



İHLAS EV ALETLERİ

With Goodness and Truth

ihya

reviving, renewing,
enabling people to flourish

2025
ANNUAL
REPORT

ihlas 
Ev Aletleri



With İhlas To the Future...

With Goodness and Truth

We set out on this path with İhlas 56 years ago. We have always drawn our strength from goodness. We have never lost our faith in the truth, nor have we ever abandoned our essence.

From education to healthcare, from real estate to timeshare investments, and from media and communications to marketing, we have strived to develop specialized expertise in every sector in which we operate. We work tirelessly to remain worthy of the trust we have built through care, attention, and beneficence over the course of more than half a century.

Today, if we at İhlas Holding can help each and every one of our people flourish, we count ourselves truly blessed.

With every brand under the İhlas Holding umbrella, we produce value, well-being, and new sources of happiness. In this spirit, we are pleased to present our 2025 Annual Reports under the theme “With İhlas to the Future.” Our greatest aspiration is to unite the strength we draw from goodness with truth and carry İhlas into the years ahead.



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İHLAS GROUP AT A GLANCE

*Tens of companies, hundreds of employees,
and thousands of happy families...*

İhlas Holding, drawing strength from its deep-rooted heritage, aims to enhance quality of life in every sector it operates in and contribute to society's future. With its broad business segments spanning from journalism to real estate, from healthcare to education, the Group is resolutely implementing its vision of sustainable development. With people at the heart of everything it does, the Holding continues its journey toward becoming a brand known for trust, quality and stability, not only in Türkiye but also worldwide.

Half a Century with Goodness and Truth

With a history spanning more than half a century and a multi-sector structure, İhlas Group ranks among Türkiye's most influential business groups. Positioned as a strategic player in Türkiye's development trajectory, İhlas Group sustains its steady growth through the trust and support of the nation. Leveraging its experience and know-how across diverse sectors, the Group generates added value for the national economy.

İhlas Group, one of Türkiye's most established diversified business groups with its deep-rooted history and broad business segments, maintains steady and resolute growth, guided by its focus on Goodness and Truth.

İhlas Group: Deep Roots, Strong Standing

İhlas Group is a long-established and pioneering business group in Türkiye. It operates through 26 companies and 3,077 employees and maintains a solid nationwide presence built on solid foundations. The Group's foundations were laid in 1970 with the launch of Türkiye Gazetesi, and it has maintained steady growth ever since. Beginning in 1978 with the direct delivery of Türkiye Gazetesi, its marketing operations symbolize its approach to sustainable success. The Group's growth and strengthening process stems from its strategic approach, which combines a solid legacy with a forward-looking vision.

In 1981, İhlas Group established its own printing facilities, increasing production capacity and process control and demonstrating a foresighted, success-oriented management approach



that adds value to the future. Over the years, the Group has expanded beyond newspaper distribution, adding new product groups to its portfolio, and has transformed into a diversified and stable holding structure operating across multiple sectors. İhlas Group's extensive marketing network directly reaches thousands of consumers and concretely reflects its strong customer relations and sustainable growth objective.

At the heart of İhlas Group's sustainable success is a long-term vision grounded in shared values. The Group builds upon its deep-rooted heritage and uncompromising principles to shape its future, sustaining steady growth through its sustainability-focused approach.

The enduring family bond it has built with its employees enables the Group to sustain a structure that is not only financially strong

but also culturally and socially deep-rooted. A recognized pioneer in innovation and entrepreneurship, İhlas Group invests in new business areas by focusing on the demands of the modern era and technological advances, developing solutions that shape the future. For more than three decades, İhlas Group has maintained continuous growth, driven by sustainable business models, a strong corporate culture, and a vision that embraces change.

In 1990, İhlas Group translated its sustainable growth vision into action by entering the construction sector with the İhlas Yuva Evleri project. In the same year, the Group entered electronic device and home appliance manufacturing by establishing İhlas Ev Aletleri. In 1991, it entered the healthcare sector through Türkiye Hastanesi.

These strategic investments in various sectors strengthened İhlas Group's diversified structure and paved the way for a diversified business model supporting its stable growth.

Global Leadership in the Media Sector

In the 1990s, Türkiye Gazetesi broke circulation records, launched distribution in the United Kingdom and the United States, and subsequently began printing in Germany, reinforcing İhlas Group's

leadership in the media sector. While reinforcing İhlas Group's global influence in the media sector, these achievements have also epitomized its approach to sustainable success. The Group's leadership position in the media sector reflects its long-term vision and international success.

In 1994, İhlas Group carried its solid journalism legacy into different media channels by establishing İhlas Haber Ajansı and launching TGRT FM and the TGRT television channel. These strategic investments broadened the Group's media portfolio, increased its reach to wider audiences, and strengthened its leadership in the sector.

Guided by the understanding rooted in its heritage and the strength of its principles, İhlas Group steadily advances toward its goals, bringing well-being to every individual and building a more secure future.

Strategic Moves and Continuous Development

İhlas Group's strategic moves in the 1990s demonstrated that the Group went beyond being a commercial organization and focused on sustainable growth and steady success.

Investments made under this vision clearly demonstrate the Group's long-term perspective and its commitment to building a robust foundation for the future. By adopting this pioneering growth model, İhlas Group reinforces its presence across sectors and maintains its steady growth.

In 1993, İhlas Group consolidated all its companies under İhlas Holding to advance its growth on a firmer foundation. This merger was a significant step that supported the Group's strategic growth objectives.

In line with its new investment strategies, İhlas Group carried its sustainable stability approach to the Kuzuluk Termal Kaplıca Evleri project in 1995 and laid the foundations for its timeshare development during the same period.

During this period, İhlas Group also diversified its activities into sectors such as internet service provision, finance, food, transportation, and insurance. İhlas Group combined its social responsibility awareness with sustainability principles and made an important move into education by establishing İhlas Koleji in 1996.

Sectoral Diversity and Global Service Approach

İhlas Group carried forward the strong momentum gained in the 1990s into the 2000s, further expanding its business segments and taking important steps toward developing specialized expertise. İhlas Group has aimed not only at commercial success but also at laying a robust foundation for a sustainable future. In this regard, each new investment and sector expansion served not only as a growth opportunity but also as a means to build deeper connections with society.

İhlas Group's Global Service Vision ensures sectoral diversity both nationally and globally and aims to deliver the highest standards of value in every field of activity. This vision ensures the Group's sustained growth while prioritizing not only economic growth but also societal benefit.

Between 1997 and 1998, İhlas Group maintained steady growth by participating in the deregulation of the energy sector. During this period, the Group obtained strategic licenses to bring mineral resources, including metallic minerals, coal, and industrial raw materials, into economic use and support national development. Through this move into the energy sector, İhlas Group aimed not only at economic growth but also at diversifying its operations and promoting sustainable resource use.

By the early 2000s, İhlas Group strengthened its internal structure to foster synergy among its companies and to deepen expertise in each business area. This restructuring enabled each company to focus on its own sector and operate more efficiently and effectively. This strategy ensured the continuity of İhlas Group's

overall success and reinforced both its internal structure and its strong position abroad.

With the establishment of İhlas Yayın Holding A.Ş. in 2003, İhlas Group broadened its activities to include journalism, news agency operations, and television and radio news broadcasting, and entered new areas such as magazine publishing, media planning, and digital publishing. In 2004, with the establishment of TGRT Haber TV, the Group moved into news-focused broadcasting through a thematic channel.

The decision made in 2006 to divest TGRT TV marked a turning point in the Group's media strategy, leading it to focus exclusively on news broadcasting and deepen its expertise in the sector. By pursuing a strategy of steady growth and specialization throughout the 2000s, İhlas Group continuously expanded its scope of operations and strengthened its position as one of Türkiye's most prominent and respected companies.



İhlas Group, proud to be one of Türkiye's prominent groups, has expanded its business segments and achieved consistently high quality standards through strategies focused on continuity and innovation, and advances toward greater goals.

Solid Foundations for the Future

İhlas Group enhances its presence in the construction sector by leveraging its expertise across a broad range of projects. In 2004, in parallel with developments in publishing, the Group constructed the Armutlu Devre Mülk Tatil Köyü on 362,000 square meters in Yalova's Armutlu district, clearly demonstrating its commitment to continuous growth and development. This project constituted the first step in the Group's significant investments in the construction sector.

The Group has continued its construction investments with the Kristalşehir and Bizim Evler projects, which exemplify its strategy for steady growth and solid presence across different market segments. İhlas Group also continues its growth through residential and commercial developments in Güzelce and Beylikdüzü, without compromising its high standards of quality.



Customer-Centric Marketing Strategies

Having carried its sustained success into marketing, İhlas Group expanded its manufacturing operations from electronic home appliances into food and prepared-meal production, and now holds a significant presence across many sectors.

This diversification enables İhlas Group to sustain success across different market segments, while demonstrating flexibility and an innovative approach in its marketing strategy.

Responsibility Across All Fields, From Health to Education

İhlas Holding continues its principled and steady development, adding value to society through its activities in healthcare and education within a social mission framework.

Türkiye Hastanesi, one of Türkiye's long-established healthcare institutions, delivers not only medical solutions but also supportive healthcare services aimed at sustaining morale and well-being. Its patient-centered, compassionate approach has reinforced its position in private, ethical healthcare services. This continuity over time demonstrates İhlas Holding's principled, long-term goals in healthcare.

İhlas Koleji, which provide education at every level from kindergarten through high school, offer an education system grounded in social values and designed to equip students with the skills required for the modern world. The institution effectively utilizes contemporary knowledge and technology to enable students to acquire not only academic knowledge but also the ability to transform it into practical problem-solving skills in business and daily life.

Energy and Sustainability Investments

Positioning itself as a strong regional player in the energy sector, İhlas Holding has acquired a stake in Orta Asya Investment Holding, which plays a critical role in Central Asia's energy transition and regional development.

Under agreements signed with the Kyrgyz government, Orta Asya Investment has taken on the Kazarman and Kokomeren hydroelectric power plant projects, as well as the Bishkek CHPP-2 combined-cycle gas-fired power plant project. The projects are backed by a 20-year operating period and a government power purchase guarantee.

Our sustainability strategy is not limited to energy production alone. The projects take a multifaceted approach that includes increasing local employment, developing the supply chain, investing in infrastructure, and contributing to the local community through social projects in education and healthcare.

İhlas Holding aims to play a pioneering role in the clean energy transformation not only in Türkiye but also in Central Asia by continuing its investments in the energy sector with a long-term strategic perspective.

This vision strengthens cooperation between Türkiye and Kyrgyzstan while also helping the region emerge as a green energy hub connecting Europe, China, and the Middle East.



İHLAS GROUP: BUSINESS SEGMENTS

CONSTRUCTION AND REAL ESTATE DEVELOPMENT

- İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.
- İhlas Yapı Turizm ve Sağlık A.Ş.
- İhlas İnşaat Proje Taahhüt Turizm ve Ticaret A.Ş.
- Kuzuluk Kaplıca İnşaat Turizm Sağlık ve Petrol Ürünleri Ticaret A.Ş.
- Armutlu Tatil ve Turizm İşletmeleri A.Ş.

MEDIA

- İhlas Yayın Holding A.Ş.
- İhlas Gazetecilik A.Ş. (Türkiye Gazetesi)
- İhlas Haber Ajansı A.Ş. (İHA)
- TGRT Haber TV A.Ş.
- TGRT FM*
- TGRT Dijital TV Hizmetleri A.Ş. (TGRT Belgesel TV)
- TGRT Radyo ve Televizyon Yayıncılığı A.Ş. (TGRT EU)
- Dijital Varlıklar Görsel Medya ve İnternet Hizmetleri Ltd. Şti.

MANUFACTURING, MARKETING & TRADE

- İhlas Pazarlama A.Ş.
- İhlas Ev Aletleri İmalat Sanayi ve Ticaret A.Ş.
- KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş.
- Şifa Yemek ve Gıda Üretim Tesisleri Tic. A.Ş.

HEALTHCARE & EDUCATION

- Türkiye Hastanesi**
- İhlas Koleji**



*Operates under the legal entity of TGRT Haber TV A.Ş.

İhlas Group, one of Türkiye's most established groups, operates through 26 companies and 3,077 employees, maintaining a broad presence across both national and international markets.



ENERGY AND SUSTAINABILITY INVESTMENTS

- Orta Asya Investment Holding



**Operates under the legal entity of İhlas Holding A.Ş.

INVESTMENT

- İhlas Girişim Sermayesi Yatırım Ortaklığı A.Ş.



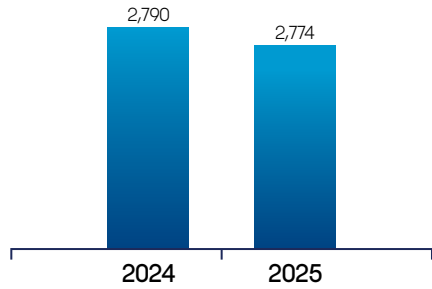
İHLAS EV ALETLERİ



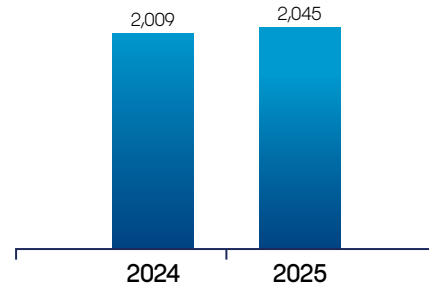
KEY FINANCIAL INDICATORS

İhlas Ev Aletleri' total revenue in 2025 reached TRY 3,728 million.

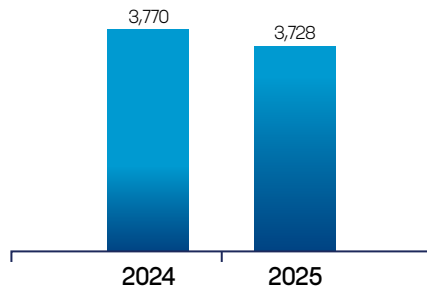
**Total Assets
(Million TRY)**



**Equity
(Million TRY)**



**Revenue
(Million TRY)**

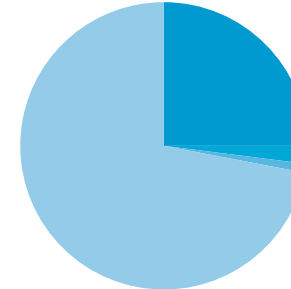


SHAREHOLDING STRUCTURE

The Company's shareholding structure is as follows:

Name/Title	Shareholding Ratio (%)	Share Amount (TRY)
İhlas Holding A.Ş.	27.26	95,551,299
Ahmet Mücahid Ören	0.46	1,597,299
İhlas Pazarlama A.Ş.	0.02	84,651
Publicly Traded	72.26	253,266,822
Total	100.00	350,500,000

**SHAREHOLDING
STRUCTURE**



27.26%
İhlas Holding A.Ş.

0.46%
Ahmet Mücahid Ören

0.02%
İhlas Pazarlama A.Ş.

72.26%
Publicly Traded

MILESTONES

İhlas Ev Aletleri began manufacturing electronic devices and home appliances.

İhlas Ev Aletleri

1990

İhlas Ev Aletleri has been listed on BIST under the ticker IHEVA since Sept. 26, 1996.

BORSA İSTANBUL

1996

İhlas Ev Aletleri received the "International Best Commercial Brand" award from the Trade Leaders' Club.



2002

The Company has been included in the BIST Corporate Governance Index since Dec. 29, 2010.



2010

İhlas Ev Aletleri was certified to ISO 9001:2008 by an international certification body.



2012

- Celebrating more than 20 years of continuous product and system certification from the Turkish Standards Institute (TSE), İhlas Ev Aletleri was honored with the "Golden TSE Quality Award."
- Aura Cleanmax S Plus Cleaning Robot received the Red Dot Design Award.



2013

- The Company publicly disclosed its carbon footprint in a report through the Carbon Disclosure Project (CDP).
- İhlas Ev Aletleri received the "Good Design" award at the Design Türkiye Industrial Design Awards for its Cebilon Unique brand.



2014

- In addition to reporting its carbon footprint, the Company voluntarily responded to the questions under the pilot CDP Water Program.
- The Company received the GOOD DESIGN Award for its Cebilon Unique, Aura Cleanmax S Plus, and Aura Roboclean S Plus products.



2015

2016



- Supported by A.T. Kearney, the 2016 InovaLIG has successfully concluded, leveraging the IMP3rove methodology used in 67 countries worldwide. İhlas Ev Aletleri ranked 25th among the 761 companies competing in the league in the "Innovation Organization and Culture" category of innovation management.



