect | (104.172) | (1.950) | (106.122) |
| Additions | 10.470 | 1.308 | 11.778 |
| Acquired through business combination | 417.721 | - | 417.721 |
| Disposals | (3.465) | (3.204) | (6.669) |
| Transfers | 978 | - | 978 |
| Closing balance as at 31 December 2024 | <u>1.612.670</u> | <u>7.328</u> | <u>1.619.998</u> |
| <u>Accumulated amortization</u> | | | |
| Opening balance as at 1 January 2024 | (1.010.532) | (10.024) | (1.020.556) |
| Currency translation effect | 108.053 | 1.946 | 109.999 |
| Charge for the year | (62.154) | (1.760) | (63.914) |
| Disposals | 3.465 | 3.204 | 6.669 |
| Closing balance as at 31 December 2024 | <u>(961.168)</u> | <u>(6.634)</u> | <u>(967.802)</u> |
| Carrying value as at 31 December 2024 | <u>651.502</u> | <u>694</u> | <u>652.196</u> |

Intangible assets are amortized over useful lives of rights through 2 to 25 years and useful lives of other intangibles through 2 to 5 years.

Amortization expense of 64.192 (2024: 61.341) has been charged to general administrative expenses. There is no expense added to the cost of revenue (2024: 2.573).

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17. GOODWILL

| Subsidiaries Acquired | Nature of Business | Date of Acquisition | Ratio of Shares Acquired | Acquisition Price | Goodwill |
|--|---------------------------|----------------------------|---------------------------------|--------------------------|-----------------|
| Toros Gönen Yenilenebilir Enerji Üretim A.Ş. | Agricultural Industry | 31 July 2019 | 70% | 310.894 | - |
| Toros Meram Yenilenebilir Enerji Üretim A.Ş. | Agricultural Industry | 14 February 2020 | 99,9% | 194.847 | 167.508 |
| Babadağ Elektrik Üretim Sanayi ve Ticaret A.Ş. | Investments | 30 April 2024 | 100% | 935.542 | - |
| | | | | 1.441.283 | 167.508 |

Breakdown of the acquisition price is as follows:

| | Gönen Enerji | Meram Enerji | Babadağ | Total |
|--------------------------|---------------------|---------------------|----------------|------------------|
| Paid in cash | 310.894 | 194.847 | 935.542 | 1.441.283 |
| Acquisition price | 310.894 | 194.847 | 935.542 | 1.441.283 |

The main items related to assets acquired and liabilities undertaken at the acquisition date are as follows:

| | Gönen Enerji | Meram Enerji | Babadağ | Total |
|--------------------------------|---------------------|---------------------|----------------|------------------|
| Current assets | 162.274 | 159.123 | 319.668 | 641.065 |
| Cash and cash equivalents | 101.685 | 23.867 | 238.761 | 364.313 |
| Other current assets | 60.589 | 135.256 | 80.907 | 276.752 |
| Non-current assets | 354.548 | 101.160 | 978.402 | 1.434.110 |
| Tangible and intangible assets | 337.919 | 100.266 | 970.309 | 1.408.494 |
| Other non-current assets | 16.629 | 894 | 8.093 | 25.616 |
| Current liabilities | 232.555 | 232.917 | 236.255 | 701.727 |
| Non-current liabilities | 250.450 | - | 188.806 | 439.256 |
| Net assets | 33.817 | 27.366 | 873.009 | 934.192 |

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17. GOODWILL (cont'd)

As a result of the acquisitions, the Group obtained control of the companies so that goodwill arisen. The goodwill arising from the acquisitions is as follows:

| | Gönen Enerji | Meram Enerji | Babadağ | Total |
|--|---------------------|---------------------|----------------|----------------|
| Acquisition price | 310.894 | 194.847 | 935.542 | 1.441.283 |
| Non-controlling interest | 10.145 | 27 | - | 10.172 |
| Less: Fair value of net assets of the acquired company | (33.817) | (27.366) | (873.009) | (934.192) |
| Impairment (-) | (287.222) | - | (62.533) | (349.755) |
| Goodwill | - | 167.508 | - | 167.508 |

Net cash outflow concerning the acquisition is as follows:

| | Gönen Enerji | Meram Enerji | Babadağ | Total |
|---|---------------------|---------------------|----------------|------------------|
| Paid in cash | 310.894 | 194.847 | 935.542 | 1.441.283 |
| Less: Cash and cash equivalents of the acquired company | (101.685) | (23.867) | (238.761) | (364.313) |
| Net cash outflow | 209.209 | 170.980 | 696.781 | 1.076.970 |

Movement of Goodwill is as follows:

| | Gönen Enerji | Meram Enerji | Babadağ | Total |
|---|---------------------|---------------------|----------------|----------------|
| Opening balance as at 1 January 2025 | 287.222 | 167.508 | 69.008 | 523.738 |
| Disposals | - | - | (6.475) | (6.475) |
| Impairment (Note: 29) | (287.222) | - | (62.533) | (349.755) |
| Closing balance as at 31 December 2025 | - | 167.508 | - | 167.508 |
| Opening balance as at 1 January 2024 | 287.222 | 167.508 | - | 454.730 |
| Additions | - | - | 69.008 | 69.008 |
| Closing balance as at 31 December 2024 | 287.222 | 167.508 | 69.008 | 523.738 |

The Group assessed the recoverable amount of goodwill arising from other acquisitions and recognized an impairment loss for the entire goodwill arising from Babadağ and Gönen Enerji in the consolidated financial statements for the year ended 31 December 2025. (31 December 2024: None). The discounted cash flow method has been used in calculating the recoverable amounts of the cash generating units to which the goodwill is distributed, and the cash flows expected to be obtained in the future are discounted to the present using appropriate discount factors.

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18. PREPAID EXPENSES AND DEFERRED REVENUE

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Short-term prepaid expenses | | |
| Advances paid for construction projects (Note: 11) | 609.040 | 1.161.614 |
| Prepaid expenses | 412.467 | 696.004 |
| Order advances given | 18.583 | 15.873 |
| Business advances given | 6.362 | 25.999 |
| | <u>1.046.452</u> | <u>1.899.490</u> |
| Long-term prepaid expenses | | |
| Prepaid expenses | 69.690 | 79.220 |
| Advances given for fixed assets | 299.219 | 20.931 |
| | <u>368.909</u> | <u>100.151</u> |
| Short-term deferred revenue | | |
| Advances received for construction projects (Note: 11) | 768.613 | 2.751.355 |
| Other advances received | 2.020.655 | 1.731.082 |
| Income relating to future months | 81.329 | 99.739 |
| | <u>2.870.597</u> | <u>4.582.176</u> |
| Long-term deferred revenue | | |
| Income relating to future years | - | 1.685 |
| | <u>-</u> | <u>1.685</u> |

19. GOVERNMENT GRANTS AND INCENTIVES

In the plant research section of Tekfen Tarım, the application made to the Ministry of Industry and Technology was concluded positively, and as of 22 November 2018, Tekfen Tarım's Adana-Agripark facilities were granted the Research and Development (R&D) Center Certificate.

Within this scope, it benefits from various incentives specified in Law No. 5746 on Supporting Research, Development, and Design Activities, including Income Tax Withholding, Social Security Premium Support, Stamp Tax Exemption, and R&D Deductions.

Additionally, Tekfen Tarım receives grant support covering 60-70% of project budgets for national and international projects carried out in collaboration with institutions such as TÜBİTAK, TAGEM R&D, and KOSGEB. The amount and duration of these supports vary depending on the submitted projects and the institutions to which applications are made.

Alanar Meyve benefits from the 'Good Agricultural Practices' and 'Fuel and Fertilizer' support programs implemented by the Republic of Türkiye Ministry of Agriculture and Forestry. In addition, on 4 November 2025, a support payment of TRY 15,4 million was granted to Alanar Meyve under the agricultural frost support provided by the relevant Provincial Directorate of Agriculture.

In order to meet the demands and requirements of the industry, improve the product range, domestically produce fertilizers that are not produced in Turkey and optimize the logistics factors, it's been decided to establish a R&D center in Mersin factory plant of Toros Tarım. Permission application to the Ministry of Industry and Technology was made on 22 June 2017 and R&D center was approved on 1 August 2017.

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20. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

| | 31 December 2025 | 31 December 2024 | |
|--|-------------------------------------|---------------------------------------|-----------------------------------|
| <u>Short-term other provisions</u> | | | |
| Provision for litigation | 136.631 | 80.016 | |
| Other provisions | 788.730 | 1.979.664 | |
| | <u>925.361</u> | <u>2.059.680</u> | |
| | <u>Provision for litigation</u> | <u>Other liability provisions</u> | <u>Total Other Provisions</u> |
| Opening balance as at 1 January 2025 | 80.016 | 1.979.664 | 2.059.680 |
| Currency translation effect | (3.478) | (218.402) | (221.880) |
| Charge for the period | 73.438 | 67.761 | 141.199 |
| Provision paid | (1.893) | - | (1.893) |
| Provision released | (5.175) | (1.039.503) | (1.044.678) |
| Monetary gain/(loss) | (6.277) | (790) | (7.067) |
| Closing balance as at 31 December 2025 | <u>136.631</u> | <u>788.730</u> | <u>925.361</u> |
| Opening balance as at 1 January 2024 | 82.497 | 5.039.523 | 5.122.020 |
| Currency translation effect | (8.513) | (1.017.112) | (1.025.625) |
| Charge for the period | 22.567 | 20.482 | 43.049 |
| Provision paid | (3.259) | - | (3.259) |
| Provision released | (1.891) | (2.062.292) | (2.064.183) |
| Monetary gain/(loss) | (11.385) | (937) | (12.322) |
| Closing balance as at 31 December 2024 | <u>80.016</u> | <u>1.979.664</u> | <u>2.059.680</u> |

b) Contingent Assets and Liabilities

Contractual Assets and Obligations:

Defects Liabilities

Based on the agreements signed with customers, the Group's subsidiary Tekfen İnşaat ensures to maintain its contract operations until the end of guarantee period and undertake the construction, maintenance, and general maintenance of related assets for the periods and conditions stated on the agreements. In case the customer determines any defects after the provisional acceptance of the contract, Tekfen İnşaat can be obliged to remedy the defect.

Penalty of Default

Under the commitment contracts signed with the employer, Tekfen İnşaat may be obligated to pay a delay penalty for the period of delay and/or standby compensation under the conditions specified in the contract if it fails to complete the contracted work, either partially or entirely, within the predetermined timeframe.

Litigations:

As of 31 December 2025, except Libya counterclaim, lawsuit filed against the Group is totally 2.550.722 (31 December 2024: 2.726.351) and the management has decided to accrue 136.631 (31 December 2024: 80.016) of provision for lawsuits that might have high probability of potential outflow from the Group upon the consultation of legal advisors. Based on the legal advice of lawyers, there is no risk of outflow of resources for cases which no provision is made for.

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21. COMMITMENTS

Collateral, pledge, mortgage and bill of guarantee (CPMB) position of the Group as of 31 December 2025 and 2024 is as follows.

| 31 December 2025 | Equivalent of Thousands TRY | Thousands of US Dollars | Thousands of EUR | Other (Equivalent of Thousands TRY) |
|--|-----------------------------------|----------------------------|---------------------|---|
| A. CPMB given on behalf of its own legal entity | 1.012 | - | - | 1.012 |
| -Collateral | 1.012 | - | - | 1.012 |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | - | - | - | - |
| B. CPMB given on behalf of subsidiaries that are included in full consolidation | 43.554.245 | 529.663 | 40.055 | 18.830.744 |
| -Collateral | 8.978.264 | 78.411 | 8.142 | 5.206.599 |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | 34.575.981 | 451.252 | 31.913 | 13.624.145 |
| C. CPMB given in order to guarantee third parties' debts for the routine trade operations | 424 | - | - | 424 |
| -Collateral | - | - | - | - |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | 424 | - | - | 424 |
| D. Total amounts of other CPMB given | - | - | - | - |
| i. Total amount of CPMB given on behalf of parent company | - | - | - | - |
| ii. Total amount of CPMB given on behalf of other group companies that are not included group B and C | - | - | - | - |
| iii. Total amount of CPMB given on behalf of third parties that are not included group C | - | - | - | - |
| Total as of 31 December 2025 | 43.555.681 | 529.663 | 40.055 | 18.832.180 |

| 31 December 2024 | Equivalent of Thousands TRY | Thousands of US Dollars | Thousands of EUR | Other (Equivalent of Thousands TRY) |
|--|-----------------------------------|----------------------------|---------------------|---|
| A. CPMB given on behalf of its own legal entity | 3.368 | - | - | 3.368 |
| -Collateral | 3.368 | - | - | 3.368 |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | - | - | - | - |
| B. CPMB given on behalf of subsidiaries that are included in full consolidation | 55.848.093 | 737.074 | 57.814 | 19.085.181 |
| -Collateral | 18.707.854 | 174.501 | 57.734 | 7.885.925 |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | 37.140.239 | 562.573 | 80 | 11.199.256 |
| C. CPMB given in order to guarantee third parties' debts for the routine trade operations | 622 | - | - | 622 |
| -Collateral | - | - | - | - |
| -Pledge | - | - | - | - |
| -Mortgage | - | - | - | - |
| -Bill of guarantee | 622 | - | - | 622 |
| D. Total amounts of other CPMB given | - | - | - | - |
| i. Total amount of CPMB given on behalf of parent company | - | - | - | - |
| ii. Total amount of CPMB given on behalf of other group companies that are not included group B and C | - | - | - | - |
| iii. Total amount of CPMB given on behalf of third parties that are not included group C | - | - | - | - |
| Total as of 31 December 2024 | 55.852.083 | 737.074 | 57.814 | 19.089.171 |

Since there are not any CPMBs mentioned in D item, the ratio to the total equity is not presented.