- The Aura Cleanmax/Aura Roboclean Cleaning Robot won the ICONIC Interior Innovation, IF DESIGN, and A' DESIGN awards, as well as the Kazakhstan Best Product of 2016 State Award. The Aura Cebilon Unique Reverse Osmosis System was awarded the A DESIGN Award.
- Distributors of the Aura Roboclean Cleaning Robot, spanning nearly 50 countries worldwide, gathered in Antalya in April 2016.

2017



The İhlas Ev Aletleri R&D Center became the 436th R&D Center to be officially registered by the Ministry of Science, Industry and Technology. The center also secured 21st place among 971 companies in the "Innovation Organization and Culture" category at InovaLIG.

2018



- In 2018, the Company received its ISO 9001:2015 certification by TÜV Rheinland Cert GmbH, an international certification organization.
- The Aura Cleanmax/Aura Roboclean robot vacuum, which provides superior cleaning with its bagless water filter cleaning system, was awarded the "Allergy Friendly Product" certificate by the Germany-based European Centre for Allergy Research Foundation (ECARF).
- In 2018, Aura Cleanmax, Aura Roboclean, and Aura Cebilon received the German Design Award.

2019



Aura Roboclean established a strong foundation for market growth in 2019 by securing the mandatory CCC certification for China and the INMETRO certification for Brazil.

2020



- Aura Cebilon Dflow received a design award from the German Design organization.
- The Company received the ISO27001 - Information Security Management System Certificate.

2021



The ISO 9001:2015 certification was successfully renewed according to current standards after passing its three-year audit process.

2022



Aura Cleanmax and Aura Roboclean Cleaning Robots have been certified as "Allergy-Friendly Products" by the European Centre for Allergy Research Foundation (ECARF).

MILESTONES

The ISO 27001 - Information Security Management System certificate was updated following an audit.



2023

Having fulfilled the requirements, the Company qualified to receive the ISO 14001 Environmental Management System certificate on Dec. 26, 2024.



2024

In 2025, the Company received the ISO10002: Customer Satisfaction Management System and the ISO 45001: Occupational Health and Safety Management System certificates.



2025



MESSAGE FROM THE CHAIRMAN



Orhan Korkusuz

Chairman

Esteemed Shareholders,

For İhlas Ev Aletleri, 2025 was a year in which we not only achieved our targets but also further refined the way we do business and reinforced our vision through concrete action. Amid rapidly changing global dynamics, rising competition, and shifting consumer expectations, we navigated the year with a more agile, data-driven, and integrated structure.

This year, we looked beyond product development to extend our technology investments across our entire value chain. While enhancing the user experience through smart solutions and AI-powered features, we simultaneously drove significant efficiencies across our operational processes. These improvements prompted holistic, sustainable growth in both our products and service infrastructure.

In line with our growth objectives, we continue to prioritize strategic R&D efforts. We continue our efforts to make our existing products more sustainable and add new products to our product range.

We launched our new Aura Cebilon Diamond water purification dispenser, marking a significant milestone that advances our leadership in water technologies. With its aesthetic design, ease of use and high purification performance, this product makes access to healthy water a much more comfortable and distinctive experience.

As part of the collaborations we have initiated with Türkiye's leading R&D centers, we aim to further strengthen our innovative product development processes. Leveraging this synergy and combining our shared knowledge and technological capabilities, we are resolutely pursuing our vision of developing high-value, highly competitive products that respond swiftly to shifting consumer needs.

Within the scope of sustainability, priority is currently given to solar power plant (SPP) projects in line with the transition to renewable energy and investments in energy efficiency. The necessary steps will be taken to source electricity consumption from renewable resources, and efforts to mitigate climate-related risks and evaluate opportunities are continuing.

Despite intense domestic competition and global market uncertainties, we delivered stable, resilient performance rooted in our balanced growth strategy. As we strengthened our presence in different geographies, we steadily extended the trust placed in our brand to wider audiences.

At the foundation of these achievements lie our robust human capital, the seamless collaboration of our business partners, and the enduring trust of our customers. Acting with collective wisdom, high motivation and determination, we continue each year to build on what we achieved the year before.

Looking ahead to 2026, our focus centers on accelerating digitalization, deepening our sustainability goals, enhancing our innovation capabilities, and solidifying our position as a stronger global player. Empowered by a structure built on these solid foundations, we will continue our growth journey with unyielding determination and drive.

Respectfully submitted,

Orhan Korkusuz

Chairman of İhlas Ev Aletleri

BOARD MEMBERS

**Orhan Korkusuz**

Chairman

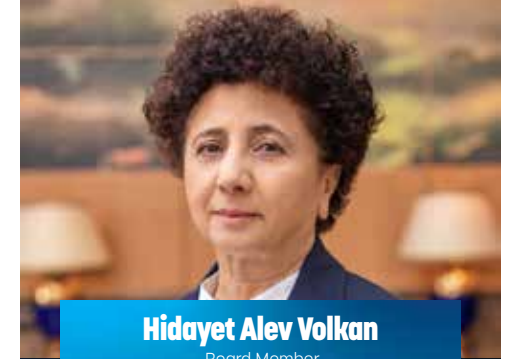
Orhan Korkusuz was born in Istanbul in 1968 and graduated from Istanbul Technical University with a degree in Electronics and Communication Engineering. He began his career in the IT sector, holding several roles between 1990 and 2015, including Board Member responsible for Sales and Marketing and General Manager across multiple companies. Since May 2015, he has served as the General Manager of İhlas Pazarlama A.Ş.

**Ahmet Olgun**Vice Chairman and
General Manager

Ahmet Olgun was born in Istanbul in 1979 and graduated from Uludağ University with a degree in Electronics Engineering. Throughout his career, he held various positions across different companies, serving as a field test engineer, service manager, call center manager, and after-sales services manager. Olgun joined İhlas Pazarlama A.Ş. in 2013 and was elected to the Board of Directors in March 2021. Since Jan. 2025, he has served as the General Manager of İhlas Ev Aletleri A.Ş.

**Mahmut Kemal Aydın**Managing Director
Responsible for Finance and Financial Affairs

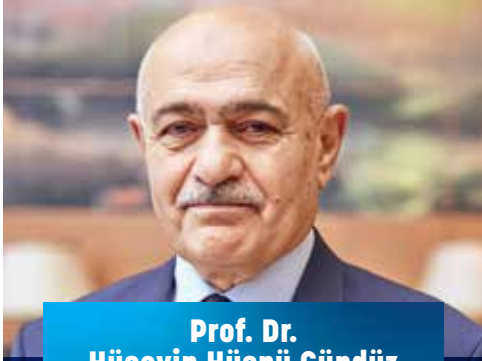
Mahmut Kemal Aydın was born in Kastamonu in 1957. He graduated from the Istanbul Academy of Economic and Commercial Sciences. From 1976 to 1982, he served as Chief of General Accounting at the Revolving Fund Administration of Istanbul University Cerrahpaşa Faculty of Medicine. He subsequently served as a Labor Inspector at the Labor Inspection Board of the Ministry of Labor and Social Security from 1985 to 1989. Aydın joined İhlas Holding A.Ş. in 1989 and was involved in the company's public offering processes between 1993 and 1994. From 1998 to 2015, he served as Managing Director Responsible for Financial Affairs and as Deputy General Manager at İhlas Holding A.Ş. Mahmut Kemal Aydın serves as a Board Member and senior executive at İhlas Group companies.

**Hidayet Alev Volkan**

Board Member

Hidayet Alev Volkan graduated from the Istanbul Academy of Economic and Commercial Sciences. She began her professional career as a civil servant in 1970. From 1976 to 1994, she served as Cost Accounting Chief and Accounting Manager at a private company. Hidayet Alev Volkan joined İhlas Holding A.Ş. in 1994. Hidayet Alev Volkan holds "Capital Market Activities Advanced License" and "Corporate Governance Rating Specialist License" certificates. She currently serves as the Investor Relations Department Manager and as a Corporate Governance Committee Member for İhlas Group companies.

BOARD MEMBERS



**Prof. Dr.
Hüseyin Hüsnü Gündüz**

Independent Board Member

Prof. Dr. Hüseyin Hüsnü Gündüz was born in Kiğı, Bingöl, in 1947. He completed his bachelor's degree at Ankara University's Faculty of Agriculture. Gündüz started his academic life in 1973, and has taught at many universities. He most recently served as the Rector of Istanbul Yeni Yüzyıl University. Prof. Dr. Hüseyin Hüsnü Gündüz serves as an independent board member at İhlas Group companies.



Prof. Dr. Resul İzmirli, PhD

Independent Board Member

Resul İzmirli, PhD, was born in 1946 in İzmir. He completed his undergraduate education at Ege University Faculty of Agriculture and began working as an Assistant in the Department of Economics and Business Administration at the same university. He earned his PhD in cooperative organizations at Justus Liebig University Giessen. İzmirli became an Assistant Professor in 1981, Associate Professor in 1992, and Professor in 2009. He currently serves as Department Head at the Faculty of Health Sciences at Yeni Yüzyıl University. He has several articles published in various international peer-reviewed journals. İzmirli serves as an Independent Board Member at İhlas Group companies.



Mehmet Halit Selçuk

Independent Board Member

Mehmet Halit Selçuk was born in Niğde in 1944. After completing his higher education at the Turkish Army War College and attaining the rank of Captain, he assumed various duties within the Turkish Armed Forces, subsequently retiring with the rank of Colonel in 1996. Selçuk currently serves as an Independent Board Member at İhlas Group companies.

SENIOR MANAGEMENT

**Ahmet Olgun**

General Manager

Ahmet Olgun was born in Istanbul in 1979 and graduated from Uludağ University with a degree in Electronics Engineering. Throughout his career, he held various positions across different companies, serving as a field test engineer, service manager, call center manager, and after-sales services manager. Olgun joined İhlas Pazarlama A.Ş. in 2013 and was elected to the Board of Directors in March 2021. Since Jan. 2025, he has served as the General Manager of İhlas Ev Aletleri A.Ş.

**Mahmut Kemal Aydın**Managing Director
Responsible for Financial Affairs

Mahmut Kemal Aydın was born in Kastamonu in 1957. He graduated from the Istanbul Academy of Economic and Commercial Sciences. From 1976 to 1982, he served as Chief of General Accounting at the Revolving Fund Administration of Istanbul University Cerrahpaşa Faculty of Medicine. He subsequently served as a Labor Inspector at the Labor Inspection Board of the Ministry of Labor and Social Security from 1985 to 1989. Aydın joined İhlas Holding A.Ş. in 1989 and was involved in the company's public offering processes between 1993 and 1994. From 1998 to 2015, he served as Managing Director Responsible for Financial Affairs and as Deputy General Manager at İhlas Holding A.Ş. Mahmut Kemal Aydın serves as a Board Member and senior executive at İhlas Group companies.

**Bülent Kaya**Deputy General Manager
(Supply Chain and Production Director)

Bülent Kaya was born in Ordu in 1966 and graduated from Istanbul Technical University's Faculty of Arts and Sciences with a degree in Physics Engineering in 1989. He completed a master's degree focusing on non-destructive testing (NDT) methods in the Department of Management Engineering at Istanbul Technical University's Faculty of Management, earning the title of master engineer in 1992. Following a tenure at the Çekmece Nuclear Research and Training Center, he held several key roles within the private sector. Having served in senior management positions at İhlas Ev Aletleri A.Ş. since 1994, he currently holds the position of Deputy General Manager.

**Uğur Kurt**Deputy General Manager
(Marketing and Product Management)

Uğur Kurt was born in Ankara in 1978 and earned an associate degree from Gazi University's Vocational School of Finance and a bachelor's degree in Accounting and Finance from Anadolu University's Faculty of Economics. Kurt is a Certified Public Accountant (CPA) and holds a Capital Market Activities Advanced License. Kurt joined İhlas Ev Aletleri A.Ş. in 1996, holding various positions across the production planning, international procurement, export, and strategic planning departments. He was later promoted to Investor Relations Department Manager, and appointed Deputy General Manager in 2015.



İHLAS EV ALETLERİ İMALAT SANAYİ TİC. A.Ş.

World-Class Production and a Vision for Sustainable Growth

İhlas Ev Aletleri is a pioneering brand that continuously improves its production methodologies to align with shifting global dynamics and rising consumer expectations, maintaining a strong position across international markets through a steadfast focus on quality and trust.

Since its establishment, the company has produced numerous small home appliances that simplify daily life with a focus on human health and essential needs. Today, with advanced engineering infrastructure and a user-centric design approach, it offers a wide product range including Aura Cleanmax and Aura Roboclean cleaning robots, Cebilon Reverse Osmosis water purification systems, and water heaters.

The production processes carried out at the Company's modern manufacturing facilities in Türkiye in accordance with international quality standards are managed on the basis of efficiency, sustainability and high quality standards. The Company's global expertise in water treatment technologies is underscored by its membership in the U.S.-based Water Quality Association (WQA) and its NSF-certified Aura Cebilon Reverse Osmosis system, bringing these advanced solutions to consumers across diverse geographies worldwide.

This integrated production and quality approach, which is aligned with global competitive conditions, supports İhlas Ev Aletleri' vision of sustainable growth and industry leadership both in Türkiye and international markets.

Balanced Growth and Export Performance in Global Markets

According to 2025 exports data, 69% of its international sales were to the Turkic States, 12% to the Middle East, 10% to Europe, 6% to the U.S., and 3% to the Far East and African countries. This distribution demonstrates that the company is maintaining its position in markets where it has traditionally been strong while pursuing a balanced and planned expansion strategy in new markets.

With a high-value-added product portfolio led by the Aura Roboclean Cleaning Robot and Aura Cebilon Water Purification Systems, the company is strengthening its presence in global markets, certifying product safety and standards compliance through internationally recognized certifications including CCC, INMETRO, KC, BSMI, SASO, GMARK, TAF, and SAA.

As part of its strategic roadmap for 2026 and beyond, the company targets expanding its product range with cutting-edge solutions, raising brand awareness through international advertising, deepening penetration in existing markets, and establishing new distributor networks. These steps, aimed at enhancing global competitiveness, are among the key pillars supporting İhlas Ev Aletleri' vision for sustainable growth.



Transparency, Resilience, and Sustainability at Borsa Istanbul

İhlas Ev Aletleri operates in line with a strategy centered on transparency and sustainable growth, with a free float ratio of 72.26%, and has been listed on Borsa Istanbul (BIST) under the ticker IHEVA since Sept. 26, 1996.

The company's position on Borsa Istanbul is supported by a strong financial structure, adherence to corporate governance principles, and an investor-focused approach to transparency. İhlas Ev Aletleri, which was included in the

BIST ALL-100 Index as of Oct. 1, 2007, was subsequently included in the BIST Corporate Governance Index on Dec. 29, 2010, thereby having its standards of accountability, financial transparency, and corporate responsibility formally recognized.

The company is currently included in the BIST Metal Products and Machinery, BIST Istanbul, BIST Corporate Governance, BIST Industrials, BIST ALL-100, BIST ALL and BIST Participation ALL indices, maintaining its strong financial position and its growth vision aimed at a broad investor base.

Discipline in Governance, Continuity in Transparency

İhlas Ev Aletleri builds its position in capital markets on a strong governance infrastructure, positioning corporate governance as an integral part of strategic growth. Transparency, accountability, and sustainable value generation are adopted as fundamental principles across all governance mechanisms, from decision-making processes to financial reporting.

In the independent assessment conducted under the Sermaye Piyasası Kurulu (SPK) Corporate Governance Principles, the company's rating was confirmed at 8.72 out of 10 by JCR Avrasya Derecelendirme A.Ş.; the outlook was described as "stable." This report, dated July 28, 2025, objectively demonstrates the governance quality of the Company, which maintains its position in the Borsa Istanbul Corporate Governance Index.

Risk management systems, internal control processes, and an effective audit structure together offer a reliable and sustainable corporate framework for all stakeholders, with shareholders foremost among them.

The continuity of financial discipline and transparency in investor communication are among the key elements supporting the Company's market credibility.

İhlas Ev Aletleri continuously develops its corporate infrastructure in line with innovative business strategies and long-term growth plans, aiming to strengthen its competitiveness both nationally and internationally through its ethical management approach, strong organizational structure, and strategic stability.

Quality and Certification Strength in Line with International Standards

İhlas Ev Aletleri, operating in domestic and international markets, safeguards its product and service quality through a multi-layered certification infrastructure. Quality certificates with international validity, including TSE, TÜV, SGS, Intertek, and NSF certifications, are tangible indicators of the high standards adopted in production processes.

Country-specific conformity certificates such as UL, SAA, CCC, INMETRO, KC, PSE, and GMARK demonstrate full compliance with regulatory and technical requirements across different markets. CE marking processes and the related technical documentation system are carried out with precision; production operations are planned and supervised in accordance with international norms.

The corporate quality culture has been integrated into all Company functions in line with Total Quality Management (TQM) principles since 2005. The quality management system, certified to ISO 9001:2008 in 2012, was upgraded to the ISO 9001:2015 standard by TÜV Rheinland Cert GmbH in 2018; the commitment to environmental responsibility was further reinforced in 2024 with the addition of ISO 14001 Environmental Management System certification.

This holistic quality approach supports İhlas Ev Aletleri' global competitiveness not only in product performance but also in process management, environmental awareness, and sustainable production.

Trust and Systematic Risk Management in Digital Infrastructure

In a global business environment where digitalization is accelerating, the protection of information assets is one of the fundamental elements of corporate sustainability. The information security system established in this regard is managed as a strategic function supporting İhlas Ev Aletleri' operational continuity and corporate reputation.

Critical information assets – from financial data to intellectual property, customer information to operational records – are protected within a framework of systematic risk analyses and multi-layered control mechanisms. ISO 27001 Information Security Management System certification confirms that processes are managed in accordance with international standards. Within this framework, access control, data classification, incident management, and business continuity planning are managed through an integrated structure. Information security processes are regularly reviewed given the dynamic nature of cyber threats; risk management is updated in line with proactive measures and the principle of continuous improvement.

A Production Approach That Transforms Quality into Sustainable Value

Environmental responsibility and consumer safety form the foundation of İhlas Ev Aletleri' production philosophy. Accordingly, İhlas Ev Aletleri integrates the principle of sustainable quality into all its business processes, safeguarding not only product performance but also long-term corporate value.

Quality and marking practices aligned with international standards are supported by systematic inspection, continuous improvement, and high production discipline, ensuring durability, safety, and consistent performance across products.

This approach offers consumers a safe and long-lasting experience while also strengthening the Company's commitment to reducing environmental impact and developing a responsible production model.



Strategic Transformation in Environmental Responsibility and Sustainability

-Focused Management

Having regularly participated in CDP Türkiye Corporate Carbon Footprint reporting since 2013, İhlas Ev Aletleri has gone beyond carbon management by identifying increased energy efficiency in production operations, optimized water use, and reduced waste and emissions as priority areas for action.

Process improvement projects and efficiency investments reduce environmental impact while strengthening operational performance.

IHEVA continues its sustainability initiatives and is among the organizations that inspire confidence through their commitment to sustainability. As climate conditions shift, corporate resilience is of growing importance to investors. The prevailing view is that companies realigning their policies and targets with climate change will gain greater prestige and strengthen their standing in the future. With this awareness, the Company strives to advance further each day, fulfilling its responsibility to reduce carbon emissions and mitigate the effects of climate change. IHEVA aims to become a sustainable industrial company that meets the demands of the 21st century and embraces corporate governance, and aims to achieve market leadership in every product it manufactures. Becoming one of Türkiye's leading industrial enterprises by ensuring customer satisfaction through its quality, speed, and distinctiveness in design, production, marketing, and after-sales services is among the Company's foremost goals.

As a further indication of its commitment to the environment, İhlas Ev Aletleri has obtained ISO 14001 Environmental Management System certification by meeting the requirements of the standard, which guides the identification of environmental aspects from raw material sourcing through to product delivery and ensures that these factors are controlled through appropriate measures to minimize environmental impact.

This holistic approach contributes to the conservation of natural resources while demonstrating that the Company's responsibility to future generations is being fulfilled through concrete action.

Technology-Driven R&D and Design Capability

İhlas Ev Aletleri integrates technology, engineering, and design disciplines throughout its product development process, continuously strengthening its R&D infrastructure to deliver advanced solutions that combine functionality, efficiency, and user experience.

The design-oriented mindset is supported by a holistic product development model encompassing not only aesthetic elements but also performance, durability, and sustainable production criteria. This model contributes to rapid adaptation to changing consumer expectations and a competitive edge in global markets.

Compliance with international standards, technical proficiency, and innovation capacity are documented through prestigious awards and global certification processes, strengthening the Company's standing in the global market.

This strategic R&D and design approach constitutes one of the fundamental building blocks of İhlas Ev Aletleri's growth vision for the future.



Award-Winning Cleaning Technologies

Products developed in the cleaning robot segment reflect the combination of engineering prowess and a design-oriented approach. The Aura Roboclean and Aura Cleanmax models attract attention worldwide by combining performance, functionality and aesthetic integrity.

This product family has been honored with internationally recognized design awards including Red Dot, iF Design, GOOD DESIGN, A' Design, and ICONIC AWARD: Interior Innovation. These awards confirm that the innovative approach and quality standards adopted in product development have been validated by independent platforms.

The Aura Cleanmax SPLUS model stands out for its energy efficiency, low power consumption and quiet operation, securing a strong position in its segment through its technical design focused on user experience.

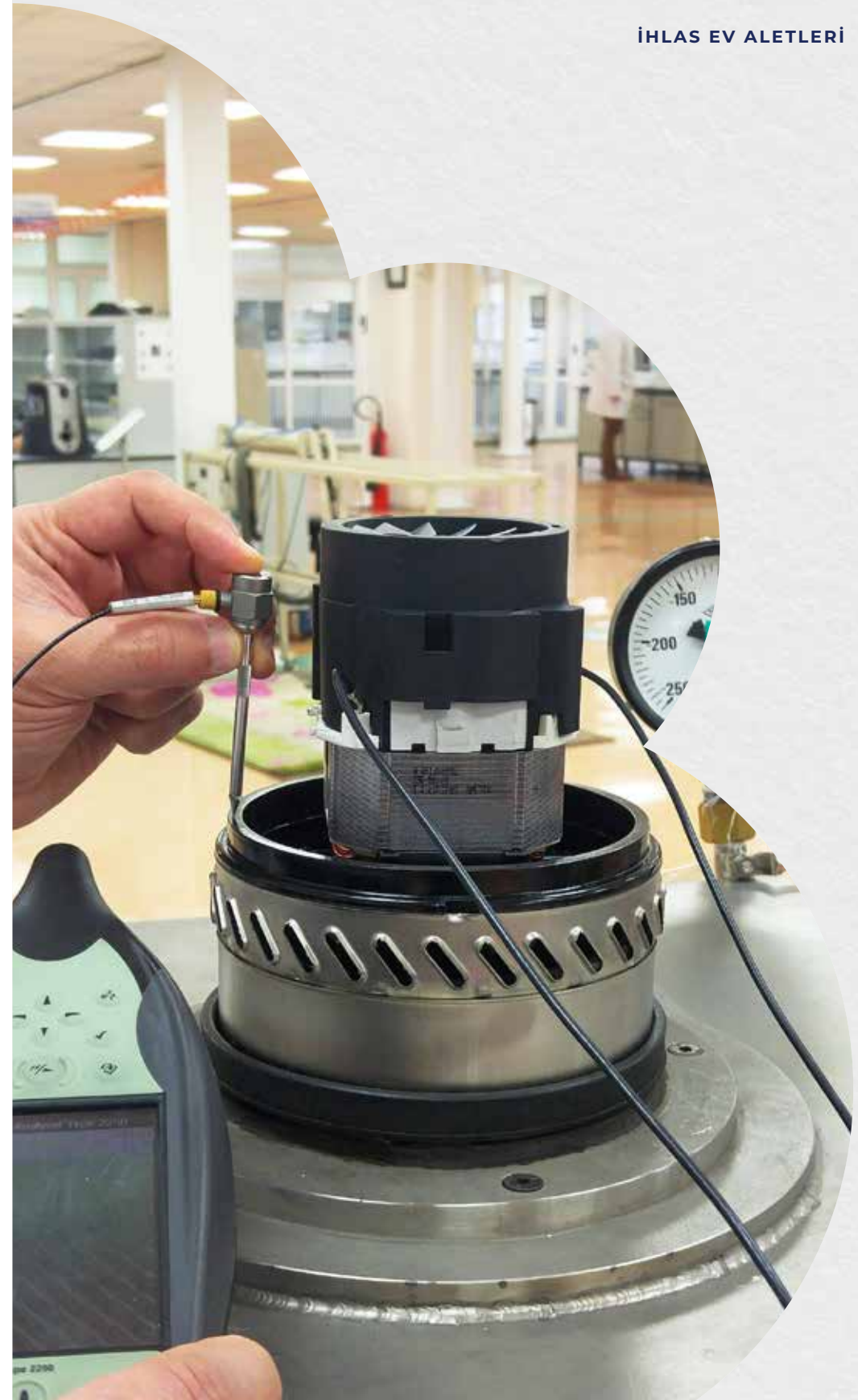
Aura Roboclean Cleaning Robots' recognition as "Best Product" in Kazakhstan from 2016 to 2020

demonstrates the brand's consistent success in regional markets. This performance, backed by international awards, shows that its commitment to innovation and quality resonates on a global scale.

Health-Focused Cleaning Technologies and Allergy-Friendly Solutions

İhlas Ev Aletleri shapes its product approach around solutions that go beyond cleaning performance to support indoor air quality and user health. Aura Cleanmax and Aura Roboclean Cleaning Robots not only clean surfaces but also incorporate technology that raises hygiene standards in living spaces.

Evaluated by the Germany-based ZPmed® Preventive Medicine Center for their health benefits and disease-prevention properties, the products have been certified as "Health Products." This certification demonstrates that their positive effects on human health have been confirmed at an international level.



The "Allergy-Friendly Product" certificate awarded by the European Centre for Allergy Research Foundation (ECARF) demonstrates that the product can be used safely, particularly by people with allergies. This certificate demonstrates that the products' effectiveness in helping reduce allergens has been tested and verified by independent organizations.

This health-centric approach underscores that cleaning technologies extend far beyond functional necessity, positioning them as holistic solutions that actively enhance quality of life.

Design and Performance Leadership in Water Purification Technologies

The Aura Cebilon Unique Reverse Osmosis Water Purification System exemplifies a powerful product development philosophy that combines aesthetic design with high filtration performance. Its design ethos centered on functionality, a compact footprint, and an optimized user experience has uniquely positioned the product within its market segment.

The 2014 Türkiye Design Award, Good Design 2015, A' Design 2016, the German Design Award 2018 – Special Mention, and the "Best Product" awards received in Kazakhstan between 2016 and 2023 show that this success has also gained recognition on international platforms.

NSF-certified Aura Cebilon Unique meets international standards for quality, safety and performance in drinking water purification, providing consumers with a reliable and healthy drinking water experience.

Next-Generation Design Language and Innovation Capability

The Aura Cebilon Plus and Silver models epitomize the continuation of its design-oriented engineering philosophy. These products, which combine technical infrastructure with an aesthetic that adapts to modern living spaces, strengthen the concept of functional elegance in the water purification category.

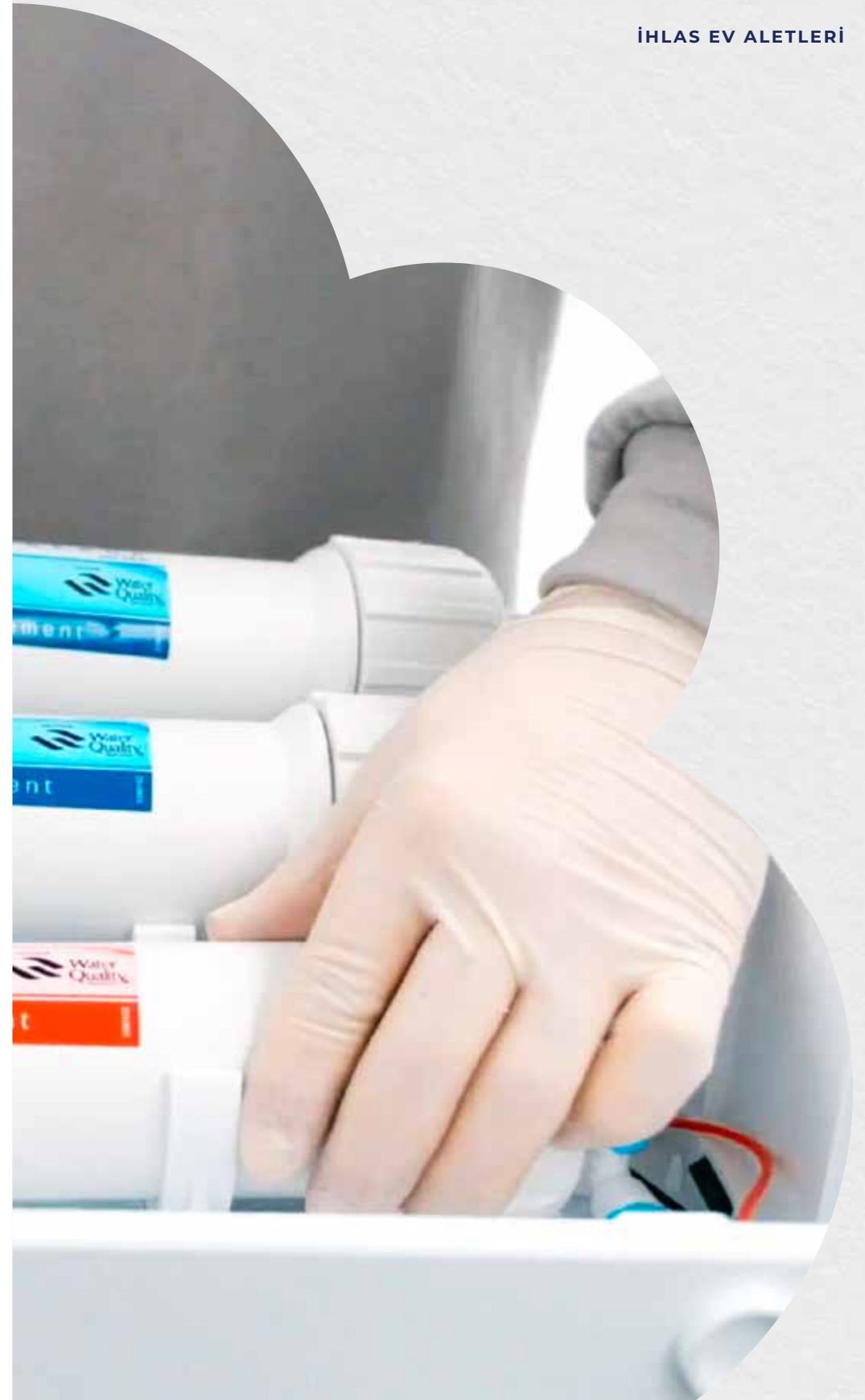
International design awards such as the A' Design Award 2017, ICONIC Awards: Interior Innovation 2017, Good Design Award 2017, and German Design Award 2018, show that the innovative approach adopted in product development is appreciated on a global scale.

This series is positioned as a holistic solution that not only provides healthy drinking water but also enhances interior aesthetics and offers user-friendly technologies.

Reliability, Efficiency, and Market Power in Water Heaters

Water heaters developed under the Aura brand enjoy a strong market position, supported by many years of manufacturing experience and widespread customer satisfaction. Used safely in millions of households, these products reflect a consistent commitment to quality.

Manufactured in accordance with international technical standards, they are developed with due consideration for energy efficiency, ease of use and ergonomic design. This product range combines functional performance with a sustainable manufacturing approach while offering economical and reliable solutions for daily hot water needs.







INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi

Opinion

We have audited the annual report of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries (collectively referred to as "the Group") for the reporting period Jan. 1-Dec. 31, 2025.

In our opinion, the financial information included in the Board of Directors' annual report, as well as the analyses it performed using the information in the audited financial statements regarding the Group's position, are consistent in all material respects with the complete set of audited consolidated financial statements and the information obtained during our independent audit, and they present a true and fair view.

Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards (BDSs), which form part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these standards are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Report section of this report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("the Code of Ethics") issued by the KGK and the ethical requirements of the legislation governing independent audits. We have also fulfilled our other ethical responsibilities under the Code of Ethics and the applicable legislation. We believe that the audit evidence we have obtained during the independent audit provides an adequate and appropriate basis for our opinion.