Translated into English from the report originally issued in Turkish.

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22. EMPLOYEE BENEFITS

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Employee benefit payables | | |
| Salary accruals | 468.140 | 559.209 |
| Social security withholding payables | 199.078 | 212.417 |
| Other employee benefit payables | 7.501 | 18.455 |
| | <u>674.719</u> | <u>790.081</u> |
| Short-term provisions attributable to employee benefits | | |
| Retirement pay provision | 96.012 | 95.395 |
| Unused vacation pay liability provision | 338.957 | 361.418 |
| Premium provision | 2.301 | 2.246 |
| | <u>437.270</u> | <u>459.059</u> |
| Long-term provisions attributable to employee benefits | | |
| Retirement pay provision | 910.660 | 888.928 |
| Premium provision | 67.636 | 139.928 |
| | <u>978.296</u> | <u>1.028.856</u> |
| Short-term retirement pay provision | 96.012 | 95.395 |
| Long-term retirement pay provision | 910.660 | 888.928 |
| | <u>1.006.672</u> | <u>984.323</u> |

Retirement pay provision:

Retirement pay provision regarding Turkish employees located abroad:

The Group is liable to pay retirement benefit for each qualified personnel abroad according to the legislation of the relevant country. In addition to this, according to Group's retirement benefit policy, the Group pays retirement benefits to its retirees.

Retirement pay provision for Turkish personnel employed in Turkey:

The Group is obliged to pay severance payment to every employee who completed at least one year of service and whose employment contract has been terminated in accordance with the provisions of the Labor Law and other relevant legislation in force in Turkey is entitled to severance pay.

Group has calculated current year's amount by using the upper limit 64.948,77 TRY which is effective on or after 1 January 2026 (1 January 2025 : 46.655,43 TRY). The amount payable to the employee is limited to employee's one-month worth salary or to the upper limit of retirement pay provision for each period of service as of 31 December 2025. There is no legal funding requirement for retirement pay liability.

The provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees (not applicable for employees who are working in construction projects). TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the consolidated financial statements as of 31 December 2025, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees. The provisions are calculated by taking the real discount rate as approximately 3,3% as of 31 December 2025 (31 December 2024: 2%). Approximately proportion of voluntarily terminations requiring no payments are also considered.

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22. EMPLOYEE BENEFITS (cont'd)

Retirement pay provision (cont'd):

Retirement pay provision of foreign employees located abroad:

The Group and its consolidated subsidiaries are subject to regulations where they operate in. Provisional amounts for the subject matter laws have been provided in the consolidated financial statements.

Retirement pay provision for subcontractor employee:

The Group and the subcontractor companies are jointly responsible for the retirement pay provision of subcontractor employees at the construction projects. In order to guarantee subcontractors commitment, the Group provides deductions from subcontractor's progress billings and letter of guarantee. Retirement pay provision calculation for subcontractor's personnel is subject to regulations where they operate in and the agreements between the Group and the subcontractors.

| | Retirement Pay Provision | Premium Provision | Unused vacation pay liability provision | Total provisions attributable to employee benefits |
|--|-----------------------------|----------------------|--|--|
| Opening balance as at 1 January 2025 | 984.323 | 142.174 | 361.418 | 1.487.915 |
| Currency translation effect | (109.032) | (14.776) | (32.271) | (156.079) |
| Charge for the period | 432.333 | 10.188 | 138.379 | 580.900 |
| Interest expense | 72.830 | - | - | 72.830 |
| Provision paid | (276.488) | (5.223) | (108.527) | (390.238) |
| Provision released | (23.196) | (57.463) | (8.950) | (89.609) |
| Actuarial loss | 36.101 | - | - | 36.101 |
| Monetary gain/(loss) | (110.199) | (4.963) | (11.092) | (126.254) |
| Closing balance as at 31 December 2025 | <u>1.006.672</u> | <u>69.937</u> | <u>338.957</u> | <u>1.415.566</u> |
| Opening balance as at 1 January 2024 | 1.092.084 | 326.132 | 361.669 | 1.779.885 |
| Effect of business combinations | 712 | - | 69 | 781 |
| Currency translation effect | (151.205) | (45.037) | (55.895) | (252.137) |
| Charge for the period | 472.985 | 30.792 | 160.716 | 664.493 |
| Interest expense | 69.709 | - | - | 69.709 |
| Provision paid | (343.116) | (29.158) | (80.658) | (452.932) |
| Provision released | (3.907) | (128.131) | (6.007) | (138.045) |
| Actuarial loss | 16.761 | - | - | 16.761 |
| Monetary gain/(loss) | (169.700) | (12.424) | (18.476) | (200.600) |
| Closing balance as at 31 December 2024 | <u>984.323</u> | <u>142.174</u> | <u>361.418</u> | <u>1.487.915</u> |

449.014 (2024: 482.596) of current year charge and released provisions for retirement pay has been included in cost of revenue, 26.290 (2024: 45.201) has been included in general administration expenses, 4.112 (2024: 11.053) has been included in marketing expenses and 2.551 (2024: 63 removed) have been included in research and development expenses.

1.271 (2024: 25.451 removed) of current year charge and released provision for premiums have been included in cost of revenue, 883 (2024: 7.513 removed) have been included in marketing expenses, 49.249 (2024: 62.759 included) have been removed in general administration expenses. There were no provisions removed from or included to research and development expenses (2024: 1.617 removed).

112.387 (2024: 132.799) of current year charge and released provision for unused vacation pay liability has been included in cost of revenue, 16.233 (2024: 21.265) has been included in general administrative expenses, 2.199 (2024: 645) has been included in marketing expenses and 1.390 (2024: None) have been removed in research and development expenses.

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23. OTHER CURRENT/NON-CURRENT ASSETS AND OTHER SHORT-TERM LIABILITIES

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Other current assets | | |
| VAT receivables | 889.963 | 936.149 |
| Withholding tax of ongoing construction contracts | 121.900 | 144.764 |
| Other current assets | 22.500 | 251.735 |
| | <u>1.034.363</u> | <u>1.332.648</u> |
| Other non-current assets | | |
| Withholding tax of ongoing construction contracts | 211.311 | 204.473 |
| VAT receivables | 394.359 | 367.275 |
| | <u>605.670</u> | <u>571.748</u> |
| Other short-term liabilities | | |
| VAT calculated | 74.441 | 73.114 |
| Other | - | 99 |
| | <u>74.441</u> | <u>73.213</u> |

24. SHAREHOLDERS' EQUITY

a) Share Capital

After the changes in the shareholders' structure during the period, the structure of the paid in capital as of 31 December 2025 and 2024 is as follows:

| Shareholders | (%) | 31 December 2025 | (%) | 31 December 2024 |
|-------------------------------|---------|---------------------|---------|---------------------|
| Can Grup | 42,80% | 158.345 | - | - |
| ARY Holding A.Ş. | 23,40% | 86.570 | - | - |
| Vera Ticari Danışmanlık A.Ş. | 8,68% | 32.114 | - | - |
| ANG Yatırım Holding A.Ş. | 0,20% | 755 | 8,88% | 32.869 |
| Berker ailesi | - | - | 25,23% | 93.367 |
| Gökyiğit ailesi | - | - | 10,98% | 40.619 |
| Akçağlılar ailesi | - | - | 6,65% | 24.611 |
| Treasury Shares (*) | 3,63% | 13.430 | 2,81% | 10.395 |
| Publicly traded | 21,29% | 78.786 | 45,45% | 168.139 |
| Paid in capital | 100,00% | 370.000 | 100,00% | 370.000 |
| Capital structure adjustments | | 9.058.179 | | 9.058.179 |
| Restated capital | | <u>9.428.179</u> | | <u>9.428.179</u> |

(*) As of 31 December 2025, represents the shares repurchased.

Repurchased Shares

On 31 January 2024, the Board of Directors of Tekfen Holding A.Ş. evaluated that the share value of Tekfen Holding A.Ş. on Borsa İstanbul did not reflect the true performance of the company, and decided to initiate repurchase transactions of the company's shares from the stock exchange in order to contribute to a healthy price formation. As of the reporting date, a total of nominal 13.430 (amounting to 342.243 under the restated capital) have been conducted, and the proportion of repurchased shares to the total capital is 3,63%. The company's "Treasury Shares Repurchase Program" was terminated as of 31 January 2025.

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24. SHAREHOLDERS' EQUITY (cont'd)

Registered and issued capital comprises 370.000.000 shares at 1 TRY par value (31 December 2024: 370.000.000). All these shares consist of bearer common shares.

According to the articles of association of the Company, 5% of the net profit is reserved as first order legal reserves up to 20% of the paid-up capital. At least 30% but not less than the rate and amount determined by the CMB of the amount that to be found by the addition of donations made within the year to the remaining part of the net profit is distributed as first dividend. Up to 3% of the remaining net profit is devoted to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which holds preference shares.

b) Accumulated other comprehensive income or loss that will be not reclassified / reclassified in profit or loss.

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| - Loss on investments in equity instruments | (2.398.503) | (2.358.881) |
| - Loss on revaluation and remeasurement | (280.732) | (310.914) |
| | <u>(2.679.235)</u> | <u>(2.669.795)</u> |
| - Currency translation reserve | (2.051.324) | (424.764) |
| - Loss on hedging (Note: 37) | (330.197) | (582.732) |
| | <u>(2.381.521)</u> | <u>(1.007.496)</u> |

Gain / (loss) on investments in equity instruments:

Gain (loss) on investments in equity instruments consists of changes in fair value of fair value through other comprehensive income financial investments.

Gain on revaluation and remeasurement:

Gain on revaluation and remeasurement consists of all actuarial gains and losses, which are calculated in accordance with revised TAS 19 and recognized in other comprehensive income.

Currency Translation Reserve:

Group's consolidated reporting currency is TRY. In accordance with TAS 21 (The Effects of Changes in Foreign Exchange Rates), balance sheet items of the companies, whose functional currencies are differed from TRY, are translated into TRY with the rates prevailing at the balance sheet date and revenue, expenses and cash flows are translated with the exchange rates at the transaction date (historical rates) or yearly average rate in the presentation of Group's consolidated financial statements. Translation differences arising from capital-investment eliminations between companies whose functional currency is other than TL and companies whose functional currency is TL and that apply inflation accounting have been presented under the foreign currency translation differences account. Gain or loss arising from the translation is recognized in the foreign currency translation reserve under equity which is negative 2.051.324 (31 December 2024: negative 424.764).

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24. SHAREHOLDERS' EQUITY (cont'd)

Gains on hedging:

Hedge gains arise from the changes in the fair value of derivative financial instruments that are designated and effective for hedging future cash flows, and these changes are directly recognized in equity. The value changes in the spot element of forward foreign exchange contracts are classified into the profit or loss statement, with the effects for previous periods being recognized in retained earnings. This classification has no impact on the total equity. The total deferred gains/losses arising from the unhedged financial risk are recognized in profit or loss when the impact of the hedged transaction affects profit or loss.

c) Legal Reserves

| | 31 December 2025 | 31 December 2024 |
|----------------|---------------------|---------------------|
| Legal reserves | 7.719.928 | 7.429.481 |

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Profit Distribution:

Listed companies distribute profit in accordance with the Communiqué No. II-19.1 issued by CMB which is effective from 1 February 2014.

Companies distribute profit in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute profit in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on interim financial statement of the Company.

According to the TCC, unless the legally required reserves and the dividends allocated for shareholders in the articles of association or the dividend distribution policy are set aside, no decision can be made to allocate additional reserves, carry forward profits to the following year, or distribute profits to usufruct certificate holders, board members, company employees, or non-shareholder individuals. Moreover, no profit share can be distributed to these persons unless the dividends allocated for shareholders are paid in cash.

Based on the resolution adopted at the Board of Directors meeting dated 6 March 2025, it has been decided to distribute a total dividend of nominal 131.225, nominal 122.786 to shareholders and nominal 8.439 to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı, which holds usufruct shares in connection with the 2024 financial year (gross cash dividend of TRY 0,33 per share). At the Ordinary General Assembly meeting held on 7 May 2025, in accordance with Article 420 of the TCC, the agenda item on the postponement of dividend distribution upon the request of minority shareholders was deferred. This item was later discussed at the Extraordinary General Assembly meeting on 17 June 2025, where it was resolved by majority vote to set the dividend distribution date as 31 December 2025. A total dividend of nominal 126.768 was distributed during the current and subsequent periods, of which nominal 118.329 was paid to the shareholders and nominal 8.439 to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı, the holder of usufruct shares. No dividend amounting to nominal 4.457 was distributed in respect of the repurchased shares (As no distributable profit was generated and a loss was incurred for the year 2023, no dividend distribution was made in respect of the 2023 operating results).

d) Premiums in Capital Stock

Group has done public offering (22,50%) of issued 66.775 shares by increased capital on 23 November 2007. The income from this public offering is 9.195.209. After 310.174 expenses directly related to the public offering deducted, 7.271.305 is accounted as premium in capital stock in shareholder's equity.

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24. SHAREHOLDERS' EQUITY (cont'd)

e) Additional Information Regarding Inflation Adjustments

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2025 and the restated amounts in the financial statements prepared in accordance with legal legislation and TAS/IFRS are as follows:

| 31 December 2025 (IFRS) | Historical amount | Inflated amount | Inflation adjustment effect |
|--------------------------------|-------------------|-----------------|-----------------------------|
| Adjustments to paid in capital | 370.000 | 9.428.179 | 9.058.179 |
| Premiums in capital stock | 300.984 | 7.271.305 | 6.970.321 |
| Legal reserves | 1.955.202 | 7.719.928 | 5.764.726 |

| 31 December 2025 (TAS) | Historical amount | Inflated amount | Inflation adjustment effect |
|--------------------------------|-------------------|-----------------|-----------------------------|
| Adjustments to paid in capital | 370.000 | 14.830.827 | 14.460.827 |
| Premiums in capital stock | 300.984 | 11.885.472 | 11.584.488 |
| Legal reserves | 1.955.202 | 7.536.721 | 5.581.519 |

25. REVENUE AND COST OF REVENUE

| Revenue | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| Engineering & Contracting Group Revenue | 19.640.253 | 28.284.277 |
| - Contract revenue – abroad | 15.915.199 | 17.603.233 |
| - Contract revenue – domestic | 3.248.030 | 9.873.664 |
| - Joint operations – abroad | 329.290 | 562.465 |
| - Joint operations – domestic | 55.913 | 59.888 |
| - Other revenue | 91.821 | 185.027 |
| Agricultural Industry Group Revenue | 33.287.406 | 46.888.118 |
| - Fertilizer sales revenue | 30.902.391 | 44.315.940 |
| - Other revenue | 2.385.015 | 2.572.178 |
| Investment Group Revenue | 981.737 | 993.505 |
| | <u>53.909.396</u> | <u>76.165.900</u> |

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8. Performance obligations arising from the Engineering and Contracting segment are fulfilled over time. A significant portion of performance obligations arising from other reportable segments are fulfilled at a point in time.

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25. REVENUE AND COST OF REVENUE (cont'd)

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|--|------------------------------------|------------------------------------|
| Cost of revenue (-) | | |
| Cost of raw materials used | (26.027.206) | (40.543.862) |
| Personnel expenses | (8.874.439) | (9.604.625) |
| Subcontractor expenses | (6.459.779) | (7.114.686) |
| Depreciation expenses (Note: 13,14,15,16) | (2.541.305) | (2.599.680) |
| Construction site expenses | (1.932.965) | (2.294.622) |
| Energy and fuel expenses | (1.442.890) | (1.421.971) |
| Machinery, vehicle and other rent expenses | (1.377.596) | (1.825.532) |
| Maintenance expenses | (1.301.882) | (1.026.451) |
| Services obtained from third parties | (489.603) | (617.348) |
| Insurance expenses | (403.051) | (408.295) |
| Transportation expenses | (318.524) | (1.046.599) |
| Consultancy expenses | (227.545) | (182.274) |
| Commission expenses | (225.953) | (273.443) |
| Allowance for impairment on inventory (Note: 10) | (292.886) | (57.136) |
| Traveling expenses | (121.142) | (55.342) |
| Custom expenses | (68.068) | (77.806) |
| Engineering expenses | (60.745) | (145.013) |
| Consumable and other material expenses | (43.273) | (188.901) |
| Provision for doubtful receivables (Note: 8) | (25.073) | (3.339) |
| Cost of merchandises sold | (6.299) | (300.302) |
| Project loss provisions | 966.750 | 2.046.612 |
| Other | (718.899) | (600.775) |
| | <u>(51.992.373)</u> | <u>(68.341.390)</u> |

TEKFEN HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

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26. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| General administrative expenses (-) | (2.604.746) | (3.169.314) |
| Marketing expenses (-) | (2.052.234) | (3.674.661) |
| Research and development expenses (-) | (57.104) | (74.268) |
| | <u>(4.714.084)</u> | <u>(6.918.243)</u> |
| <u>Details of general administrative expenses</u> | | |
| Personnel expenses | (1.566.836) | (1.706.686) |
| Consultancy expenses | (240.949) | (326.466) |
| Depreciation and amortization expenses (Note: 14,15,16) | (184.839) | (219.002) |
| Office and administration expenses | (137.814) | (227.658) |
| Provision for doubtful receivables (Note: 8) | (85.239) | (14.583) |
| Communication expenses | (62.002) | (111.083) |
| Duties, charges and other tax expenses | (44.965) | (60.095) |
| Services obtained from third parties | (42.298) | (12.343) |
| Insurance expenses | (31.062) | (23.033) |
| Bank and notary expenses | (28.874) | (73.087) |
| Energy and fuel expenses | (23.880) | (17.826) |
| Traveling expenses | (14.285) | (30.147) |
| Maintenance expenses | (12.323) | (27.252) |
| Hospitality expenses | (6.171) | (14.742) |
| Tender preparation expenses | (3.442) | (79.686) |
| Transportation expenses | (2.485) | (3.819) |
| Reversal of doubtful receivable provision (Note: 8) | 9.497 | 2.473 |
| Other expenses | (126.779) | (224.279) |
| | <u>(2.604.746)</u> | <u>(3.169.314)</u> |
| <u>Details of marketing expenses</u> | | |
| Transportation expenses | (1.146.076) | (2.296.624) |
| Services obtained from third parties | (499.426) | (725.699) |
| Personnel expenses | (174.305) | (245.921) |
| Depreciation and amortization expenses (Note: 14,15) | (49.469) | (78.389) |
| Warehouse expenses | (44.488) | (57.930) |
| Custom expenses | (35.850) | (116.795) |
| Duties, charges and other tax expenses | (17.093) | (18.009) |
| Energy and fuel expenses | (15.309) | (24.732) |
| Traveling expenses | (10.220) | (13.148) |
| Consultancy expenses | (8.811) | (9.342) |
| Advertisement expenses | (4.184) | (9.782) |
| Insurance expenses | (3.296) | (6.066) |
| Office and administration expenses | (3.194) | (3.647) |
| Maintenance expenses | (3.142) | (7.439) |
| Hospitality expenses | (2.096) | (2.958) |
| Other expenses | (35.275) | (58.180) |
| | <u>(2.052.234)</u> | <u>(3.674.661)</u> |

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26. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (cont'd)

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| <u>Details of research and development expenses</u> | | |
| Personnel expenses | (45.693) | (60.943) |
| Depreciation and amortization expenses (Note: 14) | (7.154) | (7.682) |
| Energy and fuel expenses | (2.156) | (754) |
| Services obtained from third parties | (1.879) | (2.246) |
| Other expenses | (222) | (2.643) |
| | <u>(57.104)</u> | <u>(74.268)</u> |

27. EXPENSES BY NATURE

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| Personnel expenses | (1.786.834) | (2.013.551) |
| Transportation expenses | (1.148.561) | (2.300.444) |
| Services obtained from third parties | (543.603) | (740.289) |
| Consultancy expenses | (249.760) | (336.458) |
| Depreciation and amortization expenses (Note: 14,15,16) | (241.462) | (305.073) |
| Office and administration expenses | (141.008) | (231.524) |
| Provision for doubtful receivables (Note: 8) | (85.239) | (14.583) |
| Duties, charges and other tax expenses | (62.058) | (78.105) |
| Communication expenses | (62.002) | (111.109) |
| Warehouse expenses | (44.488) | (57.930) |
| Energy and fuel expenses | (41.345) | (43.312) |
| Custom expenses | (35.850) | (116.795) |
| Insurance expenses | (34.358) | (29.099) |
| Bank and notary expenses | (28.874) | (73.087) |
| Maintenance expenses | (15.465) | (35.036) |
| Traveling expenses | (24.505) | (43.427) |
| Hospitality expenses | (8.267) | (17.805) |
| Advertisement expenses | (4.184) | (9.782) |
| Tender preparation expenses | (3.442) | (79.686) |
| Reversal of doubtful receivable provision (Note: 8) | 9.497 | 2.473 |
| Other expenses | (162.276) | (283.621) |
| | <u>(4.714.084)</u> | <u>(6.918.243)</u> |

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28. OTHER OPERATING INCOME AND EXPENSES

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| Other operating income | | |
| Foreign exchange gains | 1.615.968 | 1.395.269 |
| Due date difference income | 1.519.905 | 953.783 |
| Discount income | 171.562 | 70.603 |
| Rent income | 79.594 | 62.624 |
| Scrap sale income | 72.179 | 18.125 |
| Indemnity income | 64.618 | 101.232 |
| Refundment income of social benefit | 44.631 | 61.891 |
| Hedging income (Note: 36) | 28.510 | 61.648 |
| Government grants and incentives income | 21.828 | 8.526 |
| Reversal of litigation provision (Note: 20) | 5.175 | 1.891 |
| Other income | 285.214 | 363.140 |
| | 3.909.184 | 3.098.732 |
| Other operating expenses (-) | | |
| Foreign exchange losses | (2.862.826) | (2.761.959) |
| Hedging expenses (Note: 36) | (954.914) | (820.625) |
| Due date difference expenses | (133.635) | (48.435) |
| Litigation provision (Note: 20) | (73.438) | (22.567) |
| Additional tax expenses | (56.269) | (535) |
| Discount expenses | (11.218) | (173.989) |
| Grants and contributions | (8.752) | (6.799) |
| Penalty and damages expenses | (5.878) | (3.594) |
| Other expenses | (307.334) | (131.408) |
| | (4.414.264) | (3.969.911) |

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29. INVESTMENT INCOME AND EXPENSES

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|--|------------------------------------|------------------------------------|
| Investment income | | |
| Dividend income | 130.904 | 75.962 |
| Gain on sale of fixed asset | 121.547 | 217.724 |
| Gain on sale of assets classified as held for sale | 30.238 | - |
| Reversal of impairment of assets classified as held for sale (Note: 32) | 25.480 | - |
| Gain on investment funds | 23.521 | 14.432 |
| Gain on remeasurement of financial investments (Note: 6) | 12.546 | 49.947 |
| Gain on sale of investment property | - | 315.901 |
| Gain on currency protected deposits | - | 72.555 |
| Reversal of impairment of fixed asset (Note: 14) | - | 47.887 |
| | <u>344.236</u> | <u>794.408</u> |
| Investment expense (-) | | |
| Loss of financial investments (Note: 6) | (260.688) | (169.167) |
| Loss on sale of fixed assets | (35.435) | (63.638) |
| Impairment of fixed assets (Note: 14, 16) | (130.154) | (53.023) |
| Impairment of assets classified as held for sale (Note: 32) | (2.935) | - |
| Impairment of goodwill (Note: 17) | (349.755) | - |
| | <u>(778.967)</u> | <u>(285.828)</u> |

30. FINANCIAL INCOME AND FINANCIAL EXPENSES

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|--|------------------------------------|------------------------------------|
| Financial income | | |
| Foreign exchange gains | 1.083.062 | 914.511 |
| Interest income | 462.102 | 892.189 |
| Other finance income | 7.585 | 480 |
| Option premium income | - | 6.164 |
| | <u>1.552.749</u> | <u>1.813.344</u> |
| Financial expenses (-) | | |
| Foreign exchange losses | (2.374.886) | (1.127.698) |
| Interest expenses | (1.570.811) | (1.763.022) |
| Bank commission expense | (234.561) | (269.630) |
| Other finance expenses | (147.412) | (331.574) |
| Losses from other derivatives (Note: 36) | (56.376) | - |
| | <u>(4.384.046)</u> | <u>(3.491.924)</u> |

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31. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

| | <u>31 December 2025</u> | <u>31 December 2024</u> |
|--|-------------------------|-------------------------|
| Statement of financial position items | (129.704) | (1.684.349) |
| Investments accounted for using the equity method, financial investments, subsidiaries | 13.698.146 | 15.140.973 |
| Prepaid expenses | 41.868 | 13.033 |
| Investment property | 669.323 | 892.850 |
| Property, plant, and equipment, intangible asset | 764.244 | 899.549 |
| Right-of-use assets | 24.188 | 53.214 |
| Deferred tax assets, liabilities | (10.588) | 76.057 |
| Deferred revenue | (30.407) | (10.426) |
| Paid-in capital | (4.222.149) | (5.640.462) |
| Treasury shares | 231.801 | 29.084 |
| Premiums in capital stock | (1.716.111) | (2.235.097) |
| Other accumulated comprehensive income and expense not to be reclassified to profit or loss | (145.080) | (72.119) |
| Restricted reserves | (673.140) | (786.171) |
| Previous years' profits/(losses) | (8.761.799) | (10.044.834) |
| Profit or Loss Statement Items | 2.768.343 | 3.517.905 |
| Revenue | (3.649.905) | (7.115.643) |
| Cost of sales and inventories | 5.664.485 | 9.957.280 |
| General and administrative expenses | 237.847 | 242.759 |
| Marketing expenses | 234.686 | 590.858 |
| Research and development expenses | 8.722 | 13.969 |
| Other income/expenses from operating activities | 83.588 | 101.736 |
| Income/expenses from investment activities | (66.526) | (392.573) |
| Finance income/expenses | 255.446 | 119.519 |
| Net Monetary Position Gains/(Losses) | <u>2.638.639</u> | <u>1.833.556</u> |

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32. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale consist of Group's assets which are being actively marketed at a price that is reasonable.

| | 31 December 2025 | 31 December 2024 |
|------------------------------------|---------------------|---------------------|
| Assets classified as held for sale | 119.927 | 118.935 |
| | <u>119.927</u> | <u>118.935</u> |

The movement of assets classified as held for sale is as follows:

| | 2025 | 2024 |
|-------------------------------------|----------------|----------------|
| Net book value as at 1 January | 118.935 | 238.168 |
| Currency translation effect | 5.261 | (54.411) |
| Allowance for impairment (Note: 29) | 22.545 | - |
| Disposals | (53.495) | (64.822) |
| Transfers | 26.681 | - |
| Net book value as at 31 December | <u>119.927</u> | <u>118.935</u> |

Fair values of the Group's fixed assets classified as held for sale has been determined by an independent valuation firm, which is not a related party of the Group. The valuation work has been concluded based on fair value of similar properties.