Auditor's Opinion on the Complete Set of Financial Statements

We expressed our unqualified opinion on the Group's complete set of consolidated financial statements for the reporting period between Jan. 1, 2025, and Dec. 31, 2025, in our auditor's report dated March 10, 2026.

Responsibility of the Board of Directors for the Annual Report

Pursuant to Articles 514 and 516 of Turkish Commercial Code No. 6102 ("TCC") and the provisions of the Capital Markets Board's Communiqué No. II-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communiqué"), the Group's management is responsible for the following matters in relation to the annual report:

- Preparing the annual report within the first three (3) months following the balance sheet date and submitting it to the General Assembly.
- Preparing the annual report in a manner that accurately, completely, straightforwardly, truthfully and honestly reflects the course of the Group's activities during the year and its financial position in all respects. The financial position in this report is assessed in accordance with the financial statements. The report also clearly indicates the Group's prospects and the potential risks it may face. The Board of Directors' assessment of these matters is also included in the report.
- The annual report also includes the following:
 - Material events occurring within the Group after the end of the reporting year;
 - The Group's research and development activities; and
 - Financial benefits such as remuneration, incentive payments, and bonuses paid to members of the Board of Directors and senior executives, as well as allowances, travel, accommodation, and representation expenses, benefits in kind and in cash, insurance and similar guarantees.

In preparing the annual report, the Board of Directors also takes into account the secondary legislation issued by the Ministry of Customs and Trade and other relevant authorities.

Independent Auditor's Responsibilities for the Independent Audit of the Annual Report

In accordance with the provisions of the TCC and the Communiqué, our objective is to express an opinion on whether the financial information presented in the Board of Directors' annual report, along with the Board's assessments based on the audited financial statements, is consistent with the Group's audited consolidated financial statements and the information obtained during our independent audit, and whether it accurately reflects the true state of affairs, and to prepare a report containing this opinion.

Our independent audit was carried out in accordance with the BDSs. These standards require compliance with ethical provisions, as well as planning and executing the audit in order to obtain reasonable assurance about whether the financial information in the Board of Directors' annual report and the Board's assessments based on the audited financial statements are consistent with the financial statements and the information obtained during the audit, and whether they accurately reflect the true state of affairs.

Istanbul, March 10, 2026

Kaizen Bağımsız Denetim A.Ş.

Rafet Kalkan
Engagement Partner

İHLAS EV ALETLERİ A. Ş.

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR
THE REPORTING PERIOD JAN. 1-DEC. 31, 2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS

1. GENERAL INFORMATION

a) Reporting Period Covered by the Report: Jan. 1-Dec. 31, 2025

b) The Company's trade name, trade registry number, contact information for headquarters and any branches, and website, if any:

Trade Name: İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi

Trade Registry Number: 135455

Contact Information for Headquarters and Any Branches:

Headquarters: Merkez Mah. 29 Ekim Cad. İhlas Plaza No:11 B/21 34197

Yenibosna-Bahçelievler/İstanbul Tel: +90 (212) 454 20 64 / Fax: +90 (212) 454 21 36

Factory: Beylikdüzü OSB Mahallesi Mermerciler Sanayi Sitesi 7.Cad. No:14 Beylikdüzü/İstanbul

Tel: +90 (212) 875 35 62 / Fax: +90 (212) 875 39 64

Corporate email: iheva@iea.com.tr

Website: www.iea.com.tr

c) The Company's organizational, capital, and shareholding structure, and any changes thereto during the reporting period:

The Company's shareholding structure;

	Dec. 31, 2025		Dec. 31, 2024	
Name	Shareholding Ratio (%)	Share Amount (TRY)	Shareholding Ratio (%)	Share Amount (TRY)
İhlas Pazarlama A.Ş.	0.02	84,651	0.02	84,651
İhlas Holding A.Ş.	27.26	95,551,299	25.12	88,046,773
Ahmet Mücahid Ören	0.46	1,597,228	0.46	1,597,228
Publicly Traded	72.26	253,266,822	72.26	253,266,822
İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi	-	-	2.14	7,504,526
Total	100.00	350,500,000	100.00	350,500,000

The distribution of the Company's privileged shares (Class A shares) as of Dec. 31, 2025, is as follows:

Shareholder's Name/Trade Name	Series	Group	B/R	Number of Shares	AMOUNT
İhlas Pazarlama A.Ş.	I	A	Bearer	8,465,100	84,651
İhlas Holding A.Ş.	I	A	Bearer	1,678,900	16,789

If the Company's General Assembly determines that the Board of Directors consists of five (5) members, it should select three (3) of the board members from the candidates nominated by Class A shareholders. Similarly, it should select four (4) board members from Class A nominees if the Board of Directors consists of seven (7) members, five (5) if it consists of nine (9) members, and six (6) if it consists of eleven (11) members. If the amendment of the Articles of Association violates the rights of privileged shareholders, then the General Assembly decision needs to be approved by the board of privileged shareholders.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

d) Information on the governing body, senior managers and number of personnel:

Names, limits of authority, and terms of office (start and end dates) of the chairmen and members of the Board of Directors and the Board of Auditors and the Managing Directors who served during the reporting period:

Title	Name	Limits of Authority	Term (Start - End)	
Chairman	Orhan Korkusuz	Jointly authorized to represent and bind the Company.	Nov. 26, 2024	2027
Vice Chairman and General Manager- Chairman of the Sustainability Committee	Ahmet Olgun	Jointly authorized to represent and bind the Company.	Nov. 26, 2024	2027
Managing Director Responsible for Financial Affairs	Mahmut Kemal Aydın	Jointly authorized to represent and bind the Company.	April 26, 2024	2027
Board Member/Member of the Corporate Governance Committee / Member of the Early Risk Detection Committee	Hidayet Alev Volkan	Board Member - Not authorized to represent and bind the Company.	April 26, 2024	2027
Board Member-Chairman of the Audit Committee	Prof. Dr. Resul İzmirli, PhD	Independent Board Member - Not authorized to represent and bind the Company.	April 26, 2024	2027
Board Member/Chairman of the Corporate Governance Committee	Mehmet Halit Selçuk	Independent Board Member - Not authorized to represent and bind the Company.	April 26, 2024	2027
Board Member/Member of the Audit Committee/Head of the Early Risk Detection Committee	Prof. Dr. Hüseyin Hüsnü Gündüz	Independent Board Member - Not authorized to represent and bind the Company.	April 26, 2024	2027

Board members were elected at the Extraordinary General Assembly on April 26, 2024, for a period of three (3) years, to serve until the first General Assembly to be held at the end of the third year.

The roles of the Chairman and the General Manager (CEO) are held by separate individuals.

Executive Management:

Name	Title
Ahmet Olgun	Vice Chairman and General Manager
Mahmut Kemal Aydın	Managing Director Responsible for Financial Affairs
Bülent Kaya	Deputy General Manager (Supply Chain and Production Director)
Uğur Kurt	Deputy General Manager (Marketing and Product Management)

As of Dec. 31, 2025, the Group had 489 employees (2024: 414).

Personnel costs, classified under operating expenses, totaled TRY 123,678,700. The Company does not have a collective bargaining agreement in place.

e) Information about the transactions, if any, conducted by members of the governing body with the Company, either on their own behalf or on behalf of others, in accordance with the General Assembly permission, as well as their activities related to the prohibition of competition:

The Board Members have been authorized under Articles 395 and 396 of the TCC to carry out transactions falling within the Company's scope of business.

No restrictions are imposed on transactions between board members and the Company, and no conflicts of interest occurred during the fiscal period ended Dec. 31, 2025.

Where shareholders holding management control, members of the Board of Directors, executives discharging managerial responsibilities, or their spouses or relatives by blood or marriage up to the second degree carry out a material transaction that may give rise to a conflict of interest with the Company or any of its subsidiaries; carry out, on their own behalf or on behalf of others, a commercial transaction falling within the scope of the Company's or its subsidiaries' business activities; and/or become a partner with unlimited liability in another company engaged in the same type of business, such transactions shall be included as a separate item on the General Assembly agenda so that detailed information may be provided at the General Assembly and shall be recorded in the General Assembly minutes.

FINANCIAL BENEFITS GRANTED TO MEMBERS OF THE GOVERNING BODY AND SENIOR MANAGERS

a) Total amounts of financial benefits provided, including board attendance fees, remuneration, incentive payments, bonuses, and profit-sharing payments:

Under the Articles of Association, no payment is made to members of the Board of Directors other than the rights and benefits determined by the General Assembly in respect of their duties as Board Members. Members who also hold executive roles receive additional remuneration for their executive duties. While these criteria also apply to independent members, care is taken to ensure that their remuneration does not compromise their independence. At the Ordinary General Assembly Meeting held on June 3, 2025, it was resolved to pay the members of the Board of Directors a monthly gross board attendance fee of TRY 15,000.00.

Short-term benefits provided to key management personnel, including salaries and board attendance fees, totaled TRY 19,364,364 for the period between Jan. 1 and Dec. 31, 2025.

b) Details on the aggregate amounts of allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurance policies and comparable guarantees:

Not available.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY

The Group continued its dedicated Research and Development activities, with total R&D expenditures reaching TRY 69,195,161 as of Dec. 31, 2025.

The Company's R&D center was approved by the Ministry of Industry and Technology on April 14, 2017. This center designs higher-quality, innovative, and technologically advanced products at lower costs.

2. COMPANY ACTIVITIES AND KEY DEVELOPMENTS

a) Information on investments made by the Company during the relevant reporting period:

A total investment of TRY 176,468,897 was made during the reporting period from Jan. 1 to Dec. 31, 2025.

b) Information concerning the Company's internal control system and internal audit activities, and the governing body's opinion on this matter:

Internal control at the Company comprises the organizational plan and all measures and methods adopted and implemented to safeguard the Company's assets, verify the accuracy and reliability of accounting information, improve operational efficiency and encourage adherence to predetermined management policies.

Internal Auditors constantly review the control points for a more efficient and systematic internal control system, which contributes to the realization of our Company's goals as a basic management function that plays a role in all administrative activities, works, transactions and processes and includes all control activities. Mehmet Ercan Akgün is responsible for the Internal Auditing Department. Internal audit provides objective assurance regarding the economic, effective, and efficient management of resources to add value to and enhance the Company's operations.

At the Company, these activities are performed in accordance with generally accepted standards and through a systematic, continuous and disciplined approach aimed at evaluating and improving administrative management and control structures, financial transactions, and the effectiveness of risk-management, governance and control processes.

The assurance function: provides sufficient confidence, both within and outside the organization, that an effective internal control system exists within the organization; that the organization's internal control system and transaction processes are operating effectively; that the information produced is accurate and complete; that assets are protected; that corruption and irregularities are prevented; and that activities are carried out effectively, economically, efficiently, and in accordance with legislation.

The consultancy function: provides for the systematic and regular evaluation of the administration's activities and transaction processes aimed at achieving its objectives, and offers suggestions for improvement.

Accordingly, the Internal Control System of the Company is tested quarterly with the audit questionnaires prepared by internal auditors.

The Internal Auditor prepares the questionnaires to cover core elements across the entire Internal Control System such as cash on hand, bank, received and given checks, sales, receivables and receivable notes, purchasing, inventories, property, plant, and equipment, investments and related incomes, debts and debt notes, the remuneration system, and equity. These questionnaires are designed to ensure that corporate activities are planned and executed in accordance with corporate objectives, policies and programs, strategic plans, performance programs, and legislation; that resources are deployed economically, effectively, and efficiently; and that the reliability, integrity, and timely availability of information are maintained.

The results of these activities are reported to the Chairman of the Audit Committee for the relevant periods through Internal Audit Forms.

Governing Body's Opinion

Audit operations are carried out with a systematic, continuous, and disciplined approach and in accordance with generally accepted standards, to evaluate and improve the management and control structures of financial transactions.

Given the positive contributions of their activities, the Committees may, where necessary, invite such persons as they deem appropriate to their meetings to obtain their views or engage consultancy services in order to carry out their work more effectively.

c) Information on the Company's direct or indirect associates and their shareholding ratios:

The Company's associates as of Dec. 31, 2025, are as follows:

Title	Activity	Issued Capital	Capital Share (Amount)	Capital Share (%)
Şifa Yemek ve Gıda Üretim Tesisleri Ticaret A.Ş.	Food Production	860,000	860,000	100.00
KPT Lojistik Taşımacılık Turizm Reklam Pazarlama İç ve Dış Ticaret A.Ş.	Logistics	1,300,000	1,215,000	93.46
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	Real Estate Project Development and Trade	1,000,000,000	38,665,314	3.87

ç) Information on the Company's acquisition of its own shares:

As part of the share buyback program initiated by the Board resolution dated June 29, 2022, İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi shares with a total nominal value of TRY 7,504,526 and a total consideration of TRY 11,099,611.05 were repurchased; the share buyback program was subsequently terminated at the Ordinary General Assembly held on June 3, 2025.

On June 24, 2025, all treasury shares were sold to İhlas Holding A.Ş. via a share transfer at a price of TRY 2.00 per share. The inflation-adjusted cost basis was factored into the calculation of the realized profit or loss. Following this transaction, the Company holds no remaining treasury shares.

d) Explanations on private and public audits carried out during the reporting period:

Since the Company is publicly traded, it is subject to independent external auditing twice a year (in June and Dec.). No public audit was conducted.

e) Information on lawsuits filed against the Company that may affect its financial position and operations, and their potential outcomes:

As of Dec. 31, 2025, the summary of the lawsuits and enforcement proceedings related to the Group is as follows:

Description	Amount (TRY)
Ongoing lawsuits filed by the Group	-
Enforcement proceedings initiated by the Group	1,138,280
Ongoing lawsuits filed against the Group	1,363,234
Enforcement proceedings initiated against the Group	40,012

As of Dec. 31, 2025, the Group has recognized a total provision of TRY 1,363,235 (2024: TRY 1,582,196) for lawsuits filed against it, whereas no provision has been allocated for cases where a favorable outcome is highly probable.

f) Disclosures regarding administrative or judicial sanctions imposed on the Company and members of its governing body due to practices in violation of legislation:

There have been no administrative or judicial sanctions imposed on the Company and governing body due to practices contrary to the legislation during the period between Jan. 1-Dec. 31, 2025.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

g) Information and evaluations on whether the targets set in the previous periods have been achieved, whether the General Assembly resolutions have been fulfilled, and the reasons for any failure to achieve the targets or fulfill the resolutions:

The Company achieved its targets and the General Assembly resolutions were fulfilled.

ğ) Documents pertaining to any Extraordinary General Assembly meeting held during the year, including the meeting date, resolutions adopted, and related procedures:

No Extraordinary General Assembly was held during the reporting period of Jan. 1, 2025–Dec. 31, 2025.

h) Information on grants and donations made by the Company during the year, and expenditures incurred for social responsibility projects:

No grants or donations were made during the period from Jan. 1 to Dec. 31, 2025.

ı) If the Company forms part of a corporate group; details are provided regarding legal transactions executed with the controlling company or its subsidiaries, including those undertaken at the instruction of the controlling company for their benefit, together with all measures taken or omitted during the previous financial year for the benefit of the controlling company or its subsidiaries:

During the past fiscal year, there were no legal transactions conducted at the direction of the controlling company for the benefit of the controlling company or any of its subsidiaries.

During the past fiscal year, no measures were taken or avoided for the benefit of the controlling company or any of its subsidiaries.

İ) If the Company forms part of a corporate group; whether, in light of the circumstances and conditions known at the time each legal transaction referred to in subparagraph (i) was entered into, or each measure was taken or refrained from being taken, appropriate counter-performance was provided in each such legal transaction; whether any measure taken or refrained from being taken caused the Company to incur a loss; and, if the Company incurred a loss, whether such loss was compensated:

As the Company did not enter into any legal transactions or take any measures during the previous financial year at the direction of the controlling company for the benefit of that company or any of its subsidiaries, there were consequently no performances or counter-performances arising from such transactions, nor any reasons for such measures or any resulting benefits or losses to the Company.

The Company did not incur any losses due to transactions with the controlling company or its subsidiaries during the previous fiscal year.

3. FINANCIAL POSITION

In accordance with the announcement by the KGK dated Nov. 23, 2023, inflation accounting has been applied to the consolidated financial statements pursuant to the provisions of Turkish Accounting Standard 29 ("TAS 29") – Financial Reporting in Hyperinflationary Economies.