33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

| | 31 December 2025 | 31 December 2024 |
|-------------------------------|---------------------|---------------------|
| Assets related to current tax | <u>2025</u> | <u>2024</u> |
| Prepaid corporate tax | 234.191 | 480.311 |
| | <u>234.191</u> | <u>480.311</u> |
| Current tax liability | | |
| Corporate tax provision | 410.673 | 608.423 |
| Less: Prepaid taxes and funds | (234.191) | (480.311) |
| | <u>176.482</u> | <u>128.112</u> |

Tax expense in the statement of profit or loss:

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|-----------------------------------|------------------------------------|------------------------------------|
| Tax expense comprises as follows: | | |
| Current tax provision | 471.782 | 722.854 |
| Deferred tax (income) | 1.332.877 | (811.197) |
| | <u>1.804.659</u> | <u>(88.343)</u> |

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Tax legislation in Turkey:

Corporate Tax:

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and incentives utilized.

The general rate of tax in 2025 is 25% (2024: 25%). There are also Group companies subject to reduced corporate tax application under Article 32/A of the Corporate Tax Law. In Turkey, advance tax returns are calculated, accrued, and paid on a quarterly basis. The general advance corporate income tax rate in 2025 is 25% (2024: 25%). Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

The Group can use its fiscal losses occurred in 2025 until 2030.

In Turkey, companies with regular accounting periods file their tax returns between 1-25 April following the close of the accounting year to which they relate. In accordance with the Tax Procedure Law Circular no. 115, published in 2019, the period for filing of tax returns was extended to the last day of April for companies with regular accounting period. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income/Corporate Withholding Tax:

In addition to corporate tax, profit distributions made by taxpayers to individuals and institutions specified in the Income Tax and Corporate Tax Law are subject to income/corporate tax deductions. In this context, except full responsible real persons and those who earn dividends through a business or permanent representative in Turkey, profit shares distributed to limited taxpayers are subject to 15% income/corporate tax withholding (With the Presidential Decree No. 4936, the withholding rate was reduced to 10%, effective as of 22 December 2021.). In accordance with the avoidance of double taxation treaties, withholding rates may be applied lower to some country residents.

Pillar 2:

OECD's Pillar 2 rules, a key component of the Base Erosion and Profit Shifting (BEPS) 2.0 action plan, have introduced significant changes in direct taxation worldwide. This initiative aims to prevent base erosion through profit shifting by ensuring that large Multinational Enterprise (MNE) groups bear a minimum effective tax rate of 15% in every jurisdiction where they operate. In this context, OECD has published the Global Anti-Base Erosion Model Rules.

Pillar 2 regulations, which countries have agreed upon in principle, came into effect in many jurisdictions in 2024. In Türkiye, the regulation was enacted through Law No. 7524 on the Amendment of Tax Laws, Certain Laws, and Decree-Law No. 375, published in the Official Gazette on 2 August 2024. Relevant provisions have been accounted for in the financial statements accordingly.

Taxation of Foreign Subsidiaries and Operations:

Subsidiaries and operations included in consolidation in the accompanying consolidated financial statements are subject to corporate tax and withholding tax effective in the relevant country. Effective (official) tax rates in those countries in which the Group operates are summarized below:

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

| Countries | Corporate Tax Rate % | Withholding Tax Rate % |
|----------------------|----------------------------|------------------------------|
| Azerbaijan | 20% | 10% - 14% |
| Kazakhstan | 20%-28% | 15% - 20% |
| Germany | 30% - 33% | 0% - 25% |
| Saudi Arabia | 20% | 5% - 20% |
| Morocco | 10% - 31% | 10% |
| United Arab Emirates | 0% | 0% |
| Qatar | 10% | 0% - 5% |
| Turkmenistan | 0% - 20% | 15% |
| Russia | 20% | 10% - 20% |
| Iraq | 0% - 20% | 3,3% - 15% |

Exemption of Earnings from Construction, Repair, Installation Works and Technical Services Made Abroad:

According to Article 5/1-h of the Corporate Tax Law, the special provision regarding foreign construction earnings states: "Earnings derived from construction, repair, assembly works, and technical services performed abroad, which are transferred to the general result accounts in Turkey," are exempt from corporate tax.

According to this provision, the only requirement to benefit from the exemption is the transfer of these earnings to the general result accounts in Turkey. There is no condition requiring the earnings to be brought back to Turkey to benefit from this exemption.

Reduced Taxation Under the Incentive Certificate:

Various supports can be provided to investors within the framework of Decision on State Aid in Investments numbered 2012/3305 and Communiqué on the Application of the Decision on State Aids in Investments No. 2012/1. The support elements that investors can use within the scope of the decision differ depending on whether the investment is within the scope of regional incentives, priority investment incentives, strategic investment incentives or general incentives. The incentives that can be benefited from are VAT Exemption, Customs Tax Exemption, Income or Corporate Tax Discount, Employer's Share of Social Security Premium Support, Income Tax Withholding Support, Employee's Share of Social Security Premium Support, Interest and Profit Share Support, Investment Location Allocation and VAT Refunds.

In addition to above mentioned incentive practices, there is a project-based incentive system in effect within the framework of Law on the Support of Investments on the Project Basis and the Amendment of Certain Laws and Decrees with Power of Law No. 6745 and the Decision No. 2016/9495 on Providing Project-Based State Aid to Investments. The incentives that can be benefited from this practice are Customs Tax Exemption, VAT Exemption, VAT Refund, Tax Discount or Exemption, Employer's Share of Social Security Premium Support, Income Tax Withholding Support, Qualified Employee Support, Interest and Profit Share Support, Capital Contribution, Energy Support, Public Procurement Guarantee, Investment Location Allocation, Infrastructure Support, Grant Support, and facilitating arrangements can be provided to investors in permits, allocations, licenses, licenses and registrations and other legal and administrative processes brought by law.

The investment contribution amount is calculated over the investment expenditures that can be benefited from Article 32/A of the Corporate Tax Law with an incentive certificate. Declared earnings can be subject to Corporate Tax at a reduced rate until the contribution to the calculated investment is reached. In other words, the investment is supported by the State by not taking the corporate tax from the investors much as the contribution to the investment. Discounted corporate tax can be applied to earnings from other activities during the investment period, provided that the amount of investment spending and the contribution to the investment to be calculated is not exceeding 80% of the total investment contribution amount. With the legal amendment made in 2016, it was made possible to increase the part of the contribution to the total investment within the scope of incentive certificate until the end of the accounting period that the investment is completed in the revaluation rate determined for these years in accordance with the provisions of the Tax Procedure Law.

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Reduced Taxation Under the Incentive Certificate (cont'd):

The following additional advantages for investment expenditures between 1 January 2017 and 31 December 2017 within the scope of US-97 Code: 15-37: investment incentive certificates issued for the manufacturing industry with the Provisional Article 8 added to the Decree No. 2012/3305 on State Aids in Investments have been introduced:

- Within the scope of regional, large-scale, and strategic incentive practices increase of contribution rate by 15 points in all regions.
- Increase of corporate tax or income tax rate to 100% in all regions
- Investment contribution ratio is to be applied 100% to the investor's income from other activities in the investment period.

With the amendment made at the end of 2017, the phrase 31 December 2017 stated in the Provisional Article 8 of this Decision has been changed as 31 December 2018 and this advantageous incentive application has been enabled for the 2018 investment expenditures in the scope mentioned above. With the amendment made with the Article 43 of the Law No. 7161 to the Provisional Article 9 of the Corporate Tax Law, it has been authorized to the President to develop increased rates for the investment expenditures within the scope of the investment incentive certificate for the production in 2019. With Presidential Decision No. 798, the phrase 31 December 2018 stated in the Provisional Article 8 of this Decision has been changed as 31 December 2019 and this advantageous incentive application has been enabled for the 2019 investment expenditures in the scope mentioned above.

Additionally, in accordance with Article 43 of Law No.7161 and temporary Article 9 of the Corporate Tax Law and with the addition that entered into force on 18 January 2019, The President has been authorized to extend the end of the period specified in th first paragraph, together or seperately, up to five years as of each calender year following the end of the period, in other words, to extend it until the end of 2024.

With the President's Decree No.1950 published in the Legal Gazette No.30994 dated 30 December 2019, this authorization has been used collectively for 3 years. The above-mentioned advantageous incentive implementation will be valid for the years of 2020, 2021 and 2022 without any action in accordance with the Cabinet Decree numbered 2012/3305 based on previous decisions about investment expenditures to be made within the scope of investment incentive certificates issued for the manufacturing industry (US-97 Code: 15-37).

Concerning the sulfuric acid, phosphoric acid and NPK investments undertaken relating to Samsun Facility, Toros Tarım has obtained Investment Incentive Certificate as of 3 April 2013 in the scheme of "Large Scale Investment" from the Ministry of Economy. The features of this incentive are employer's share of social security premium support, VAT exemption, and customs duty exemption and this incentive provides a tax exemption of 60% in the taxation of the income arising from the investment within the framework of 35% investment contribution ratio.

Additionally, Toros Tarım has obtained 5th Region Investment Incentive Certificate (investments priority subject) for electricity investment as of 7 July 2014 from Ministry of Economy. The features of this incentive are employer's share of social security premium support, VAT exemption, and customs duty exemption and this incentive provides a tax exemption of 80% in the taxation of the income arising from the investment within the framework of 40% investment contribution ratio.

3rd Region Investment Incentive Certificate for Dyke Enclosure and Insulation Drainage System for Tanks investment was obtained as of 25 April 2018 from Ministry of Economy. The features of this incentive are VAT exemption, and customs duty exemption and this incentive provides a tax exemption of 60% in the taxation of the income arising from the investment within the framework of 25% investment contribution ratio.

3rd Region Investment Incentive Certificate for Tank for Anti-Caking Material and Automation System for Dosing investment was obtained as of 21 May 2018 from Ministry of Economy. The feature of this incentive is VAT exemption and this incentive provides a tax exemption of 60% in the taxation of the income arising from the investment within the framework of 25% investment contribution ratio.

3rd Area Investment Incentive Certificate for Outdoor Silo, ERP, Roof Crane, and Guillotine Shear Investments was obtained as of 31 October 2019 from Ministry of Economy. The said incentive encompasses customs duty exemption and VAT exemption, within the framework of a 30% investment contribution rate, providing a 70% tax exemption for the taxation of income generated from the investment.

3rd Region Investment Incentive Certificate for Ammonia Tank Investment was obtained as of 10 December 2019 from Ministry of Economy. The mentioned incentive covers employer's share of insurance premium support, customs duty exemption, interest support, and VAT exemption, within the framework of a 30% investment contribution rate, providing a 70% tax exemption for the taxation of income generated from the investment.

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Reduced Taxation Under the Incentive Certificate (cont'd):

Toros Tarım has obtained 2nd Region Investment Incentive Certificate as of 1 June 2015 from Ministry of Economy for its crane investment in Ceyhan. The features of this incentive are employer's share of social security premium support, VAT exemption, and customs duty exemption and this incentive provides a tax exemption of 55% in the taxation of the income arising from the investment within the framework of 20% investment contribution ratio.

In addition, as of 30 November 2020, 2nd Region Investment Incentive Certificate was obtained from the Ministry of Economy for investments in VAP, Forklift, Weighbridge, Steam Generation System, Overhead Crane, Feed Elevator, Dust Washing System, Ammonia Unit Revamp, FA Water Heat Exchanger, Air Compressor, Fire Detection System and Automatic Fire Extinguishing System. The incentive covers employer's share of social security premium support, interest support and VAT exemption, and provides a 70% corporate tax reduction on income generated from the investment within the framework of a 30% investment contribution rate.

Toros Tarım has obtained 3rd Area Investment Incentive Certificate as of 24 December 2015 from Ministry of Economy for its prilling tower chimney gas washing investment in Mersin. The features of this incentive are employer's share of social security premium support, VAT exemption, and customs duty exemption and this incentive provides a tax exemption of 60% in the taxation of the income arising from the investment within the framework of 25% investment contribution ratio.

4th Region Investment Incentive Certificate for Special Fertilizer Plant investment was obtained as of 8 May 2018 from Ministry of Economy. The feature of this incentive is VAT exemption and this incentive provides a tax exemption of 70% in the taxation of the income arising from the investment within the framework of 30% investment contribution ratio.

5th Region Investment Incentive Certificate for R&D center investment was obtained as of 22 June 2018 from Ministry of Economy. The mentioned incentive includes support for employer's share of insurance premiums, customs duty exemption, and VAT exemption, within the framework of a 40% investment contribution rate, providing an 80% tax exemption for the taxation of income generated from the investment.

For the West Pier Extension, Crane Investment, Bitumen Storage Facility, Pier Cathodic Protection and Vertical Centrifugal Pump, 60.000-ton Grain Storage Facility and East Pier Reinforcement investments at the Ceyhan Terminal, a 3rd Region Investment Incentive Certificate was obtained from the Ministry of Economy of the Republic of Türkiye as of 24 September 2021. The incentive covers employer's share of social security premium support, interest support, VAT exemption and customs duty exemption, and provides a 60% corporate tax reduction on income generated from the investment within the framework of a 25% investment contribution rate.

As of 23 October 2021, the 3rd Region Investment Incentive Certificate was obtained from the Ministry of Economy for the fire system, SA Pumps, Control Valves and Electric Motors investments in Mersin Plant. Projected incentive includes employer's share of insurance premium support, interest support, VAT exemption and customs duty exemption, and provides 70% tax exemption in taxation of income from investment within the framework of 30% investment contribution rate.

Gönen Enerji and Meram Enerji have received General Investment Incentive Certificate for their power generation facility investments from Ministry of Economy on 30 April 2013 and 7 September 2017 respectively. Additionally, for Organomineral Fertilizer facility investments they have received 4th Region Investment Incentive Certificate from Ministry of Economy on 24 January 2019 and 8 June 2020 respectively. These incentives provide 70% tax exemption for the taxation of the income derived from the investment within the framework of VAT exemption, customs tax exemption, interest support, insurance premium employer support and 30% investment contribution rate.

CFS, established for the purpose of polypropylene production, was announced to be granted project-based investment support through Presidential Decree No. 385 dated 26 November 2018. As of the balance sheet date, there is no investment expenditure amount incurred in accordance with the Presidential Decree, and no support element has been utilized under the Presidential Decree.

Under the incentive scheme, Toros Tarım has recognized a deferred tax asset amounting to 1.955.547, to be utilized within five years, based on profit projections (2024: 2.074.481).

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax :

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and shown below. Tax rate used in calculating deferred tax assets and liabilities is the effective tax rate in the relevant countries where the Group undertakes its operations. Since the entities in Turkey are not allowed to declare consolidated tax returns, subsidiaries titled to deferred assets may not be netted off with their subsidiaries titled to deferred tax liabilities; hence are required to declare separately.

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| <u>Components of deferred tax (assets) liabilities:</u> | | |
| Remeasurement and depreciation / amortization differences of tangible and intangible assets | 1.551.110 | 835.430 |
| Provision for retirement benefits and vacation liability | (181.549) | (183.483) |
| Investment incentive undertaken | (1.955.547) | (2.074.481) |
| Impairment provision for inventory | 5.047 | (30.587) |
| Contract costs and progress billings (net) | 649.021 | (77.983) |
| Lease liabilities | 51.112 | 52.784 |
| Provision for doubtful receivables | (33.014) | (12.433) |
| Effect of valuation | (41.694) | (68.777) |
| Effect of income accruals | (86.824) | (1.776) |
| Tax losses carried forward | (1.113.302) | (954.915) |
| Provision for litigation | (31.559) | (16.443) |
| Fair value differences of financial assets | 56.695 | 100.051 |
| Provision for premium payments | - | 259 |
| Derivative instruments | (92.507) | (141.904) |
| Effect of discount | 55.145 | 39.372 |
| Other | 91.832 | 21.921 |
| Deferred tax liabilities / (assets) | <u>(1.076.034)</u> | <u>(2.512.965)</u> |
| Deferred tax assets | (1.845.049) | (3.039.770) |
| Deferred tax liabilities | 769.015 | 526.805 |
| | <u>(1.076.034)</u> | <u>(2.512.965)</u> |

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33. TAX INCOME AND EXPENSES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax (cont'd):

Movement of deferred tax liabilities / (assets) for the years ended 31 December 2025 and 2024 is as follows:

| <u>Movement of deferred tax liabilities (assets)</u> | <u>2025</u> | <u>2024</u> |
|--|----------------------------|----------------------------|
| Opening balance as at 1 January | (2.512.965) | (1.912.933) |
| Effect of changes in accounting policies | (47.581) | - |
| Deferred tax (income) expense | 1.332.877 | (811.197) |
| Effect of changes in fair value of financial assets | (47.803) | 117.252 |
| Effect of actuarial gain (loss) in comprehensive income | 5.919 | (1.657) |
| Effect of business combinations | - | 149.670 |
| Hedge effect | 84.178 | (63.285) |
| Currency translation effect | 109.341 | 9.185 |
| Closing balance as at 31 December | <u>(1.076.034)</u> | <u>(2.512.965)</u> |
| Reconciliation of tax expense for the year with the profit for the year: | | |
| | 1 January - 31 December | 1 January - 31 December |
| <u>Reconciliation of taxation:</u> | <u>2025</u> | <u>2024</u> |
| Profit before tax | (3.927.544) | 453.190 |
| Expected taxation (*) | 904.177 | 1.619.247 |
| <u>Reconciliation of expected tax to actual tax:</u> | | |
| - Tax-exempt income | (253.445) | (797.929) |
| - Other | 1.153.927 | (909.661) |
| Income tax expense recognized in statement of profit or loss | <u>1.804.659</u> | <u>(88.343)</u> |

(*) Different rates are applied for different countries where the foreign companies are located.

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34. EARNINGS PER SHARE

Calculation of earnings per share for the current year is made in accordance with TAS 33 considering the effects of shares and bonus shares issued.

As of 31 December 2025, and 2024, the Group's weighted average number of shares and computation of earnings per share (which corresponds to per share amounting to 1 TRY) set out here are as follows:

| | 1 January - 31 December 2025 | 1 January - 31 December 2024 |
|---|------------------------------------|------------------------------------|
| Average number of ordinary shares outstanding during the period (in full) | 356.706.953 | 367.847.599 |
| Net profit (loss) for the period attributable to owners of the Parent (Thousands TRY) | (5.721.464) | 528.923 |
| Earnings (loss) per share from operations (TRY) | (16,040) | 1,438 |

35. RELATED PARTY TRANSACTIONS

The Group has various transactions with related parties during its operations. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated in consolidation and are not disclosed in this note.

Receivables and payables balances are unsecured and will be settled in cash. No bad debt provision is made for receivables from related parties in the current year.

Transactions with related parties are distinct and measurable.

| | 31 December 2025 | | 31 December 2024 | |
|---------------------------------|---------------------------|------------------------|---------------------------|------------------------|
| | Receivables Short-term | Payables Short-term | Receivables Short-term | Payables Short-term |
| Trade | | | | |
| Azfen ⁽¹⁾ | - | - | 62.655 | - |
| Tekzen | - | - | 1.564 | 401 |
| Agromak | - | - | 34 | 10 |
| Üçgen Bakım | 955 | - | 759 | - |
| Other | - | - | 89 | 952 |
| Shareholders and key management | 41 | 32.846 | 3.250 | 1.234 |
| Joint operations ⁽²⁾ | 101.169 | 2.477 | 145.049 | 4.436 |
| | <u>102.165</u> | <u>35.323</u> | <u>213.400</u> | <u>7.033</u> |

⁽¹⁾ Includes the balances of goods and services purchases resulting from the commercial activities of the Group with the partnerships disclosed in Note 12.

⁽²⁾ Includes the balances from the Group's joint arrangement participants in various contracting works as explained in Note 2.1 "Interests in Joint Operations".

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35. RELATED PARTY TRANSACTIONS (cont'd)

| | 1 January - 31 December 2025 | | |
|--|------------------------------|--------------------|----------------|
| | Sales | Dividend income | Rent income |
| <u>Transactions with related parties</u> | | | |
| Akmerkez Lokantacılık | - | 7.751 | - |
| Üçgen Bakım | 1.551 | 3.229 | - |
| Akmerkez Gayrimenkul | - | 69.149 | - |
| Other | - | 50.775 | 21 |
| <i>Shareholders and key management</i> | 31 | - | - |
| | <u>1.582</u> | <u>130.904</u> | <u>21</u> |
| | | | |
| | 1 January - 31 December 2024 | | |
| | Sales | Dividend income | Rent income |
| <u>Transactions with related parties</u> | | | |
| Agromak | 34 | - | - |
| Akmerkez Lokantacılık | - | 8.450 | - |
| Tekzen | 1.683 | - | - |
| Üçgen Bakım | 1.289 | 2.571 | - |
| Akmerkez Gayrimenkul | - | 46.952 | - |
| Galipoli Gıda | 18 | - | - |
| Tekfen Vakfi | 339 | - | 17 |
| Other | 260 | 17.989 | 17 |
| <i>Shareholders and key management</i> | 7.282 | - | - |
| | <u>10.905</u> | <u>75.962</u> | <u>34</u> |

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35. RELATED PARTY TRANSACTIONS (cont'd)

Compensation of key management personnel:

The remuneration of key management during the year is as follows:

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Salaries and other short-term benefits | 120.890 | 157.378 |
| | <u>120.890</u> | <u>157.378</u> |

36. DERIVATIVE INSTRUMENTS

| | 31 December 2025 | | 31 December 2024 | |
|------------------------------------|------------------|----------------|------------------|----------------|
| | Assets | Liabilities | Assets | Liabilities |
| Forward foreign exchange contracts | - | 300.540 | - | 567.617 |
| Option contracts | - | 69.489 | - | - |
| Current | - | 370.029 | - | 567.617 |
| | <u>-</u> | <u>370.029</u> | <u>-</u> | <u>567.617</u> |

Currency derivatives:

The subsidiary of the Group, Toros Tarım utilizes currency derivatives to hedge future transactions and cash flows. Toros Tarım is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Toros Tarım's principal markets.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which Toros Tarım is committed are as follows:

| | 31 December 2025 | 31 December 2024 |
|------------------------------------|---------------------|---------------------|
| Forward foreign exchange contracts | 5.043.821 | 7.570.923 |
| | <u>5.043.821</u> | <u>7.570.923</u> |

As of 31 December 2025, the fair value of the Toros Tarım's currency derivatives is estimated to be 300.540 liabilities which is negative 300.540 (31 December 2024: liabilities 567.617, negative 567.617). These amounts are based on quoted market prices for equivalent instruments at the balance sheet date and fair value hierarchy classification of derivative instruments is Level 2 (31 December 2024: Level 2). There have been no changes in the purpose or use of derivative instruments.

The fair value of currency derivatives established to hedge against cash flow risk is recorded under equity. When the hedged future estimated cash flows affect profit or loss, the gains or losses from the hedging reserve are transferred to profit or loss. Gains amounting 28.510 and losses amounting to 954.914 concerning matured derivative contracts during the period have been recognized in profit or loss (31 December 2024: Gains amounting to 61.648 and losses amounting to 820.625 concerning matured derivative contracts during the period have been recognized in profit or loss).

Option contracts:

Toros Tarım enters into option contracts in order to benefit from favorable prices in the market. Toros Tarım will continue to engage in such derivative transactions when deemed appropriate. As of 31 December 2025, the fair value of Toros Tarım's option contracts is estimated to be negative 69.489, representing a liability of 69.489 (31 December 2024: None). The fair value measurement hierarchy of option contracts as of the balance sheet date is classified as Level 2 (31 December 2024: None). An expense of 56.376 has been recognized in the statement of profit or loss in relation to option contracts as of 31 December 2025 (31 December 2024: None).

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of financial debts as explained in Note 7 and equity items comprising paid in capital, premiums in capital stock, restricted profit reserves and retained earnings.

Within the framework of risk management activities, Group defines the undertaken risks, estimates the loss amounts caused by these risks and defines the capital base amount related to these loss amounts. Thus, Group aims to minimize its capital risk.

After the capital base is defined, the steadily management of funding structure is aimed by obtaining new debts, repayment of existing debts, and dividend payments.

Net cash position as of 31 December 2025 and 2024 are as follows:

| | 31 December 2025 | 31 December 2024 |
|---|---------------------|---------------------|
| Cash and cash equivalents | 8.257.900 | 12.360.218 |
| Time deposits with maturity of longer than three months | - | 3.228 |
| Less: Borrowings | (14.092.187) | (16.920.151) |
| Net Cash Position (*) | (5.834.287) | (4.556.705) |

(*) Lease obligations recognized in borrowings in accordance with TFRS 16 and expected credit losses in cash and cash equivalents and effect of fair value adjustment of currency protected deposits recognized in accordance with TFRS 9 are not included in net cash position calculation.

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management provides services to the business, coordinates access to domestic and international markets, monitors the exposures and magnitude of financial risks relating to the operations of the. These risks include market risk (including currency risk, fair value interest rate risk, and price risk) credit risk, liquidity risk, and cash flow interest rate risk.