The Group presented its consolidated financial statements as of Dec. 31, 2025, and Dec. 31, 2024, based on the purchasing power at the reporting date, as required by TAS 29. Differences arising from inflation adjustments and restatements have been reported in the "Net Monetary Position Gain/(Loss)" account. The Group's policies regarding these adjustments are set out below:

- No adjustments were made to monetary items in the financial statements as of Dec. 31, 2025; non-monetary items were adjusted to reflect their purchasing power at the reporting date, based on their transaction (or registration) dates.
- Calculations relating to non-monetary assets carried at net realizable or recoverable value in the financial statements as of Dec. 31, 2025, have been recalculated on the basis of adjusted values.
- Prior-period financial statements were restated to reflect the purchasing power at Dec. 31, 2025.
- All income and expense items in the statement of profit or loss, other than those recalculated (e.g., based on recoverable amounts), were adjusted using their respective transaction dates.
- All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

The financial statements and accompanying notes were restated using the Consumer Price Index (CPI) published monthly by TurkStat, in line with the KGK announcement dated Jan. 20, 2022. As of Dec. 31, 2025, the indices and restatement coefficients used in the restatement of the financial statements are as follows:

Date	Cumulative Index	Restatement Coefficient	3-Year Compound Inflation Rate
Dec. 31, 2025	3,513.87	1.00000	211%
Dec. 31, 2024	2,684.55	1.30892	291%
Dec. 31, 2023	1,859.38	1.88981	268%

a) The governing body's analysis and assessment of the financial position and operational results, the degree to which planned activities have been achieved, and the Company's status in relation to its strategic targets:

As of Dec. 31, 2025, the Company reported a net profit for the period of TRY 26,571,249 in its consolidated financial statements.

Regular management meetings are held to evaluate the Company's current positioning and develop new goals and strategies to adapt to changing dynamics.

Statement of Financial Position	Dec. 31, 2025	Ratio Analysis	Dec. 31, 2024	Ratio Analysis
Current Assets	1,442,532,608	52.01%	1,451,126,214	52.01%
Non-Current Assets	1,331,117,227	47.99%	1,338,775,101	47.99%
TOTAL ASSETS	2,773,649,835	100.00%	2,789,901,315	100.00%
Current liabilities	337,796,730	12.18%	307,952,575	11.04%
Non-Current Liabilities	390,891,019	14.09%	472,920,021	16.95%
Equity	2,044,962,086	73.73%	2,009,028,719	72.01%
Equity Attributable to Owners of the Parent	2,036,253,757	70.41%	2,003,282,234	71.80%
Non-Controlling Interests	8,708,329	0.31%	5,746,485	0.21%
TOTAL EQUITY AND LIABILITIES	2,773,649,835	100.00%	2,789,901,315	100.00%

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b) Information and forward-looking expectations regarding the Company's sales, productivity, income-generation capacity, profitability, and debt-to-equity ratio compared with prior years, along with other matters relevant to understanding the Company's operating results:

Statement of Profit or Loss	Jan. 1-Dec. 31, 2025	Ratio Analysis	Jan. 1-Dec. 31, 2024	Ratio Analysis
Revenue	3,728,145,032	100.00%	3,769,675,177	100.00%
Cost of Sales (-)	(3,197,992,851)	-85.78%	(3,256,220,708)	-86.38%
GROSS PROFIT/(LOSS)	530,152,181	14.22%	513,454,469	13.62%
General Administrative Expenses (-)	(185,218,779)	-4.97%	(127,993,468)	-3.40%
Marketing, Sales, and Distribution Expenses (-)	(117,344,261)	-3.15%	(105,715,738)	-2.80%
Research and Development Expenses (-)	(17,820,785)	-0.48%	(55,771,135)	-1.48%
Other Operating Income	61,831,104	1.66%	84,787,799	2.25%
Other Operating Expenses (-)	(62,421,724)	-1.67%	(49,125,461)	-1.30%
OPERATING PROFIT/(LOSS)	209,177,736	5.61%	259,636,466	6.89%
Income From Investing Activities	6,116,751	0.16%	208,894,160	5.54%
Expenses from Investing Activities (-)	(82,261,061)	-2.21%	(120,149,083)	-3.19%
Share of Profit/(Loss) of Investments Accounted for Using the Equity Method	25,288,830	0.68%	(23,854,890)	-0.63%
OPERATING PROFIT/(LOSS) BEFORE FINANCE COSTS	158,322,256	4.25%	324,526,653	8.61%
Finance Income	16,041,300	0.43%	17,023,168	0.45%
Finance Costs (-)	(49,087,775)	-1.32%	(19,256,748)	-0.51%
Net monetary position gain/(loss)	(138,982,529)	-3.73%	(206,259,435)	-5.47%
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(13,706,748)	-0.37%	116,033,638	3.08%
Tax Income/(Expense) from Continuing Operations	43,262,426	1.16%	(39,097,892)	-1.04%
Current Tax Expense/(Income)	(40,412,023)	-1.08%	(6,603,164)	-0.18%
Deferred Tax Expense/(Income)	83,674,449	2.24%	(32,494,728)	-0.86%
Profit/(Loss) for the Period from Continuing Operations	29,555,678	0.79%	76,935,746	2.04%
DISCONTINUED OPERATIONS	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD	29,555,678	0.79%	76,935,746	2.04%
Profit/(Loss) for the Period Attributable to:				
Owners of the Parent	26,571,249	0.71%	74,908,659	1.99%
Non-Controlling Interests	2,984,429	0.08%	2,027,087	0.05%
Earnings/(Loss) per Share	0.0843	-	0.2195	-
Earnings per Share from Continuing Operations	0.0843	-	0.2195	-

Ratios	Dec. 31, 2025	Dec. 31, 2024
Liquidity Ratios		
Current Ratio	4.27	4.71
Liquidity Ratio (Acid-Test Ratio)	2.80	3.36
Cash Ratio	0.09	0.31
Financial Structure Ratios		
Financial Leverage	0.26	0.28
Total Liabilities/Equity	0.36	0.39
Asset Profitability Ratio	0.01	0.03
Return on Equity	0.01	0.04
Net Profit Margin	0.01	0.09
Operating Profit Margin	0.06	0.08

c) Determination and the governing body's assessment of whether the Company's capital is impaired or whether the Company is insolvent:

An evaluation of the Company's equity line items within the financial statements as of Dec. 31, 2025, demonstrates no capital erosion or indication of insolvency. The components of this equity account group are as follows:

Description	Dec. 31, 2025	Dec. 31, 2024
Equity	2,044,962,086	2,009,028,719
Equity Attributable to Owners of the Parent	2,036,253,757	2,003,282,234
Paid-in Capital	350,500,000	350,500,000
Adjustments to Share Capital	1,442,369,110	5,510,142,574
Treasury Shares	-	(31,004,307)
Share Premiums/(Discounts)	36,057,817	150,871,407
Accumulated other comprehensive income (loss) not to be reclassified subsequently to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(1,792,669)	8,337,142
Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss	(1,261,085)	(953,051)
Accumulated other comprehensive income (loss) that will be reclassified subsequently to profit or loss	-	-
Restricted Reserves Appropriated from Profit	56,275,011	88,725,299
Retained earnings/(accumulated losses)	127,534,324	(4,148,245,489)
Net Profit/(Loss) for the Period	26,571,249	74,908,659
Non-Controlling Interests	8,708,329	5,746,485
Total Equity and Liabilities	2,773,649,835	2,789,901,315

ç) If applicable, measures projected to improve the financial structure of the Company:

The Company plans, depending on economic conditions, to convert its current financial borrowings into non-current borrowings to further strengthen its financial structure.

d) Information on the dividend distribution policy and, if no dividend is to be distributed, the reasons therefor and the proposal on the use of the undistributed profit:

The Dividend Distribution Policy of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi for 2013 and subsequent years, revised in accordance with Articles 19 and 20 of Capital Markets Law No. 6362, CMB Dividend Communiqué No. II-19.1 dated Jan. 23, 2014, the Dividend Guide, and the relevant provisions of the Company's Articles of Association, was approved by the shareholders at the Ordinary General Assembly held on March 28, 2014.

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DIVIDEND DISTRIBUTION POLICY

- a) Taking into account our Company's growth trajectory, profitability, strategic targets, investment projects, and the funding requirements of its working capital, the dividend distribution ratio is determined by the Board of Directors within the framework of the Turkish Commercial Code (TCC), Tax Procedure Law, Capital Markets Law, Capital Markets Board (CMB) principle decisions, and related legislation, alongside the relevant provisions of the Articles of Association, and is submitted to the General Assembly for consideration.
- b) Unless the statutory reserves and the dividends stipulated for shareholders in the Articles of Association have been fully allocated, no decision may be made to set aside other reserves, transfer profits to the following year, or distribute shares of profit to board members or company employees. Furthermore, no profit distribution can be made to these individuals until the designated shareholder dividend has been paid.
- c) If a dividend distribution decision is made, the Board of Directors shall decide whether the distribution will be made in cash and/or in the form of bonus shares and submit the matter to the General Assembly for consideration. If it is decided to distribute the dividend in cash, it may be paid in equal or varying installments, provided that such installments are approved at the same General Assembly meeting at which the dividend distribution is approved. The number of installments is determined by the General Assembly, or by the Board of Directors upon express authorization by the General Assembly.
- d) The Board of Directors submits the proposed timing of dividend payments to the General Assembly for consideration. The dividend is then paid on a date determined by the General Assembly within the legal period stipulated by the relevant article of the Articles of Association and relevant legislation upon the advice of the Board of Directors and the approval of the General Assembly.
- e) The Board of Directors may distribute dividend advances in respect of the relevant year, provided that it has been authorized by the General Assembly and that such distribution complies with capital markets legislation. The General Assembly's authorization of the Board of Directors to distribute dividend advances is only valid for the year of authorization. No decision may be made to distribute any further dividend advances or dividends unless the dividend advances from the previous year have been fully offset.

PROFIT DETERMINATION AND DISTRIBUTION: (Turkish Commercial Registry Gazette No. 8302, dated April 17, 2013)

Article 29:

A- Dividends

The Company's profit is determined in accordance with the Turkish Commercial Code, Capital Markets Legislation, and generally accepted accounting principles. This is the amount shown in the annual balance sheet that remains after the Company's general expenses, amounts such as depreciation charges that the Company is required to pay or provide for, and taxes payable by the Company as a legal entity have been deducted from the income determined at the end of the financial year. Once accumulated losses are deducted from this total, the remaining balance is distributed according to the following order of priority:

General Legal Reserve:

- a. An amount equal to 5% of net profit shall be allocated to the legal reserve until it reaches 20% of paid-in capital.

First Dividend:

- b) The first dividend shall be allocated from the remaining balance, after adding any donations made during the year, in accordance with the Turkish Commercial Code and Capital Markets Legislation.
- c) Following the aforementioned deductions, the General Assembly reserves the right to distribute the remaining profits to board members, employees, workers, and various foundations and other similar individuals or entities.

Second Dividend:

- d) The General Assembly is authorized to distribute, in whole or in part, the portion of the net profit for the period remaining after deduction of the amounts specified in subparagraphs (a), (b), and (c) as a second dividend, or to set it aside as a voluntary reserve pursuant to Article 521 of the Turkish Commercial Code.

General Legal Reserve:

- e) An amount equal to 10% of the balance remaining after deducting a 5% dividend from the portion resolved to be distributed to shareholders and other persons entitled to participate in profits shall be added to the general legal reserve pursuant to paragraph 2 of Article 519 of the Turkish Commercial Code (TCC).
- f) Unless the statutory reserves and the dividends stipulated for shareholders in the Articles of Association have been fully allocated, no decision may be made to set aside other reserves, transfer profits to the following year, or distribute shares of profit to board members or company employees. Furthermore, no profit distribution can be made to these individuals until the designated shareholder dividend has been paid.
- g) Dividends shall be distributed equally to all existing shares as of the dividend distribution date, irrespective of their issuance or acquisition dates.
- h) The General Assembly decides on the method and timing of profit distribution upon the proposal of the Board of Directors. The provisions of the Capital Market Legislation apply.

A dividend distribution decision made by the General Assembly in accordance with the provisions of these Articles of Association cannot be revoked.

B. Interim Dividends

The Board of Directors may distribute dividend advances in respect of the relevant year, provided that it has been authorized by the General Assembly and that such distribution complies with capital markets legislation. The General Assembly's authorization of the Board of Directors to distribute dividend advances is only valid for the year of authorization. No decision may be made to distribute any further dividend advances or dividends unless the dividend advances from the previous year have been fully offset.

DIVIDEND DISTRIBUTION DATE: (Turkish Commercial Registry Gazette No. 4359, dated Aug. 21, 1997)

Article 31:

The General Assembly determines the date and method of the dividend distribution to the shareholders upon the proposal of the Board of Directors. The provisions of the Capital Market Legislation apply in the dividend distribution.

If the Board of Directors proposes to the General Assembly that no profit distribution be made, the minutes of the General Assembly meeting concerning this agenda item – specifying the rationale and the designated use of the retained earnings – are made available at <https://www.iea.com.tr/tr/kurumsal-yonetim/genel-kurul/genel-kurul-toplanti-tutanaklari/53>.

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RISKS AND THE GOVERNING BODY'S ASSESSMENT

a) Information on the Company's risk management policy against anticipated risks, if applicable:

Financial Risk Management

The Group is exposed to a variety of financial risks resulting from its operations. These risks are credit risk, foreign currency risk, and liquidity risk. The Group's overall risk-management program focuses on the volatility of financial markets and seeks to minimize the potential adverse effects on the Group's financial performance.

Credit Risk

Credit risk arises principally from the Group's trade receivables. Trade receivables are assessed by Group management in light of market conditions and historical experience, and an appropriate allowance for doubtful receivables is recognized. An allowance has been recognized for doubtful receivables identified up to the reporting date.

Foreign currency risk

Foreign currency risk arises from changes in the value of a financial instrument due to fluctuations in foreign currency rates. Foreign currency risk arises when the Turkish lira (TRY) depreciates against foreign currencies.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in obtaining funds to meet its obligations associated with financial instruments. The Group manages liquidity risk by maintaining a balance between the maturity profiles of its assets and liabilities.

Financial risk management objectives

The Group's significant financial risks include foreign currency risk, interest rate risk, and liquidity risk.

The Group has an early risk detection and management committee. The Board of Directors is obliged to establish an expert committee, and run and develop a system for the early detection of the events that threaten the existence, development and continuity of the Company, implementation of the necessary measures and remedies, and risk management.

Market Risk

In the course of its operations, the Group is exposed to financial risks arising from foreign exchange and interest rate fluctuations. Group management actively monitors the currency breakdown of its income and expenses, as well as the currency profile and interest rate structures (fixed vs. variable) of its liabilities.

Changes in market conditions that give rise to market risk include changes in benchmark interest rates, the price of another entity's financial instrument, commodity prices, foreign exchange rates, or price or rate indices.

Management of inventory price changes (price risk)

The Group is exposed to price risk because fluctuations in raw material prices affect its selling prices. There is no derivative instrument available to mitigate the adverse effects of price movements on sales margins. The Group reviews the balance among order placement, production and procurement in light of anticipated movements in raw material prices and seeks to reflect changes in raw material prices in its selling prices.

Interest Rate Risk Management

The Group borrows at fixed interest rates. The Group has no borrowings at variable interest rates. Consequently, the Group is not exposed to interest rate risk.

Credit Risk Management

The Group's credit risk arises primarily from its trade receivables. The carrying amount presented on the balance sheet represents the net value after deducting the allowance for expected credit losses (ECL), which is estimated by management for each financial asset using a provision matrix based on historical experience and forward-looking assessments. Due to a highly diversified customer base, the Group's credit risk is broadly distributed, with no significant concentration of credit risk.

Liquidity Risk Management

The Company manages liquidity risk by regularly monitoring estimated and actual cash flows and maintaining adequate funds and borrowing facilities by matching the maturities of financial assets and liabilities.

Hedge Accounting

The Company does not utilize derivative instruments such as forwards, futures, options, or swaps to hedge against foreign exchange and/or interest rate risks (fixed and variable).

b) Information on the activities and reports of the Early Risk Detection and Management Committee, if established:

In the Early Risk Detection Committee, Prof. Dr. Hüseyin Hüsnü Gündüz, serves as committee chairman, and Hidayet Alev Volkan serves as a member.

Risk Management Activities:

The Early Risk Detection Committee held six meetings between Jan. 1 and Dec. 31, 2025, and submitted recommendations to the Board of Directors regarding sector-related risks and potential measures.

c) Future risks on sales, efficiency, income-generation capacity, profitability, debt-to-equity ratio, and other similar matters:

In prior operating periods, the Company has not encountered any risks, whether individually or collectively, that would threaten its continuity. There may be some exceptional risks that cannot be predicted and could affect the company's production and profits. However, no risk has been identified that threatens the Company's existence.