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1) Credit risk management

Credit risk exposure based on financial instrument categories

| 31 December 2025 | Receivables | | | | Bank Deposit | Financial Investments |
|---|-------------------|-------------|-------------------|-------------|--------------|-----------------------|
| | Trade Receivables | | Other Receivables | | | |
| | Related Party | Third Party | Related Party | Third Party | | |
| Minimum credit risk exposure at balance sheet date (*) | 102.165 | 6.930.203 | - | 618.592 | 3.747.892 | - |
| - Secured portion of minimum credit risk via guarantee or etc. (**) | - | 620.658 | - | - | - | - |
| A. Net book value of not due or not impaired financial assets | 102.165 | 6.241.339 | - | 618.592 | 3.747.892 | - |
| B. Net book value of assets that are due but not impaired | - | 688.864 | - | - | - | - |
| - Secured portion via guarantee or etc. | - | - | - | - | - | - |
| C. Net book value of impaired assets | - | - | - | - | - | - |
| - Over due (gross book value) | - | 407.605 | - | 571 | - | - |
| - Impairment (-) | - | (407.605) | - | (571) | - | - |
| - Secured net value via guarantee or etc. | - | - | - | - | - | - |
| - Not due (gross book value) | - | 245 | - | - | 2.942 | - |
| - Impairment (-) | - | (245) | - | - | (2.942) | - |
| - Secured net value via guarantee or etc. | - | - | - | - | - | - |
| 31 December 2024 | | | | | | |
| Minimum credit risk exposure at balance sheet date (*) | 213.400 | 9.451.873 | - | 553.193 | 9.351.811 | 3.228 |
| - Secured portion of minimum credit risk via guarantee or etc. (**) | - | 684.082 | - | - | - | - |
| A. Net book value of not due or not impaired financial assets | 150.678 | 8.791.482 | - | 553.193 | 9.351.811 | 3.228 |
| B. Net book value of assets that are due but not impaired | 62.722 | 660.391 | - | - | - | - |
| - Secured portion via guarantee or etc. | - | - | - | - | - | - |
| C. Net book value of impaired assets | - | - | - | - | - | - |
| - Over due (gross book value) | - | 408.308 | - | 747 | - | - |
| - Impairment (-) | - | (408.308) | - | (747) | - | - |
| - Secured net value via guarantee or etc. | - | - | - | - | - | - |
| - Not due (gross book value) | - | 379 | - | - | 3.487 | - |
| - Impairment (-) | - | (379) | - | - | (3.487) | - |
| - Secured net value via guarantee or etc. | - | - | - | - | - | - |

(*) In determining the amounts, elements providing increase in loan credibility such as warrants received are not considered.

(**) Warrants consist of collateral bills, letters of guarantees and mortgages.

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the board of directors of the Group companies the risk management committee annually.

Trade receivables consist of many customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivables.

| | Trade Receivables | Other Receivables | Total |
|---|----------------------|----------------------|-------------------|
| 31 December 2025 | | | |
| Not due receivables | 6.343.749 | 618.592 | 6.962.341 |
| Overdue by 1-30 days | 70.096 | - | 70.096 |
| Overdue by 1-3 months | 54.674 | - | 54.674 |
| Overdue by 3-12 months | 360.470 | - | 360.470 |
| Overdue 1-5 years | 436.003 | - | 436.003 |
| Overdue by more than 5 years | 175.226 | 571 | 175.797 |
| Total receivables | 7.440.218 | 619.163 | 8.059.381 |
| Total overdue receivables | 1.096.469 | 571 | 1.097.040 |
| Secured portion via guarantee or etc. | - | - | - |
| Total provision provided for overdue receivables | (407.605) | (571) | (408.176) |
| Total provision provided for undue receivables | (245) | - | (245) |
| Secured portion of all impaired receivables via guarantee or etc. | - | - | - |
| 31 December 2024 | | | |
| Not due receivables | 8.942.539 | 553.193 | 9.495.732 |
| Overdue by 1-30 days | 167.695 | - | 167.695 |
| Overdue by 1-3 months | 300.573 | - | 300.573 |
| Overdue by 3-12 months | 177.479 | - | 177.479 |
| Overdue 1-5 years | 285.515 | - | 285.515 |
| Overdue by more than 5 years | 200.159 | 747 | 200.906 |
| Total receivables | 10.073.960 | 553.940 | 10.627.900 |
| Total overdue receivables | 1.131.421 | 747 | 1.132.168 |
| Secured portion via guarantee or etc. | - | - | - |
| Total provision provided for overdue receivables | (408.308) | (747) | (409.055) |
| Total provision provided for undue receivables | (379) | - | (379) |
| Secured portion of all impaired receivables via guarantee or etc. | - | - | - |

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

As at balance sheet date, there are no collaterals held for the past due trade receivables which are not impaired (2024: None). There are no collaterals held for the past due trade receivables which are impaired (2024: None).

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Counterparty credit limits are reviewed by the Group's. The limits are set to minimize the concentration of risks and to be determined to minimize financial losses due to potential non-payment by the counterparty.

b.2) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its derivative financial instruments and its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The liquidity analysis for its derivative financial instruments has been drawn up based on the undiscounted net cash inflows and outflows on the derivative instrument that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

Liquidity risk table:

31 December 2025

| Due date on agreement | Carrying Value | Cash outflows according to agreements (I+II+III+IV) | Less than 3 months (I) | Between 3-12 months (II) | Between 1-5 years (III) | More than 5 years (IV) |
|--|-------------------|---|------------------------|--------------------------|-------------------------|------------------------|
| Financial liabilities | | | | | | |
| Bank loans | 14.090.987 | 14.469.560 | 2.930.369 | 10.423.202 | 1.115.989 | - |
| Lease liabilities | 184.562 | 565.953 | 53.807 | 27.347 | 127.851 | 356.948 |
| Trade payables (due to related parties included) | 15.415.016 | 15.653.095 | 10.298.695 | 5.265.133 | 89.267 | - |
| Employee benefit payables | 674.719 | 674.719 | 674.719 | - | - | - |
| Other payables (due to related parties included) | 1.093.938 | 1.093.938 | 654.625 | 144.010 | 290.906 | 4.397 |
| Total liabilities | 31.459.222 | 32.457.265 | 14.612.215 | 15.859.692 | 1.624.013 | 361.345 |

| Due date on agreement | Carrying Value | Cash outflows according to agreements (I+II+III+IV) | Less than 3 months (I) | Between 3-12 months (II) | Between 1-5 years (III) | More than 5 years (IV) |
|-------------------------------|----------------|---|------------------------|--------------------------|-------------------------|------------------------|
| Derivative instruments | | | | | | |
| Cash inflows | 370.029 | (4.253.340) | (1.659.675) | (2.593.665) | - | - |
| Cash outflows | - | 5.043.821 | 1.858.847 | 3.184.974 | - | - |

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.2) Liquidity risk management (cont'd)

31 December 2024

| Due date on agreement | Carrying Value | Cash outflows according to agreements (I+II+III+IV) | Less than 3 months (I) | Between 3-12 months (II) | Between 1-5 years (III) | More than 5 years (IV) |
|--|-------------------|---|------------------------|--------------------------|-------------------------|------------------------|
| Financial liabilities | | | | | | |
| Bank loans | 16.248.328 | 18.264.047 | 3.451.448 | 5.606.799 | 8.906.265 | 299.535 |
| Lease liabilities | 307.312 | 638.634 | 144.476 | 42.287 | 139.920 | 311.951 |
| Trade payables (due to related parties included) | 14.732.824 | 14.903.077 | 9.850.835 | 4.783.271 | 268.971 | - |
| Employee benefit payables | 790.081 | 790.081 | 790.081 | - | - | - |
| Other payables (due to related parties included) | 1.112.690 | 1.112.690 | 586.966 | 135.710 | 372.393 | 17.621 |
| Total liabilities | 33.191.235 | 35.708.529 | 14.823.806 | 10.568.067 | 9.687.549 | 629.107 |

| Due date on agreement | Carrying Value | Cash outflows according to agreements (I+II+III+IV) | Less than 3 months (I) | Between 3-12 months (II) | Between 1-5 years (III) | More than 5 years (IV) |
|-------------------------------|----------------|---|------------------------|--------------------------|-------------------------|------------------------|
| Derivative instruments | | | | | | |
| Cash inflows | 567.617 | (6.085.792) | (2.720.165) | (3.365.627) | - | - |
| Cash outflows | - | 7.570.923 | 3.226.339 | 4.344.584 | - | - |

b.3) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates (refer to section b.3.1) and interest rates (refer to section b.3.2).

There has been no change to the Group's exposure to market risks or the manner which it manages and measures the risks.

b.3.1) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The details of the Group's foreign currency denominated monetary and non-monetary assets and liabilities as of balance sheet date are shown below:

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

| 31 December 2025 | Equivalent of Thousands of TRY | Thousands of USD | Thousands of EUR | Thousands of GBP | Other (Equivalent of Thousands of TRY) |
|---|-----------------------------------|---------------------|---------------------|---------------------|---|
| 1. Trade Receivables | 646.268 | 1.270 | 7.294 | - | 223.827 |
| 2. Monetary Financial Assets | 2.499.497 | 52.198 | 2.149 | - | 153.747 |
| 3. Other | 337.926 | 1.563 | 1.214 | - | 209.682 |
| 4. CURRENT ASSETS | 3.483.691 | 55.031 | 10.657 | - | 587.256 |
| 5. Trade Receivables | 1.041.160 | - | 12.506 | - | 410.192 |
| 6. Monetary Financial Assets | 1.157 | - | - | - | 1.157 |
| 7. Other | 375.656 | 1.159 | 6.461 | - | - |
| 8. NON-CURRENT ASSETS | 1.417.973 | 1.159 | 18.967 | - | 411.349 |
| 9. TOTAL ASSETS | 4.901.664 | 56.190 | 29.624 | - | 998.605 |
| 10. Trade Payables | 10.616.597 | 205.630 | 20.135 | 88 | 781.859 |
| 11. Financial Liabilities | 7.545.796 | 168.510 | 4.000 | - | 121.257 |
| 12. Monetary Other Liabilities | 760.444 | 3.419 | 2.534 | 71 | 481.944 |
| 12b. Non-Monetary Other Liabilities | 112.072 | 1.519 | 275 | - | 33.090 |
| 13. CURRENT LIABILITIES | 19.034.909 | 379.078 | 26.944 | 159 | 1.418.150 |
| 14. Trade Payables | 69.313 | 989 | 91 | - | 22.331 |
| 15. Financial Liabilities | 843.496 | 17.325 | 2.000 | - | - |
| 16. Monetary Other Liabilities | 24.089 | - | - | - | 24.089 |
| 17. NON-CURRENT LIABILITIES | 936.898 | 18.314 | 2.091 | - | 46.420 |
| 18. TOTAL LIABILITIES | 19.971.807 | 397.392 | 29.035 | 159 | 1.464.570 |
| 19. Off-balance sheet derivative instruments net position (19a-19b) | 4.253.355 | 99.233 | - | - | - |
| 19a. Derivative assets | 4.253.355 | 99.233 | - | - | - |
| 19b. Derivative liabilities | - | - | - | - | - |
| 20. Net foreign currency assets / liabilities position | (10.816.788) | (241.969) | 589 | (159) | (465.965) |
| 21. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16) | (15.671.653) | (342.405) | (6.811) | (159) | (642.557) |
| 22. Fair value of derivative instruments held for hedging | (370.029) | (8.633) | - | - | - |

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

| 31 December 2024 | Equivalent of Thousands of TRY | Thousands of USD | Thousands of EUR | Thousands of GBP | Other (Equivalent of Thousands of TRY) |
|---|-----------------------------------|---------------------|---------------------|---------------------|---|
| 1. Trade Receivables | 1.763.789 | 20.859 | 2.581 | - | 677.967 |
| 2. Monetary Financial Assets | 6.130.899 | 116.396 | 1.931 | 8 | 671.189 |
| 3. Other | 727.859 | 1.005 | 13.117 | 5 | 50.392 |
| 4. CURRENT ASSETS | 8.622.547 | 138.260 | 17.629 | 13 | 1.399.548 |
| 5. Trade Receivables | 259.476 | - | - | - | 259.476 |
| 6. Monetary Financial Assets | 2.305 | - | - | - | 2.305 |
| 7. Other | 102.233 | 442 | 1.702 | - | - |
| 8. NON-CURRENT ASSETS | 364.014 | 442 | 1.702 | - | 261.781 |
| 9. TOTAL ASSETS | 8.986.561 | 138.702 | 19.331 | 13 | 1.661.329 |
| 10. Trade Payables | 9.225.378 | 170.810 | 20.388 | 18 | 368.698 |
| 11. Financial Liabilities | 4.784.114 | 90.715 | 12.512 | - | - |
| 12. Monetary Other Liabilities | 1.926.801 | 9.837 | 6.375 | - | 1.166.674 |
| 12b. Non-Monetary Other Liabilities | 321.299 | 4.048 | 416 | - | 114.661 |
| 13. CURRENT LIABILITIES | 16.257.592 | 275.410 | 39.691 | 18 | 1.650.033 |
| 14. Trade Payables | 32.642 | 136 | - | - | 26.372 |
| 15. Financial Liabilities | 5.555.406 | 120.496 | - | - | - |
| 16. Monetary Other Liabilities | 59.983 | 56 | - | - | 57.400 |
| 17. NON-CURRENT LIABILITIES | 5.648.031 | 120.688 | - | - | 83.772 |
| 18. TOTAL LIABILITIES | 21.905.623 | 396.098 | 39.691 | 18 | 1.733.805 |
| 19. Off-balance sheet derivative instruments net position (19a-19b) | 6.085.792 | 132.000 | - | - | - |
| 19a. Derivative assets | 6.085.792 | 132.000 | - | - | - |
| 19b. Derivative liabilities | - | - | - | - | - |
| 20. Net foreign currency assets / liabilities position | (6.833.270) | (125.396) | (20.360) | (5) | (72.476) |
| 21. Monetary items net foreign currency assets / liabilities position (1+2+5+6-10-11-12-14-15-16) | (13.427.855) | (254.795) | (34.763) | (10) | (8.207) |
| 22. Fair value of derivative instruments held for hedging | (567.617) | (12.312) | - | - | - |

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollars and Euro.

The following table details the Group's sensitivity to a 5% increase and decrease in the US Dollars and Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number indicates an increase in profit or loss.

| | 31 December 2025 | |
|---|---|------------------------------------|
| | Profit / Loss | |
| | Appreciation of foreign currencies | Depreciation of foreign currencies |
| | If US Dollars changes 5% against TL | |
| US Dollars net assets / liabilities | (518.567) | 518.567 |
| | If Euro changes 5% against TL | |
| Euro net assets / liabilities | 1.486 | (1.486) |
| | If other foreign currencies changes 5% against TL | |
| Other foreign currency net assets / liabilities | (23.758) | 23.758 |
| TOTAL | (540.839) | 540.839 |
| | 31 December 2024 | |
| | Profit / Loss | |
| | Appreciation of foreign currencies | Depreciation of foreign currencies |
| | If US Dollars change 5% against TL | |
| US Dollars net assets / liabilities | (289.066) | 289.066 |
| | If Euro changes 5% against TL | |
| Euro net assets / liabilities | (48.959) | 48.959 |
| | If other foreign currencies change 5% against TL | |
| Other foreign currency net assets / liabilities | (3.639) | 3.639 |
| TOTAL | (341.664) | 341.664 |

Forward foreign exchange and option contracts

The Group enters forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions and to take advantage of favorable market price. The following table details the forward foreign currency and option contracts outstanding as at reporting date:

| Outstanding contracts | Average rate | | Foreign currency | | Contract value | | Fair value | |
|--|--------------|-------|------------------|--------|----------------|-----------|------------|-----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| <i>Buy USD (Thousand USD / Thousand TRY)</i> | | | | | | | | |
| Less than 3 months | 48,01 | 41,78 | 38.721 | 59.000 | 1.858.847 | 3.226.339 | (229.310) | (370.420) |
| 3 to 12 months | 52,63 | 45,47 | 60.512 | 73.000 | 3.184.974 | 4.344.584 | (140.719) | (197.197) |
| | | | | | | | (370.029) | (567.617) |

As of 31 December 2025, 330.197 of unrealized loss arising from changes in fair values of forward foreign exchange contracts is classified as hedging reserve under shareholders' equity (2024: 582.732).

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37. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Interest rate risk management

Interest rate sensitivity

Detail of the Group's financial instruments exposed to interest rate sensitivity is as follows:

| | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Financial liabilities - Fixed Interest Rate Instruments | 6.991.872 | 7.522.968 |
| Financial liabilities - Floating Interest Rate Instruments | 7.283.677 | 9.694.233 |

As of 31 December 2025 if the interest rates had been 50 basis points higher/lower and all other variables held constant, profit before tax and non-controlling interests would decrease/increase by 36.418 (31 December 2024: 48.471).

b.3.3) Other price risks

Equity pricing sensitivity

The sensitivity analyses below have been determined based on the exposure to price risks for listed stocks.

At reporting date, if variables used in valuation methods had been 10% higher/lower and all other variables held constant:

- There will be an increase/decrease of 74.993 (31 December 2024: 111.093 increase/decrease) in gain on revaluation and reclassification. This is mainly caused because of changes in fair values of fair value through other comprehensive income listed stocks.
- There will be an increase/decrease of 343 (31 December 2024: 389 increase/decrease) in profit or loss. This is mainly caused because of changes in fair values of fair value through profit or loss.

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38. FINANCIAL INSTRUMENTS

| 31 December 2025 | Financial assets at amortized cost | Financial investments measured at fair value | Financial liabilities at amortized cost | Fair value of derivative instruments | Carrying value (*) | Note |
|--|--|---|---|---|-----------------------|--------|
| Financial assets | | | | | | |
| Cash and cash equivalents | 8.254.958 | - | - | - | 8.254.958 | 5 |
| Trade receivables (due from related parties included) | 7.032.368 | - | - | - | 7.032.368 | 8, 37 |
| Financial investments | - | 5.192.888 | - | - | 5.192.888 | 6 |
| Other current and non-current assets (due from related parties included) | 618.592 | - | - | - | 618.592 | 9, 37 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 14.275.549 | - | 14.275.549 | 7, 37 |
| Trade payables (due to related parties included) | - | - | 15.415.016 | - | 15.415.016 | 8, 37 |
| Employee benefit payables | - | - | 674.719 | - | 674.719 | 22, 37 |
| Other short and long-term liabilities | - | - | 1.093.938 | - | 1.093.938 | 9, 37 |
| Derivative instruments | - | - | - | 370.029 | 370.029 | 36, 37 |
| 31 December 2024 | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 12.356.731 | - | - | - | 12.356.731 | 5 |
| Trade receivables (due from related parties included) | 9.665.273 | - | - | - | 9.665.273 | 8, 37 |
| Financial investments | 3.228 | 6.107.748 | - | - | 6.110.976 | 6 |
| Other current and non-current assets (due from related parties included) | 553.193 | - | - | - | 553.193 | 9, 37 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 17.217.201 | - | 17.217.201 | 7, 37 |
| Trade payables (due to related parties included) | - | - | 14.732.824 | - | 14.732.824 | 8, 37 |
| Employee benefit payables | - | - | 790.081 | - | 790.081 | 22, 37 |
| Other short and long-term liabilities | - | - | 1.112.690 | - | 1.112.690 | 9, 37 |
| Derivative instruments | - | - | - | 567.617 | 567.617 | 36, 37 |

(*) The Group believes that the carrying values of its financial instruments reflect their fair values.

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38. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined and grouped as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on using prices from direct or indirect observable current market transactions.
- Level 3: The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

Long-term financial investments and derivative instruments of the Group are measured at their fair values. Book values of other financial assets and liabilities approximate their fair values.

The level classifications of financial assets and liabilities measured at fair value are presented below:

| | 31 December | Fair value level as of reporting date | | |
|---|------------------|---------------------------------------|----------------|------------------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | 2025 | | | |
| Fair value through other comprehensive income financial investments | 2.852.037 | 789.396 | - | 2.062.641 |
| Fair value through profit or loss financial investments | 2.338.826 | 4.489 | - | 2.334.337 |
| Total | 5.190.863 | 793.885 | - | 4.396.978 |
| Financial liabilities | | | | |
| Derivative instruments | 370.029 | - | 370.029 | - |
| Total | 370.029 | - | 370.029 | - |
| | | | | |
| | 31 December | Fair value level as of reporting date | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial assets | 2024 | | | |
| Fair value through other comprehensive income financial investments | 3.289.930 | 1.169.400 | - | 2.120.530 |
| Fair value through profit or loss financial investments | 2.815.186 | 4.322 | - | 2.810.864 |
| Total | 6.105.116 | 1.173.722 | - | 4.931.394 |
| Financial liabilities | | | | |
| Derivative instruments | 567.617 | - | 567.617 | - |
| Total | 567.617 | - | 567.617 | - |

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38. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments (cont'd)

Changes of financial investments measured at their fair values during the period are as follows:

| | Fair value through profit or loss financial investments | | Fair value through other comprehensive income financial investments | | Total |
|--|--|-----------|---|-----------|-----------|
| | Level 1 | Level 3 | Level 1 | Level 3 | |
| | Opening balance as at 1 January 2025 | 4.322 | 2.810.864 | 1.169.400 | |
| Additions | - | 7.888 | - | - | 7.888 |
| Fair value change | 552 | (248.694) | (380.004) | 57.386 | (570.760) |
| Currency translation effect | (385) | (235.721) | - | (115.275) | (351.381) |
| Closing balance as at 31 December 2025 | 4.489 | 2.334.337 | 789.396 | 2.062.641 | 5.190.863 |

| | Fair value through profit or loss financial investments | | Fair value through other comprehensive income financial investments | | Total |
|--|--|-----------|---|-----------|-----------|
| | Level 1 | Level 3 | Level 1 | Level 3 | |
| | Opening balance as at 1 January 2024 | 26.131 | 3.334.627 | 968.258 | |
| Additions | - | 140.975 | - | 133.406 | 274.381 |
| Fair value change | (16.155) | (103.064) | 201.142 | 629.704 | 711.627 |
| Currency translation effect | (5.654) | (561.674) | - | (219.631) | (786.959) |
| Closing balance as at 31 December 2024 | 4.322 | 2.810.864 | 1.169.400 | 2.120.530 | 6.105.116 |

The following methods have been used in measuring the fair values of the significant financial investment of the Group, those fair value level are determined to be Level 3:

Non-traded fair value through other comprehensive income financial investments

SOCAR Polymer Investments LLC

| <i>Valuation Method</i> | <i>31 December 2025 Fair Value</i> | <i>Unobservable Inputs</i> | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i> |
|---|---|--|---|
| Income Approach, Discounted Cash Flow | 1.337.480 | Weighted average cost of capital ratio: 11,1% | If the weighted average cost of capital ratio is increased to 12,1%, the estimated fair value decreases by 145.732 ; If it is decreased to 10,1%, the estimated fair value increases by 188.594. |

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38. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments (cont'd)

Non-traded fair value through other comprehensive income financial investments (cont'd)

| <i>Valuation Method</i> | <i>31 December 2024 Fair Value</i> | <i>Unobservable Inputs</i> | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i> |
|---------------------------------------|------------------------------------|--|---|
| Income Approach, Discounted Cash Flow | 1.395.800 | Weighted average cost of capital ratio: 11,19% | If the weighted average cost of capital ratio is increased to 12,19%, the estimated fair value decreases by 168.281; If it is decreased to 10,19%, the estimated fair value increases by 212.311. |

Berlin Light JV S.a.r.l

Discounted cash flow and adjusted equity methods have been used in the fair value measurement of the related financial investment, and the cash flows expected to be obtained in the future are discounted to the present by using appropriate discount factors and the shareholders' equity is adjusted according to the discounted amounts.

Antalya Serbest Bölge Kurucu ve İşleticisi A.Ş. ve Mersin Serbest Bölge İşleticisi A.Ş.

Fair value measurement of the financial investment has been conducted using the discounted cash flow and adjusted equity methods. Future expected cash flows have been discounted to their present value using appropriate discount rates, and the equity value has been adjusted accordingly.

Non-traded fair value through profit or loss financial investments

| <i>Industry</i> | <i>Valuation Method</i> | <i>31 December 2025 Fair Value</i> | <i>Unobservable Inputs</i> | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i> |
|--------------------|-------------------------|------------------------------------|----------------------------------|---|
| <i>Contracting</i> | Equivalent value | 29.400 | Valuation multiplier: 0,03 - 1,5 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 2.940, in case of a 10% decrease, the estimated fair value decreases by 2.940. |
| <i>Agriculture</i> | Equivalent value | 2.027.478 | Valuation multiplier: 1 - 4,2 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 202.748, in case of a 10% decrease, the estimated fair value decreases by 202.748. |
| <i>Other</i> | Equivalent value | 277.459 | Valuation multiplier: 0,1 - 4,4 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 27.746, in case of a 10% decrease, the estimated fair value decreases by 27.746. |
| <i>Industry</i> | <i>Valuation Method</i> | <i>31 December 2024 Fair Value</i> | <i>Unobservable Inputs</i> | <i>Relation Between Unobservable Inputs and Fair Value Measurement</i> |
| <i>Contracting</i> | Equivalent value | 213.546 | Valuation multiplier: 1 - 1,4 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 21.355, in case of a 10% decrease, the estimated fair value decreases by 21.355. |
| <i>Agriculture</i> | Equivalent value | 2.320.709 | Valuation multiplier: 1 - 4,2 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 232.071, in case of a 10% decrease, the estimated fair value decreases by 232.071. |
| <i>Other</i> | Equivalent value | 276.609 | Valuation multiplier: 0,2 - 2,9 | If the average valuation multiplier is increased by 10%, the estimated fair value increases by 27.661, in case of a 10% decrease, the estimated fair value decreases by 27.661. |

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38. FINANCIAL INSTRUMENTS (cont'd)

Fair Value of Financial Instruments (cont'd)

Non-traded fair value through profit or loss financial investments (cont'd)

Industrial distribution of the fair value movement of non-traded fair value through profit or loss financial investments is as follows:

| | Fair value through profit or loss financial investments (Level 3) | | | |
|--|--|------------------|----------------|------------------|
| | Contracting | Agriculture | Other | Total |
| Opening balance as at 1 January 2025 | 213.546 | 2.320.709 | 276.609 | 2.810.864 |
| Additions | - | 7.888 | - | 7.888 |
| Fair value change | (157.458) | (109.701) | 18.465 | (248.694) |
| Currency translation effect | (26.688) | (191.418) | (17.615) | (235.721) |
| Closing balance as at 31 December 2025 | <u>29.400</u> | <u>2.027.478</u> | <u>277.459</u> | <u>2.334.337</u> |
| | Contracting | Agriculture | Other | Total |
| Opening balance as at 1 January 2024 | 483.196 | 2.517.583 | 333.848 | 3.334.627 |
| Additions | 6.436 | 134.539 | - | 140.975 |
| Fair value change | (179.877) | 76.813 | - | (103.064) |
| Currency translation effect | (96.209) | (408.226) | (57.239) | (561.674) |
| Closing balance as at 31 December 2024 | <u>213.546</u> | <u>2.320.709</u> | <u>276.609</u> | <u>2.810.864</u> |

39. OTHER MATTERS MATERIALLY AFFECTING FINANCIAL STATEMENTS

Changes and developments in the capital and management structure

Cansevil Akçağlılar's entire shareholding in the Company, corresponding to 24.611.073,57 shares, was acquired by Can Kültür on 10 March 2025.