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OTHER MATTERS

1) Information on any material events that have taken place in the Company after the end of the reporting period and that may impact the rights of shareholders, creditors and/or other related parties and organizations:

Real Estate Acquisition

To increase its production capacity and strengthen its operational infrastructure, the Company purchased 10 plots of land with a total area of 22,421.50 square meters, located in Deliklikaya Neighborhood, Arnavutköy District, Istanbul Province, specifically designated as Block 258, Plots 1 to 6 and Block 258, Plots 13 to 16.

Distributorship Agreement

A procurement and distribution agreement has been signed between AQUASHIELD EUROPE s.r.o., which operates in the water solutions sector and holds the Philips brand license, and İhlas Pazarlama A.Ş. Under the agreement, the Company will manufacture its newly developed digital water heater and water purification devices, the design process for which has been completed, under the "Philips" brand on behalf of AQUASHIELD EUROPE. The manufactured products will be offered for sale in Türkiye through İhlas Pazarlama A.Ş. as the sole and exclusive distributor, and will also be available through AQUASHIELD EUROPE's international sales network.

2) Other important information;

a) Amendments to the articles of association during the period and the reasons therefor:

None.

b) Information about the Company's area of business and its position in the market, together with general explanations about the nature of the Company's production units, sales volumes and prices, sales conditions and related developments observed throughout the year, productivity rates, and reasons for significant changes compared to previous years:

About İhlas Ev Aletleri

İhlas Ev Aletleri has a strong position in the market with its Aura products, which are used in millions of households. İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (İHEVA), has been benefiting home life by producing many small home appliances based on human health and basic needs, and presenting these products to consumers in a widespread and effective manner.

Continuing its activities in an indoor facility of 14,300 square meters at the Beylikdüzü Organized Industrial Zone with its strong technical staff, İHEVA manufactures robot vacuums, water purifiers, water heaters and carpet washing machines, and also undertakes plastic injection molding and filter production. İhlas Ev Aletleri offers its product portfolio, which is synonymous with the "Aura" brand, to its customers under the "Aura," "Cleanmax," "Aura Roboclean," and "Cebilon" trademarks.

Innovative Product Portfolio

As a pioneer in its sector, İhlas Ev Aletleri delivers products complying with international standards to consumers in numerous countries worldwide. A prime example is the Aura Cleanmax Cleaning Robot, which has been in production since 1996 and remains the flagship product within the portfolio in terms of turnover. Similarly, the Aura Cebilon Reverse Osmosis Water Purification System holds a prominent position in the market. Likewise, the Aura-branded instantaneous electric water heater, which is used in millions of homes, holds a strong market position.

Always breaking new ground in the industry, İhlas Ev Aletleri received the NSF (National Sanitation Foundation) certification for its Aura Cebilon Reverse Osmosis Water Purifier after three years of meticulous efforts. NSF is an independent, non-profit product testing and certification organization that establishes standards for a wide range of household and industrial products. NSF is defined by the World Health Organization (WHO)

as a collaborative center that works to ensure drinking water treatment and safety. To further reinforce its competence and credibility in water purification, the Company is a member of the Water Quality Association (WQA), a US-based organization representing enterprises serving the water treatment industry. The Water Quality Association operates as an international authority in product testing, professional training, and information dissemination.

Compliance with National and International Quality Standards

Having completed the procedures for the compliance of its products with national and international quality standards, the compliance of İHEVA products has been documented with TSE, SGS, TÜV, NSF, Intertek and other certificates. Having started the CE marking studies for its products long ago with the goal of protecting health, safety, environment and consumers, and continuing its production activities in line with these standards, the company has also strengthened the foundations of its export growth target by obtaining the UL, SAA, CCC, INMETRO, KC, PSE, and GMARK certificates, which are mandatory for entry to national markets in the U.S., Australia, China, Brazil, South Korea, Japan, and Gulf countries.

Quick Solutions to Customer Expectations

While İHEVA reaches its customers in Türkiye through the widespread dealer network and sales channels of İhlas Pazarlama A.Ş., it carries out its activities abroad through various distribution channels.

The marketing team provides the customers with detailed information about the products and services and conveys the instant feedback from customers to İHEVA, enabling quick solutions to their demands and expectations and fostering customer satisfaction. İHEVA demonstrated that its operations in this area comply with international quality standards by obtaining the "ISO 10002:2018 Customer Satisfaction Management System" certification.

Extensive Marketing Network

İhlas Ev Aletleri' marketing activities span across Europe, the U.S., Africa, and the Far East, with a particular focus on the Turkic Republics. Strengthening its growth strategy in overseas markets with country-specific quality certificates such as NSF, UL, SAA, CCC, INMETRO, KC, PSE, and GMARK for products such as the Aura Roboclean cleaning robot and Cebilon water purification devices, the company aims to add new markets to its existing ones, taking strong steps toward the future. In this context, it continues its market expansion efforts by participating in well-regarded specialist fairs in its target markets.

Consistency in Success

The Aura Cebilon Unique Reverse Osmosis Water Purification System, which won the 2014 Design Türkiye award, is an example of sustainable success in design and innovation. The product also won the 2015 GOOD DESIGN Award, the 2016 A' Design Award, Best Product of Kazakhstan awards from 2016 to 2023, and a Special Mention at the 2018 German Design Award. Its NSF certification further distinguishes it as an outstanding drinking water purification product.

72.26% free float ratio

İhlas Ev Aletleri shares have been traded on Borsa İstanbul (BIST) under the ticker "İHEVA" since Sept. 26, 1996. As of Dec. 31, 2025, 72.26% of the Company's capital is publicly traded.

İHEVA, whose shares have been traded on the BIST ALL 100 Index since Oct. 1, 2007, was also included in the BIST Corporate Governance Index as of Dec. 29, 2010. The Company is also listed in the BIST METAL PRODUCTS MACH, BIST İSTANBUL, BIST CORPORATE GOVERNANCE, BIST INDUSTRIALS, BIST ALL-100, BIST ALL, and BIST PARTICIPATION ALL.

Aiming for Full Compliance with Corporate Governance Principles

On July 28, 2025, JCR Avrasya Derecelendirme A.Ş. assigned İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi a Corporate Governance Principles Compliance Rating of 8.72, with a "Stable" outlook, within the framework of the methodology prescribed under Capital Markets Board (CMB) regulations.

İHEVA maintains its inclusion in the BIST Corporate Governance Index by satisfying the requirement of an overall compliance rating of at least 8 out of 10, with a score of at least 7 out of 10 across each main category.

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Brand and Standard Compliance Certificates

İhlas Ev Aletleri continues its quality and marking efforts in each target country and every market it enters in order to minimize the environmental impact of its products and protect consumers, and manufactures its products in accordance with international standards.

Standards Elevated at Every Step Trading under the ticker "IHEVA" on Borsa İstanbul A.Ş., İhlas Ev Aletleri manufactures for both domestic and international markets in adherence to international quality standards such as TSE, TÜV, INTERTEK, SGS, and NSF, as well as numerous national quality certifications including UL, SAA, CCC, INMETRO, KC, PSE, GMARK, and NSF.

IHEVA continues its CE marking efforts to minimize the environmental impact of its products and protect consumers, manufacturing its products in accordance with these standards.

Total Quality Management Approach

İhlas Ev Aletleri expanded the TQM (Total Quality Management) system it had been developing and implementing in-house since 2005 to cover all company functions and was certified to ISO 9001:2008 by an international certification body in 2012.

When the standard was updated in 2018, IHEVA applied for its ISO 9001:2015 certification and was awarded it by TÜV Rheinland Cert GmbH.

IHEVA demonstrated that its operations comply with international quality standards by achieving certification for the "ISO 10002:2018 Customer Satisfaction Management System" and the "ISO 45001:2018 Occupational Health and Safety Management System" in the first quarter of 2025.

Transition to the ISO 27001 Information Security Management System

IHEVA has presented its products to the Turkish and international markets and has received a favorable response. The company holds the ISO 27001 Information Security Management System certificate, an international framework that helps companies protect their financial data, intellectual property, and sensitive customer information. This system secures information in electronic environments while applying binding security measures to meet procedures and rules. The system is designed to protect consumer information and has a significant influence on customer preference.

Initiatives to Reduce Environmental Impact

IHEVA continues its sustainability initiatives and is among the organizations that inspire confidence through their commitment to sustainability. As climate conditions shift, corporate resilience is of growing importance to investors. The prevailing view is that companies realigning their policies and targets with climate change will gain greater prestige and strengthen their standing in the future. With this awareness, the Company strives to advance further each day, fulfilling its responsibility to reduce carbon emissions and mitigate the effects of climate change. IHEVA aims to become a sustainable industrial company that meets the demands of the 21st century and embraces corporate governance, and aims to achieve market leadership in every product it manufactures. Becoming one of Türkiye's leading industrial enterprises by ensuring customer satisfaction through its quality, speed, and distinctiveness in design, production, marketing, and after-sales services is among the Company's foremost goals.

As a further indication of its commitment to the environment, İhlas Ev Aletleri has obtained ISO 14001 Environmental Management System certification by meeting the requirements of the standard, which guides the identification of environmental aspects from raw material sourcing through to product delivery and ensures that these factors are controlled through appropriate measures to minimize environmental impact.

Design and Innovation Awards

İhlas Ev Aletleri, which evaluates all facets of design and follows future trends, has received numerous international awards and certifications for its manufactured products.

Cleaning Robot

The budget-friendly, efficient, and quiet Aura Roboclean and Aura Cleanmax cleaning robots have been awarded the Red Dot award, recognition at the ICONIC AWARDS for Interior Innovation, the GOOD DESIGN award, iF Design award, and A' Design award.

The Aura Roboclean and Aura Cleanmax Cleaning Robots also received the Best Product in Kazakhstan Award consecutively from 2016-2020, as well as the German Design Award in 2018.

The Aura Cleanmax/Aura Roboclean robot vacuum was recognized as a device that is beneficial to consumers' health and prevents the occurrence of diseases by the German ZPmed® Center for Preventive Medicine. The vacuum was awarded the center's Health Product certificate in the cleaning systems category. In addition, Aura Cleanmax and Aura Roboclean cleaning robots, which deliver superior cleaning through their bagless, water-filtered cleaning system, were awarded the "Allergy-Friendly Product" certificate by the Germany-based European Centre for Allergy Research Foundation (ECARF).

Reverse Osmosis Water Purification System

The Aura Cebilon Unique Reverse Osmosis Water Purification System, winner of the 2014 Türkiye Design Award, has also been honored with the Good Design 2015, A' Design 2016, Kazakhstan Best Product of 2016-2017-2018, and German Design Award 2018-Special Mention awards, underlining its status as a highly advanced, NSF-certified drinking water purification solution.

Furthermore, the Aura Cebilon Plus Water Purifier, manufactured by İhlas Ev Aletleri with a holistic approach to design and emerging trends, received the A' Design Award 2017, ICONIC AWARDS: INTERIOR INNOVATION 2017, Good Design Award 2017, and German Design Award 2018.

c) The sources of finance and, if any, the quality and amount of issued capital market instruments:

The necessary financial resources are secured through the Company's equity and external financing. The Company utilizes external financing when it proves more advantageous in terms of cost of capital and tax optimization. The Company's financing is sourced through various channels, which include bank loans, leasing, factoring, and public offerings.

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d) Information on the nature and capacity utilization rates of the Company's production units and related developments, its overall capacity utilization rate, developments in the production of goods and services within its scope of operations, and comparisons of quantities, quality, sales volumes and prices with prior-period figures:

The Group's production quantities for each main product group during the period are as follows:

Product Group	Dec. 31, 2025 Unit (Piece)	Dec. 31, 2024 Unit (Piece)
Cleaning Robot Group	135,878	131,645
Water Treatment Group	166,454	171,360
Water Heater Group	160,978	106,768
Other	11,479	16,583

e) Information on the pricing of goods and services related to the Company's field of business, sales revenues, terms of sale, and significant developments observed during the period, including variations in yield and productivity coefficients along with the underlying reasons for material changes compared to prior years:

The Group's sales quantities for each main product group during the period are as follows:

Product Group	Dec. 31, 2025 Unit (Piece)	Dec. 31, 2024 Unit (Piece)
Cleaning Robot Group	135,863	131,645
Water Treatment Group	166,391	171,360
Water Heater Group	160,978	106,768
Other	12,252	16,783

f) In accordance with the applicable legislation, mandatory disclosures to shareholders regarding related party transactions and balances:

Related Party Disclosures

A. The outstanding balances (carrying amounts) of the Group with its shareholders, with major entities with which it has indirect capital, management, or business relationships through its shareholders, and with its key management personnel as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Trade receivables and others:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	22,214,187	52,093,400
İhlas Gazetecilik A.Ş.	5,943,666	4,700,811
İhlas Pazarlama A.Ş.	313,159,782	327,059,515
İhlas Yayın Holding A.Ş.	2,495,993	2,822,953
Other	664,737	962,733
	344,478,365	387,639,412

Trade payables:

	Dec. 31, 2025	Dec. 31, 2024
TGRT Haber TV A.Ş.	3,347,686	2,622,310
İhlas Gazetecilik A.Ş.	1,303,519	1,468,032
İhlas Holding A.Ş.	124,809	7,554,610
Other	11,193	59,863
	4,787,207	11,704,815

Other payables:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	20,150,667	-
	20,150,667	-

Deferred Income:

	Dec. 31, 2025	Dec. 31, 2024
Net Tech Bilişim ve Siber Güvenlik A.Ş.	-	87,486
	-	87,486

Liabilities arising from short-term leases:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	77,970	365,454
İhlas Gazetecilik A.Ş.	5,713	25,454
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	2,654	15,138
	86,337	406,046

Liabilities arising from long-term leases:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	1,794,805	1,006,644
İhlas Gazetecilik A.Ş.	131,506	86,515
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	61,088	39,835
	1,987,399	1,132,994

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Benefits provided to key personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. There are two types of benefit provided to key management personnel: Short-term benefits include salaries and wages, social security contributions, bonuses, paid leave, and attendance fees. Such short-term benefits were reported under the "Employee Benefits Payable" account. Termination benefits comprise the Group's severance pay obligation. Such benefits were reported under the "Provisions for Employee Benefits" account.

Total short-term benefits provided to key personnel, including salaries, board attendance fees, and similar benefits, amounted to TRY 19,364,364 for the period Jan. 1-Dec. 31, 2025 (2024: TRY 12,764,529). Total benefits payable to key management personnel upon termination of employment (severance pay) for the period Jan. 1-Dec. 31, 2025 amounted to TRY 1,608,050 (2024: TRY 805,543).

The Group did not provide any long-term benefits to its key management personnel during the years ended Dec. 31, 2025, and Dec. 31, 2024.

No benefits were provided to key management personnel who departed from the Group during the period from Jan. 1 to Dec. 31, 2025 (2024: TRY 116,966).

There are no share-based payment arrangements.

B. The following are the Group's sales and purchases (including maturity differences) with major companies with which it had indirect ownership, management and business relationships through its shareholders during the periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024:

Purchases:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	64,962,091	67,346,244
İhlas Holding A.Ş.	221,930	-
TGRT Haber TV A.Ş.	19,629,802	24,735,126
Other	1,443,516	799,432
	86,257,339	92,880,802

Sales:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	90,388,326	77,917,991
İhlas Pazarlama A.Ş.	1,935,811,705	1,891,515,597
İhlas Haber Ajansı A.Ş.	1,692,331	1,911,157
İhlas Gazetecilik A.Ş.	69,004,752	58,219,729
TGRT Haber TV A.Ş.	5,054,947	5,442,497
Other	16,603,520	11,373,490
	2,118,555,581	2,046,380,461

İhlas Pazarlama A.Ş. serves as the Company's main distributor for product marketing, and the associated purchase and sale transactions are presented above. Additionally, the Company's receivable from İhlas Pazarlama A.Ş. as of the reporting date is presented in Article A.