On 11 March 2025, 40.619.001,90 shares (representing 10,98% ownership) were acquired by ARY Holding A.Ş. In addition, 100% of ANG Yatırım Holding A.Ş., which holds 8,88% of the Company's shares, was acquired by ARY Holding A.Ş. Accordingly, the 8,88% ownership interest of ANG Yatırım Holding A.Ş. in the Company has indirectly come under the control of ARY Holding A.Ş.

In the disclosure made by Can Kültür on 10 April 2025, it was announced that an agreement had been reached between Meltem Berker and Nilgün Şebnem Berker on the same date regarding the transfer of 93.367.143 shares, representing 25,23% of the Company's share capital, and that a share transfer agreement had been executed between the parties on 10 April 2025. It was further stated that the said share transfer transaction was subject to approval under Law No. 4054 on the Protection of Competition, and that a duly authorized application would be submitted to the Competition Authority to obtain the necessary approval for the transaction.

On 7 May 2025, at the Company's Ordinary General Assembly meeting, ARY Holding A.Ş. filed a lawsuit against the Company before the Istanbul 16th Commercial Court of First Instance (Case No. 2025/373 E.) with a petition dated 23 May 2025. The claims sought a determination that the resolutions regarding the determination of Board of Directors' remuneration and the election of its members were null and void, or alternatively, their annulment and suspension of execution, as well as the appointment of a new board of directors on a precautionary basis.

By its decision dated 30 May 2025, the Court, among other matters, resolved to grant a period to the members of the Board of Directors to submit their statements regarding the request for injunctions and the statement of claim in accordance with the relevant provisions of the TCC; to evaluate, upon the plaintiff's attorney's request, the demands for the suspension of the implementation of the general assembly resolution pursuant to Article 448 of the TCC and for the appointment of a trustee for audit purposes; and to adjourn the hearing to 20 November 2025.

With respect to the claims in the aforementioned petition regarding the suspension of execution of the General Assembly resolutions and the precautionary appointment of a trustee, a statement of defense requesting the dismissal of these claims on both procedural and substantive grounds was submitted on 27 June 2025. Subsequently, on 8 July 2025, another statement of defense was submitted, requesting the dismissal of all claims in the same context on both procedural and substantive grounds.

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39. OTHER MATTERS MATERIALLY AFFECTING FINANCIAL STATEMENTS (cont'd)

Changes and developments in the capital and management structure (cont'd)

ARY Holding A.Ş. has transferred its 8,88% shareholding in the Company's share capital, which it held through ANG Yatırım Holding A.Ş., to Vera Ticari Danışmanlık A.Ş., a company established by ARY Holding A.Ş., via partial demerger in accordance with the relevant legal provisions on 9 July 2025.

With the decision of Küçükçekmece 4th Criminal Court of Peace dated 11 September 2025 and numbered 2025/7284 Miscellaneous Proceedings, it was resolved to seize the shares corresponding to a total of 17,56% of the Company's capital held by Can Grup, pursuant to Article 128 of the Criminal Procedure Code through the reference made by Article 17 of Law No. 5549. The aforementioned decision numbered 2025/7284 Miscellaneous Proceedings was notified to the Company on 12 September 2025.

Following the resignation of Özgün Öztunç from the Board of Directors on 11 September 2025, it was proposed to appoint Nevzat Avunç, SDIF, pursuant to the decision of the SDIF Board dated 18 September 2025 and numbered 2025/498. This proposal was made in line with the decision of the Küçükçekmece 4th Criminal Court of Peace dated 10 September 2025 and numbered 2025/7178 Miscellaneous Proceedings, which assigned SDIF as trustee to the Can Group companies.

The appointments to the board of directors made during the period were carried out in accordance with Article 363 of the TCC, to serve until the first general assembly meeting and to be submitted for the approval of the general assembly.

According to the notification made to the Company by the Can Kültür Board of Directors appointed by SDIF Fund's Board, following the approval of the aforementioned application by the Competition Authority, on 3 October 2025 the share transfer transaction representing 25,23% of the Company's share capital has been completed between the parties. As a result, Can Group's shareholding in the Company has increased from 17,56% to 42,80%, corresponding to a total of 158.345.113,57 shares.

Following the resignations of the Company's Board Members, Uğur Bayar and Bayram Saral, on 9 October 2025, Taner Yalçın and Erdem Şair, who were recommended pursuant to the decision of the SDIF Fund's Board dated 9 October 2025 and numbered 2025/544, were appointed to the vacant board member positions.

Hakan Sadık Göral, who has served as the President of Group Companies since 7 March 2023 has voluntarily resigned from his position and from all board memberships within group companies. Pursuant to the decision of the SDIF Fund's Board dated 9 October 2025 and numbered 2025/542, Namık Ülke has been appointed as the President of Group Companies.

Kenan Alpdündar was appointed as the Vice President in charge of Financial Affairs, and Serdar Gök was appointed as the General Manager of Toros Tarım on 14 October 2025.

The Company will hold an Extraordinary General Assembly Meeting on 18 December 2025 for the election of the members of the Board of Directors. As a result of the voting, Nevzat Avunç (re-elected), Taner Yalçın (re-elected), Erdem Şair (re-elected), Ömer Şanlı, Mahmut Çelik, İsmail Coşkun, Bircan Ünlü, Sibel Koç and Esra Özkan were elected as members of the Board of Directors.

Construction Projects

In order to compensate for the losses caused by the negativities in various construction projects in the past years, the processes envisaged in the contracts with the Employer administrations have been initiated and the negotiations with the administrations are continue as of the report date.

The compensation and claim files prepared by the contract department together with international expert consulting firms have been submitted to the employer administrations. The Engineering and Contracting segment, which continues to work within the framework of contractual obligations during the extraordinary period, by taking every possible and reasonable precautions, will continue to negotiate diligently for these justified demands to be concluded positively. Current information about related projects is as follows;

North Field East Onshore Common Offsites 2 Project:

Under the contract signed between Tekfen İnşaat and Chiyoda Technip Joint Venture (CTJV) on 31 January 2022, the "General Works for Offsites 2 and South Interconnecting Piperack for North Field East Onshore Project EPC-1" project has been undertaken in Qatar. As of the balance sheet date, the financial completion rate of the relevant project is 89,26%.

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39. OTHER MATTERS MATERIALLY AFFECTING FINANCIAL STATEMENTS (cont'd)

Construction Projects (cont'd)

North Field East Onshore Common Offsites 2 Project (cont'd):

As of the reporting date, an increase in the estimated cost of the project has been anticipated due to delays experienced in the installation of temporary camps, workshops, warehouses, office facilities, and mobilization phase. Negative changes in the income/expense difference resulting from this cost increase and the inclusion of additional revenues have been included into the consolidated financial statements in accordance with Turkish Financial Reporting Standards. As a result of these losses, changes have been made to the project management organization, negotiations have been conducted with the administration, and efforts are underway to reduce the projected losses through increased project efficiencies and savings. In this context, through the execution of supplementary agreements, an improvement in the project loss has been achieved following the incentive payments. Negotiations regarding the claims arising from additional cost increases are still ongoing.

Phosphate 3 Phase 1 Project:

Based on the contract signed on 8 August 2024 between Tekfen İnşaat and Saudi Arabian Mining Company (Maaden), Tekfen İnşaat has undertaken the general construction works of the "Phosphate 3 Phase 1" project in Saudi Arabia.

The total contract value of the project is 245 million USD, with a duration of 24 months. As of the balance sheet date, the project's percentage of completion is 38,94%. Site and office mobilization within the scope of the project has been completed, and construction activities are ongoing.

Due to employer-related delays, disruptions in material procurement, and changes in the project scope, cost increases and extension-of-time claims arising from the prolonged project duration are updated monthly in line with developments and submitted to the employer. Discussions regarding our claims are ongoing.

Package-16 MGSE III: Jeddah Cluster:

Pursuant to the contract signed on 2 September 2024, between Tekfen Construction and Saudi Arabian Oil Company ("Saudi Aramco"), Tekfen Construction has undertaken the "Package-16 MGSE III: Jeddah Cluster" pipeline project in Saudi Arabia on an EPC (Engineering, Procurement, and Construction) basis.

The project has a total value of 212 million USD and a duration of 40 months, with a financial completion rate of 21,70% as of the balance sheet date. Site and office mobilization within the scope of the project has been completed, and construction activities are ongoing.

Other

Certain negotiations with the banks regarding the Group's obligations had been concluded by the reporting date, and confirmation letters were obtained stating that no event of default exists. Negotiations with the other banks are still ongoing, and Group management believes that the process will be concluded positively and that additional financing facilities will be secured.

Strike that started on 21 May 2025 between Toros Tarım and Petrol-İş Union ended on 5 September 2025 following the conclusion of a collective labor agreement for the 2025–2026 period between the Turkish Chemical, Petroleum, Rubber and Plastics Industry Employers' Union (KİPLAS), of which Toros Tarım is a member, and Petrol-İş Union, covering Toros Tarım's production facilities located in Ceyhan, Adana and Akdeniz, Mersin.

Azfen MMC (Azfen), in which Tekfen İnşaat holds a 40% stake, has signed a contract with BP Exploration (Caspian Sea) Limited to undertake the engineering, fabrication, assembly, erection, testing, hook-up, mechanical completion, lifting, weighing, onshore completion, and load-out works for one offshore platform with a total weight of 8.500 tons. The construction period is planned as 33 months from the effective date of the contract. The total value of the project is approximately 321 million USD, of which Tekfen İnşaat's share, in proportion to its stake in Azfen, amounts to around 128 million USD.

Regarding the lawsuit filed against the Company by ARY Holding A.Ş., seeking the determination of nullity or annulment of the resolutions on the election of the Board members adopted at the General Assembly dated 7 May 2025, as well as the suspension of the execution of these resolutions and the appointment of a temporary management body, the preliminary examination phase was completed at the first hearing held on 20 November 2025, and it was decided to proceed to the investigation phase. It was also ruled that an expert examination may be conducted between sessions if requested, and the hearing was adjourned to 7 May 2026. ARY Holding A.Ş. waived its claim in the lawsuit on 12 December 2025 and the court ruled for the dismissal of the case on 15 December 2025. As no appeal was filed by the parties against the dismissal decision due to the waiver, the decision became final on 13 January 2026.

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NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira (TRY) in terms of purchasing power of the TRY at 31 December 2025 unless otherwise indicated.)

39. OTHER MATTERS MATERIALLY AFFECTING FINANCIAL STATEMENTS (cont'd)

Other (cont'd)

Libya Arbitration Claim

The Group, which holds a 67% stake in the Tekfen-TML Joint Venture (Tekfen TML J.V.), has reached an agreement with the employer MMRA regarding the compensation for all rights, receivables, and assets related to the Great Man-Made River Project in Libya, which has been suspended indefinitely due to events that occurred on 21 February 2011. According to this agreement, MMRA is to make a net payment of 35.408 thousand USD to Tekfen TML J.V. (with the Group's share being 23.605 thousand USD). This payment includes an initial amount of 12.678 thousand USD (Group's share: 8.452 thousand USD) and the collection of the remaining 9.013 thousand USD (Group's share: 6.009 thousand USD) after offsetting the amount determined for Tekfen TML J.V. to pay to Libya in the second arbitration. Furthermore, it has been agreed that the remaining unsecured receivable of 22.730 thousand USD (Group's share: 15.229 thousand USD) will be paid in four installments of varying amounts by 31 December 2025.

Due to the ongoing dual government structure in Libya, authority disputes have emerged following the appointments made by both governments to the employer MMRA and subsequently to the Central Bank. Owing to these disputes and other related developments, the employer MMRA was unable to make the scheduled payment of 5.000 thousand USD (Group's share: 3.350 thousand USD) and requested a deferral. Accordingly, 1.500 thousand USD (Group's share: USD 1.005 thousand) of the deferred amount was collected on 20 February 2025, while the remaining 3.500 thousand USD (Group's share: 2.345 thousand USD) was collected on 11 April 2025.

Within the scope of the Settlement Agreement dated 26 June 2022 executed between Tekfen TML J.V. and MMRA, it has been agreed that the outstanding receivable amounting to 17.730 thousand USD (Group's share: 11.879 thousand USD) shall be paid as follows: 1.730 thousand USD (Group's share: 1.159 thousand USD) as the first instalment no later than 31 December 2025, 8.000 thousand USD (Group's share: 5.360 thousand USD) in four equal instalments during 2026, and the remaining 8.000 thousand USD (Group's share: 5.360 thousand USD) in two equal instalments by 30 June 2027. Pursuant to this reconciliation, although an agreement was reached between MMRA and Tekfen TML J.V. for the payment of USD 1,500 thousand out of the first installment of USD 1,730 thousand (Group's share: USD 1,159 thousand), which was due by 31 December 2025, by the end of February 2026, no collection has been made as of the reporting date. The overdue portion of USD 1,500 thousand related to the first installment is expected to be collected in March 2026.

40. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

| Type of Service | 31 December 2025 | 31 December 2024 |
|--|---------------------|---------------------|
| Independent audit fee for the reporting period | 26.683 | 25.198 |
| Fees for tax advisory services | 6.145 | 2.573 |
| Fees for other assurance services | 13 | 34 |
| Fees for services other than independent audit | - | 1.216 |
| | <u>32.841</u> | <u>29.021</u> |

41. SUBSEQUENT EVENTS

Due to recent developments in Iran and neighboring Gulf countries, no adverse developments affecting the safety of life and property have occurred in the ongoing projects of the Group's subsidiary Tekfen İnşaat in Qatar, Saudi Arabia and Iraq. Developments in the region are being closely monitored on a regular basis, and all necessary precautions are being taken.