C. Interest, rent and other income received from, and expenses paid to, the Group's shareholders and certain major companies with which it has indirect ownership, management or business relationships through its shareholders for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Interest Invoices Issued:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	5,205,825	8,903,836
İhlas Yayın Holding A.Ş.	-	1,302,481
Other	-	1,784,295
	5,205,825	11,990,612

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Rent Invoices Issued:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	8,018,278	6,847,870
İhlas Pazarlama A.Ş.	1,185,891	915,971
İhlas Haber Ajansı A.Ş.	7,954,087	6,620,339
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	219,630	169,520
Other	439,260	337,174
	17,817,146	14,890,874

Invoices arising from lease agreements:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	972,291	671,342
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	32,108	27,422
Other related parties	57,596	239,321
	1,061,995	938,085

Interest Invoices Received:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	131,763	757,265
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	-	675,266
İhlas Holding A.Ş.	10,273,541	5,658,713
Other related parties	549,349	4,128,890
	10,954,653	11,220,134

g) Other matters not included in the financial statements but useful to users:

Not available.

Corporate Governance Compliance Statement

İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi is aware of its responsibilities toward its stakeholders. Accordingly, the Company has adopted the principles of fairness, transparency, accountability and responsibility, which form the foundation of corporate governance, and exercises due care and makes every effort to comply with the Capital Markets Law and the secondary regulations and resolutions of the Capital Markets Board of Türkiye.

İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi believes that full compliance with the Corporate Governance Principles is essential. The corporate governance principles included in the annex to the Corporate Governance Communiqué, compliance with which is mandatory under the relevant legislation, were fully adopted and implemented by the Company during the reporting period Jan. 1-Dec. 31, 2025.

Maximum care is also exercised to comply with the voluntary principles not made mandatory by the relevant legislation, and as of the current date no conflict of interest has arisen among stakeholders with respect to those with which full compliance has not yet been achieved.

Regarding the Corporate Governance Principles (Principles) set out in the annex to Corporate Governance Communiqué No. II-17.1 (Communiqué):

a) Mandatory principles not implemented and the reasons for non-implementation:

The Company has complied with all mandatory corporate governance principles. The Company falls within the third group for the purposes of determining which corporate governance principles are mandatory, and the third paragraph of Principle (4.3.7) and the second paragraph of Principle (4.3.8) are not among the principles that are mandatory for the Company.

b) Non-mandatory principles not implemented and the reasons for non-implementation:

Mandatory Corporate Governance Principles applicable to the Company during the period are complied with, and efforts remain underway to implement non-mandatory principles. The Company's Articles of Association do not yet include provisions on the following matters:

- 1.5.2. Granting minority rights to those who own less than one-twentieth of the capital in the articles of association;
- 3.1.2. Company policy on stakeholders;
- 3.2.1. Stakeholder participation in management;
- 4.2.8. Damages that members of the Board of Directors may cause to the Company through their fault in the performance of their duties are covered by insurance exceeding 25% of the Company's capital, and this is disclosed on the PDP.
- 4.3.9. The Company's setting of a target ratio of no less than 25% and a target date for female representation on the Board of Directors, and establishment of a policy for achieving these targets;
- 4.4.7. There are no arrangements or restrictions governing Board Members' assumption of other duties or positions outside the Company. To date, no conflict of interest has arisen among stakeholders as a result of these principles, which have not yet been implemented.

Efforts remain underway to continuously enhance the Company's corporate governance practices, including the optimization of mechanisms within the framework of these principles and the implementation of non-mandatory principles that have not yet been put into practice.

Pursuant to the Capital Markets Board (CMB) decision No. 2/49 dated Jan. 10, 2019, and in accordance with the Communiqué on Corporate Governance (II-17.1), Corporate Governance Compliance Reports are prepared and disclosed via the Public Disclosure Platform (PDP) using the standardized Corporate Governance Compliance Report ("CGCR") and Corporate Governance Information Form ("CGIF") templates.

The Corporate Governance Compliance Report (CGCR) and the Corporate Governance Information Form (CGIF) are disclosed to the public on the Public Disclosure Platform (PDP) at least three (3) weeks before the date of the General Assembly meeting. The CGCR template was used to report compliance with voluntary principles, and the CGIF template was used to provide information on current corporate governance practices.

If any change is made to the Corporate Governance Compliance Report (CGCR) or the Corporate Governance Information Form (CGIF) during the reporting period, a material event disclosure is made and the change is also included in the interim activity reports.

The current Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) are available under the Corporate Governance section of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi's page on the Public Disclosure Platform.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Information on Corporate Governance

Structure and Composition of the Board of Directors

Article 7 of the Company's Articles of Association, titled "Board of Directors," reads as follows:

"The Company's business and management shall be conducted by a Board of Directors consisting of a minimum of five (5) and a maximum of eleven (11) members to be elected by the General Assembly.

The criteria, election, terms of office, operating principles, areas of responsibility, and similar matters regarding the members of the Board of Directors shall be carried out in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law, and other relevant legislation.

The number and qualifications of independent members to serve on the Board of Directors shall be determined in accordance with the Capital Markets Board's regulations on corporate governance. The establishment, areas of responsibility, and operating principles of committees within the Board of Directors shall be executed in accordance with the Turkish Commercial Code, the Capital Markets Law, the Capital Markets Board's regulations on corporate governance, and other relevant legislation."

In line with the framework stated above, the Company's Board of Directors is composed of executive and non-executive members, the positions of Chairman and General Manager are held by different individuals, and more than half of the Board members are non-executive. Accordingly, the 7-member Board of Directors includes three (3) independent members.

The table below details the roles and terms of office of the Board of Directors members.

Name	Title	Term (Start - End)	
Orhan Korkusuz	Chairman	Nov. 26, 2024	2027
Ahmet Olgun	Vice Chairman and General Manager	Nov. 26, 2024	2027
Mahmut Kemal Aydın	Managing Director Responsible for Financial Affairs	April 26, 2024	2027
Hidayet Alev Volkan	Board Member	April 26, 2024	2027
Prof. Dr. Hüseyin Hüsnü Gündüz	Independent Board Member	April 26, 2024	2027
Prof. Dr. Resul İzmirli, PhD	Independent Board Member	April 26, 2024	2027
Mehmet Halit Selçuk	Independent Board Member	April 26, 2024	2027

Outside positions or duties held by Board Members are regulated by the General Assembly in accordance with the relevant provisions of the Turkish Commercial Code, and no restrictions exist beyond those stipulated by law.

No events occurred during the relevant fiscal period that compromised the independence of the Independent Board Members.

Independent Board Members' Statements of Independence are as follows:

Prof. Dr. Hüseyin Hüsnü Gündüz's Statement of Independence

To the Office of the Chairman of the Board of Directors of İhlas Ev Aletleri İmal. San. ve Tic. A.Ş. (Company),

I hereby declare that, between, on the one hand, the Company, the entities in which the Company holds management control or significant influence, the shareholders holding management control of the Company or having significant influence over the Company, and the legal entities over which such shareholders hold management control, and, on the other hand, myself, my spouse, and my relatives by blood or marriage up to the second degree, I have had no employment relationship in an executive position involving significant duties and responsibilities within the last five (5) years;

I do not, alone or jointly, hold more than 5% of the Company's capital, voting rights, or privileged shares; and that no significant commercial relationship has been established;

within the last five (5) years, I have not been a shareholder (holding 5% or more), an employee in an executive position involving significant duties and responsibilities, or a member of the board of directors of any company from or to which the Company has purchased or sold a significant amount of services or products under the agreements concluded – in particular companies providing the Company's audit, rating, and consultancy services – during the periods in which such services or products were purchased or sold;

I possess the professional training, knowledge, and experience necessary to duly perform the duties I will undertake as an independent member of the Board of Directors;

as of the present time, I do not work full-time for any public institution or organization;

I am deemed resident in Türkiye pursuant to the Income Tax Law;

I possess the strong ethical standards, professional reputation, and experience that will enable me to make positive contributions to the Company's activities, to maintain my impartiality in conflicts of interest between the Company and its shareholders, and to make decisions freely, taking into account the rights of stakeholders;

I will allocate sufficient time to the Company's affairs to follow the conduct of the Company's activities and to fully meet the requirements of the duties I have undertaken.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Prof. Dr. Resul İzmirli's Statement of Independence

To the Office of the Chairman of the Board of Directors of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (Company),

I hereby declare that, between, on the one hand, the Company, the entities in which the Company holds management control or significant influence, the shareholders holding management control of the Company or having significant influence over the Company, and the legal entities over which such shareholders hold management control, and, on the other hand, myself, my spouse, and my relatives by blood or marriage up to the second degree, I have had no employment relationship in an executive position involving significant duties and responsibilities within the last five (5) years;

I do not, alone or jointly, hold more than 5% of the Company's capital, voting rights, or privileged shares; and that no significant commercial relationship has been established;

within the last five (5) years, I have not been a shareholder (holding 5% or more), an employee in an executive position involving significant duties and responsibilities, or a member of the board of directors of any company from or to which the Company has purchased or sold a significant amount of services or products under the agreements concluded – in particular companies providing the Company's audit, rating, and consultancy services – during the periods in which such services or products were purchased or sold;

I possess the professional training, knowledge, and experience necessary to duly perform the duties I will undertake as an independent member of the Board of Directors;

as of the present time, I do not work full-time for any public institution or organization;

I am deemed resident in Türkiye pursuant to the Income Tax Law;

I possess the strong ethical standards, professional reputation, and experience that will enable me to make positive contributions to the Company's activities, to maintain my impartiality in conflicts of interest between the Company and its shareholders, and to make decisions freely, taking into account the rights of stakeholders;

I will allocate sufficient time to the Company's affairs to follow the conduct of the Company's activities and to fully meet the requirements of the duties I have undertaken.

Mehmet Halit Selçuk's Statement of Independence

I hereby declare that:

- a) between, on the one hand, İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (the "Company") and the entities in which the Company holds management control or significant influence, the shareholders holding management control of the Company or having significant influence over the Company, and the legal entities over which such shareholders hold management control, and, on the other hand, myself, my spouse, and my relatives by blood or marriage up to the second degree, there has been, within the last five (5) years, no employment relationship in an executive position involving significant duties and responsibilities; that I have not, alone or jointly, held more than 5% of the capital, voting rights, or privileged shares; and that no significant commercial relationship has been established;
- b) within the last five (5) years, I have not been a shareholder holding five percent (5%) or more of the capital, have not held a managerial position involving significant duties and responsibilities, and have not served as a board member at any company from which the Company has significantly purchased or sold goods or services – including, in particular, auditing (covering tax auditing, statutory auditing, and internal auditing), rating, and consultancy services – during the periods in which such goods or services were purchased or sold;
- c) I possess the professional training, knowledge, and experience necessary to duly perform the duties I will undertake as an independent member of the board of directors;
- ç) Following my election as a member, I am not employed full-time by any public institution or organization, except as a university faculty member, provided that such employment is permitted under the applicable legislation;
- d) I am deemed resident in Türkiye pursuant to Income Tax Law No. 193 dated Dec. 31, 1960 (the "ITL");
- e) I possess the strong ethical standards, professional reputation and experience necessary to contribute positively to the Company's activities, remain impartial in conflicts of interest between the Company and its shareholders, and make decisions independently while taking into account the rights of stakeholders;
- f) that I am able to allocate sufficient time to the Company's affairs to follow the conduct of the Company's activities and to fully meet the requirements of the duties I have undertaken;
- g) I have not served on the Company's Board of Directors for more than six (6) years within the last ten (10) years;
- ğ) I do not serve as an independent member of the board of directors in more than three (3) of the companies over which the Company, or the shareholders holding management control of the Company, hold management control, nor in more than five (5) publicly traded companies in total;

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Biographies of Board Members

Orhan Korkusuz

Orhan Korkusuz was born in Istanbul in 1968 and graduated from Istanbul Technical University with a degree in Electronics and Communication Engineering. He began his career in the IT sector, holding several roles between 1990 and 2015, including Board Member responsible for Sales and Marketing and General Manager across multiple companies. Since May 2015, he has served as the General Manager of İhlas Pazarlama A.Ş.

Ahmet Olgun

Ahmet Olgun was born in Istanbul in 1979 and graduated from Uludağ University with a degree in Electronics Engineering. Throughout his career, he held various positions across different companies, serving as a field test engineer, service manager, call center manager, and after-sales services manager. Olgun joined İhlas Pazarlama A.Ş. in 2013 and was elected to the Board of Directors in March 2021. Since Jan. 2025, he has served as the General Manager of İhlas Ev Aletleri A.Ş.

Mahmut Kemal Aydın

Mahmut Kemal Aydın was born in Kastamonu in 1957. He graduated from the Istanbul Academy of Economic and Commercial Sciences.

From 1976 to 1982, he served as Chief of General Accounting at the Revolving Fund Administration of Istanbul University Cerrahpaşa Faculty of Medicine. He subsequently served as a Labor Inspector at the Labor Inspection Board of the Ministry of Labor and Social Security from 1985 to 1989. Aydın joined İhlas Holding A.Ş. in 1989 and was involved in the company's public offering processes between 1993 and 1994. From 1998 to 2015, he served as Managing Director Responsible for Financial Affairs and as Deputy General Manager at İhlas Holding A.Ş. Mahmut Kemal Aydın serves as a Board Member and senior executive at İhlas Group companies.

Hidayet Alev Volkan

Hidayet Alev Volkan graduated from the Istanbul Academy of Economic and Commercial Sciences. She began her professional career as a civil servant in 1970. From 1976 to 1994, she served as Cost Accounting Chief and Accounting Manager at a private company. Hidayet Alev Volkan joined İhlas Holding A.Ş. in 1994. Hidayet Alev Volkan holds "Capital Market Activities Advanced License" and "Corporate Governance Rating Specialist License" certificates. She currently serves as the Investor Relations Department Manager and as a Corporate Governance Committee Member for İhlas Group companies.

Prof. Dr. Hüseyin Hüsnü Gündüz

Prof. Dr. Hüseyin Hüsnü Gündüz was born in Kiğı, Bingöl, in 1947. He completed his bachelor's degree at Ankara University's Faculty of Agriculture. Gündüz started his academic life in 1973, and has taught at many universities. He most recently served as the Rector of Istanbul Yeni Yüzyıl University. Prof. Dr. Hüseyin Hüsnü Gündüz serves as an independent board member at İhlas Group companies.

Prof. Dr. Resul İzmirli, PhD

Resul İzmirli, PhD, was born in 1946 in İzmir. He completed his undergraduate education at Ege University Faculty of Agriculture and began working as an Assistant in the Department of Economics and Business Administration at the same university. He earned his PhD in cooperative organizations at Justus Liebig University Giessen. İzmirli became an Assistant Professor in 1981, Associate Professor in 1992, and Professor in 2009. İzmirli currently serves as Department Head at the Faculty of Health Sciences at Yeni Yüzyıl University. He has several articles published in various international peer-reviewed journals. İzmirli serves as an Independent Board Member at İhlas Group companies.

Mehmet Halit Selçuk

Mehmet Halit Selçuk was born in Niğde in 1944. After completing his higher education at the Turkish Army War College and attaining the rank of Captain, he assumed various duties within the Turkish Armed Forces, subsequently retiring with the rank of Colonel in 1996. Selçuk currently serves as an Independent Board Member at İhlas Group companies.

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The Duties Assumed by Board Members Outside the Company:

Name	Duties in the Company	Duties Outside of the Partnership	
Orhan Korkusuz	Chairman	İhlas Pazarlama A.Ş.	Board Member and General Manager
Ahmet Olgun	Vice Chairman and General Manager	İhlas Pazarlama A.Ş.	Board Member
Mahmut Kemal Aydın	Managing Director Responsible for Financial Affairs	İhlas Holding A.Ş.	Board Member
		İhlas Motor A.Ş.	Chairman
		İhlas İnşaat Proje Taahhüt Turizm ve Tic. A.Ş.	Chairman and General Manager
		İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	Vice Chairman and Managing Director Responsible for Financial Affairs
		İhlas Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Board Member
Hidayet Alev Volkan	Board Member	İhlas Holding A.Ş.	Corporate Governance Practices and Investor Relations Director, and Member of the Corporate Governance Committee
		İhlas Yayın Holding A.Ş.	Board Member
		İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	Investor Relations Department Manager and Member of the Corporate Governance Committee
Prof. Dr. Hüseyin Hüsnü Gündüz	Independent Board Member	İhlas Gazetecilik A.Ş.	Independent Board Member
Prof. Dr. Resul İzmirli, PhD	Independent Board Member	İhlas Yayın Holding A.Ş. T.R. İstanbul Yeni Yüzyıl University	Independent Board Member Department Head, Faculty of Health Sciences
Mehmet Halit Selçuk	Independent Board Member	İhlas Holding A.Ş.	Independent Board Member
		İhlas Gazetecilik A.Ş.	Independent Board Member

Operating Principles of the Board of Directors

The procedures and frequency of Board of Directors meetings, meeting and decision quorums, objection mechanisms, and the validity of Board resolutions are governed by the provisions of the Turkish Commercial Code (TCC).

The agenda for Board meetings comprises matters deferred from prior sessions and items determined by the Company's senior management. Any Board member may include additional items on the agenda by notifying senior management. Matters requiring Board deliberation are submitted to the Board Secretariat and compiled to form the agenda for the upcoming meeting.

The Board of Directors holds ordinary meetings at least once a month; however, members may also convene extraordinary meetings to resolve critical agenda items. The Chairman, Vice Chairman, and individual Board members retain the right to call a meeting and add items to the agenda, provided they notify all other members at least one (1) day prior to the session. Meeting invitations are issued by the Board Secretariat via email or telephone.

The Board Secretariat is managed by a specialized staff member who reports directly to the Chairman. All inquiries raised and topics deliberated during the sessions are formally recorded in the meeting minutes.

In principle, Board members attend all meetings.

However, all Board members attend meetings in person when important matters relating to the Company's operations are discussed. The following agenda items may only be resolved by Board members who are physically present at the meetings:

- Determination of the Company's scope of operations;
- Matters relating to convening the General Assembly for ordinary or extraordinary meetings and the organization of such meetings;
- -Finalizing the annual report to be submitted to the General Assembly;
- Election of the Chairman and Vice Chairman, and the appointment of new members;
- -Establishing or terminating administrative units,
- Appointment or dismissal of the CEO/General Manager;
- -Establishing committees,
- Determination of the Company's dividend policy and the amount of distributable net profit for the period;
- Capital increases or reductions;

Each member of the Board of Directors, including the Chairman, holds a single vote, and no member possesses weighted voting rights.

The Board of Directors convened 54 times during the fiscal year ended Dec. 31, 2025, achieving a 100% attendance rate across all sessions.

No administrative sanctions or penalties have been imposed on the Board members for practices contrary to legislative provisions.

Although Board members may raise questions and express differing views during Board meetings, these are not recorded in the minutes; only the final resolution reached after all deliberations is recorded.

The Articles of Association do not grant Board members weighted voting rights or veto rights.

No resolutions concerning related party transactions or material transactions were passed without the approval of the independent Board members.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Number, Structure and Independence of the Committees Established under the Board of Directors

The Company's Audit Committee, Corporate Governance Committee, and Early Risk Detection Committee have been established under the Board of Directors in accordance with the relevant principles. Committees are composed of two (2) members; the chairmen are independent Board members, and the remaining positions are held by another independent and a non-executive Board member. Separate "Nomination Committee" and "Remuneration Committee" could not be established due to the Board structure. However, the Corporate Governance Committee fulfills the duties of these committees within the framework of the applicable legislation.

The duties and operating principles of the committees are executed pursuant to these procedures approved by Board of Directors Resolution No. 9, dated April 19, 2012.

The Company has been included in the scope of companies required to prepare a sustainability report pursuant to the decision of the Public Oversight, Accounting and Auditing Standards Authority dated Dec. 27, 2023, and numbered 01-21634. Accordingly, a five-member Sustainability Committee was established pursuant to Board of Directors Resolution No. 2025-40 dated Sept. 29, 2025.

The Vice Chairman of the Board and General Manager serves as Committee Chairman, with the Supply Chain and Production Director, Financial Affairs and Finance Manager, Quality Control and Certification Manager, and Accounting Specialist appointed as members.

The Sustainability Committee operates to strategically monitor the Company's ESG risks and opportunities, fulfill obligations under TSRS, and integrate sustainability throughout the Company.

The duties and qualifications of the committee members are outlined below:

- Chairman of the Corporate Governance Committee: Mehmet Halit Selçuk (Independent Member)
- Member of the Corporate Governance Committee: Hidayet Alev Volkan (Board Member)
- Member of the Corporate Governance Committee: Uğur Kurt (Investor Relations Manager)
- Chairman of the Audit Committee: Prof. Dr. Resul İzmirli, PhD (Independent Member)
- Member of the Audit Committee: Prof. Dr. Hüseyin Hüsnü Gündüz (Independent Member)
- Chairman of the Early Risk Detection Committee: Prof. Dr. Hüseyin Hüsnü Gündüz (Independent Member)
- Member of the Early Risk Detection Committee: Hidayet Alev Volkan (Board Member)
- Chairman of the Sustainability Committee: Ahmet Olgun (Vice Chairman and General Manager)
- Member of the Sustainability Committee: Bülent Kaya (Supply Chain and Production Director)
- Member of the Sustainability Committee: Mehmet Ercan Akgün (Financial Affairs and Finance Manager)
- Member of the Sustainability Committee: Ercan Çiçek (Quality Control and Certification Manager)
- Member of the Sustainability Committee: İbrahim Berkay Türkmen (Accounting Specialist)

As of Dec. 31, 2025:

The Audit Committee held six (6) meetings, and the resulting recommendation was adopted by the Board of Directors.

The Corporate Governance Committee held three (3) meetings, and the resulting recommendation was adopted by the Board of Directors.

The Early Risk Detection Committee held six (6) meetings, and the resulting recommendation was adopted by the Board of Directors.

The Sustainability Committee held one (1) meeting, and the resulting recommendation was adopted by the Board of Directors.

Investor Relations Department

The Investor Relations Department, established upon the recommendation of the Corporate Governance Committee and a resolution of the Board of Directors, oversees all public disclosure processes. The department manages relations and responds to inquiries from investors, financial analysts, and members of the press, while actively utilizing the corporate website for public disclosures.

Shareholder inquiries primarily focus on stock price performance, new investments, and the operations of the Company and its associates.

In accordance with Capital Markets Board (CMB) Communiqué No. II-17.1, Uğur Kurt, who holds a Capital Market Activities Advanced License, serves as the Investor Relations Department Manager and as a member of the Corporate Governance Committee.

The Investor Relations Department operates under the Managing Director Responsible for Financial Affairs, and the department's contact details are provided below:

Investor Relations Department Manager	: Uğur Kurt
Investor Relations Department Officer	: Mehmet Ercan Akgün
Tel	: +90 (212) 454 22 18
Email	: yi@iea.com.tr

Correspondence Address: Beylikdüzü OSB Mahallesi Mermerciler Sanayi Sitesi 7. Cad. No:14 Beylikdüzü/İstanbul

As of Dec. 31, 2025, the Company received 138 telephone inquiries and 218 email communications from investors.

The primary responsibilities of the Investor Relations Department are outlined below:

- Ensuring that all records concerning correspondence, information, and documentation exchanged between investors and the Company are maintained accurately, securely, and up to date,
- Responding to written information requests submitted by shareholders regarding the Company,
- Preparing the necessary documentation for shareholder review prior to General Assembly meetings, and implementing measures to ensure that such meetings are conducted in full compliance with relevant legislation, the Articles of Association, and internal corporate regulations,
- Overseeing and monitoring compliance with all obligations arising from capital markets legislation, including all matters related to corporate governance and public disclosure.

Disclosure Policy

Purpose

The core principle of our Company's disclosure policy is to promptly announce developments that may affect the value of any capital market instruments offered by our Company to the public. This involves providing information that is accurate, complete, and sufficient, while ensuring it is communicated in a clear, timely, interpretable, cost-effective, and equally accessible manner. The objective is to ensure that all recipients—be they shareholders, investors, capital market experts, intermediary institutions, or others—have equal access to information, thereby preventing any discrimination among capital market participants and supporting their decision-making process.

With respect to public disclosure, the regulations of the Capital Markets Board (CMB) and Borsa İstanbul A.Ş. (BIST Co.) are complied with, and utmost care is taken to implement the principles set out in the CMB Corporate Governance Principles.

In addition to the requirements stipulated in the applicable legal regulations, it is essential that disclosures make effective use of the Company's website, email communications, press releases, and media outlets, and that all rules published or to be published in the future by the CMB are complied with.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Responsibility

The Board of Directors is responsible for the monitoring, review, and development of the Disclosure Policy. The Corporate Governance Committee provides information and makes recommendations to the Board of Directors, the Audit Committee, and the Deputy General Manager Responsible for Finance and Financial Affairs on matters relating to the Disclosure Policy. The Deputy General Manager Responsible for Finance and Financial Affairs is responsible for the execution of the Disclosure Policy.

Public Disclosure Methods and Tools

The primary public disclosure methods used by the Company are as follows

- Due to obligations arising from Capital Markets Legislation and the Turkish Commercial Code (TCC): making the necessary material event disclosure to the Public Disclosure Platform using the forms prescribed in the CMB's Communiqué on Material Events (II-15.1), and also publishing the disclosure on the Company's corporate website at <https://www.iea.com.tr>.
- Publishing the financial statements and notes, independent audit reports, statements, and annual reports on the PDP and on the Company's website.
- During capital increases: publishing the documents or information required by legislation on the Company's corporate website and, where legislation so requires, in the Turkish Trade Registry Gazette, daily newspapers, or other channels.
- Publishing announcements and notices such as General Assembly meeting calls and dividend payments on the Company's corporate website and, where legislation so requires, in the Turkish Trade Registry Gazette, daily newspapers, or other channels. These constitute the Company's primary public disclosure methods.

The statutory disclosures set out above, which the Company makes available to capital market participants, are disseminated:

- Covered in written and visual media, on Reuters, Foreks, and other data distribution channels; and -through disclosure meetings and briefings held with capital market participants in person or via teleconference.

Public Disclosure of Financial Statements

The Company's financial statements and notes are prepared on a consolidated basis in accordance with the TCC, the Capital Markets Law, Tax Laws, and relevant legislation, and are independently audited in accordance with the independent audit standards published by the Capital Markets Board. They are submitted for the approval of the Board of Directors following the favorable opinion of the Audit Committee. They are disclosed to the public after the declaration of accuracy has been signed by the designated members of the Board of Directors. Following the approval of the Board of Directors, the financial statements and notes, the independent audit report, and annexed documents are transmitted to the Public Disclosure Platform for announcement in accordance with the regulations of the CMB and Borsa İstanbul A.Ş. (BIST Co.). Financial reports can be accessed retrospectively on the Company's website.

Public Disclosure of the Annual Report

The Annual Report is prepared in accordance with the TCC and Capital Markets Law, Communiqués and principle decisions, submitted for the approval of the Board of Directors, and disclosed to the public on our corporate website.

Capital market participants may request the printed versions of the Annual Report in Turkish and/or English from our company's Investor Relations Department. Annual reports can be accessed retrospectively on the Company's website.

Public Disclosure of Material Events

The Company's material event disclosures are prepared under the supervision of the Deputy General Manager Responsible for Finance and Financial Affairs, signed by the responsible members of the Board of Directors, and submitted to the PDP.

Ensuring the Confidentiality of Material Events Until Public Disclosure

During the occurrence of the material event and until the disclosure of the material event at Borsa İstanbul A.Ş. (BIST Co.), İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi employees holding the information and other communicating parties are informed about their obligation to protect the confidentiality of this information until its disclosure. In principle, İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi and those working on its behalf cannot under any circumstances share with third parties any material event information that has not yet been disclosed to the public. If it is determined that such information has been disclosed to third parties unintentionally and it is concluded that the confidentiality of the information can no longer be ensured within the scope of capital markets regulations, a material event disclosure is made immediately.

The Company discloses insider information to the public, in principle, on the date the disclosure obligation arises.

Postponement of Public Disclosure of Insider Information

The public disclosure of insider information may be postponed pursuant to Article 6 of the Communiqué by ensuring the confidentiality of such information when necessary to protect the Company's legitimate interests and legal rights. For the postponement of a disclosure, the Board of Directors adopts a resolution regarding the effect of the postponement on the protection of the Company's legal rights, confirming that it does not pose a risk of misleading investors, and specifying the measures taken to safeguard the confidentiality of the information during the postponement period.

As soon as the reasons for the postponement of the public disclosure of the insider information are eliminated, the Company immediately transmits a disclosure to the PDP regarding the insider information in question.

A "List of Those Who Have Access to Insider Information" has been prepared to ensure compliance with the rules on the use of insider information, and statements have been obtained from the employees on the list confirming that they are aware of their obligations to protect such information and not to use it inappropriately. Care is also taken to obtain statements from those newly added to the list.

Until material events are disclosed to the public, no information other than publicly disclosed information is shared at one-to-one or group meetings and discussions with capital market participants or third parties.

Subsequent changes and developments arising in relation to the Company's public disclosures are announced to the public through material event disclosures.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Persons Authorized to Make Public Disclosures

Apart from the notifications referred to above, written and verbal information requests from capital market participants are answered by the Deputy General Manager Responsible for Finance and Financial Affairs or the Investor Relations Department depending on the content of the request, excluding confidential information and trade secrets.

Press statements to print and visual media and to data distribution channels such as Reuters, Foreks, and similar platforms may only be made by the Board Chairman, the General Manager, or the Deputy General Manager Responsible for Finance and Financial Affairs. The Company's employees may not answer questions from capital market participants unless specifically assigned to do so.

Incoming information requests are forwarded to the Deputy General Manager Responsible for Finance and Financial Affairs or the Investor Relations Department.

Criteria Used in Determining Persons Discharging Managerial Responsibility (PDMRs)

The criteria set out in the legislation issued by the Capital Markets Board are used to identify PDMRs at the Company. These criteria refer to:

PDMRs:

- 1) The issuer's Board Members;
- 2) Persons who are not Board Members but regularly have direct or indirect access to the issuer's inside information and have authority to make managerial decisions affecting the issuer's future development and business prospects. Persons closely associated with a PDMR:
 - 1) the spouse and children of the PDMR, and persons residing in the same household as the PDMR at the time of the relevant transaction;
 - 2) legal persons, institutions or partnerships in which managerial responsibilities are discharged by a PDMR or a person specified in subparagraph (1), or that are directly or indirectly controlled by, established for the benefit of, or have economic interests substantially equivalent to those of such persons;
 - 3) Persons specified in paragraph (f) and the first and second sub-paragraphs of this paragraph within those subsidiaries that constitute 10% or more of the total assets in the latest annual statement of financial position of an issuer whose capital market instruments are traded on a stock exchange, prepared in accordance with the regulations of the Capital Markets Board (CMB).

Communication with Capital Market Participants

The Company does not provide guidance on expectations regarding interim and annual operating results. Instead, it prefers to convey to capital market participants the critical issues affecting its operating results, its strategic approaches, and the key elements that facilitate a better understanding of the sector and the operating environment.

Unless otherwise stated in the Disclosure Policy, only persons authorized to make public disclosures may communicate with capital market participants on behalf of the Company. In non-public interviews with capital market participants, no material or inside information that has not yet been publicly disclosed is disclosed.

Face-to-Face Meetings or Telephone Conversations

One-to-one or group interviews conducted with capital market participants by telephone or in person form an important part of the Company's investor relations development programs. In such environments, our Company will not provide new information, will not update the information previously disclosed to the public, and will not disclose material and insider information that has not been disclosed to the public before.

An investor information meeting will be organized when the Company's activities need to be shared with investors in a comprehensive manner and/or when the Board of Directors deems it necessary. Appointment requests from the press for meetings with the Board of Directors or managers will be evaluated by the Investor Relations Department and organized with the approval of the Corporate Governance Committee. For questions directed to the Company from potential investors, shareholders, stakeholders, the press, and financial institutions representing investors, the use of the internet will be encouraged as the preferred means of submitting questions in writing; all questions will nonetheless be answered by the Investor Relations Department in accordance with the Disclosure Policy.

Statements, presentations, and reports made at investor information meetings or press conferences are posted on the Company's website.

Informing Small Investors

To ensure an interactive exchange of information and prevent the spread of speculative information, no new disclosures will be made in presentations and reports shared at promotional meetings, information meetings, or press conferences conducted with any specific group of investors; previously disclosed information will not be updated, and insider information not previously disclosed to the public will not be revealed.

All such disclosures will be made available on the Company's corporate website. In addition to the requirements stipulated in the applicable legal regulations, it is essential that disclosures make effective use of the Company's corporate website, email communications, press releases, and media outlets, and that all rules published or to be published in the future by the Capital Markets Board are complied with.

News and Rumors in the Media or on Websites

News and rumors concerning the Company appearing in the media or on websites are monitored on an ongoing basis by the Investor Relations Department.

Should news or rumors arise in the public domain via media outlets or other communication channels concerning the Company that are capable of influencing the investment decisions of savers or the value of capital market instruments, and that do not originate from individuals authorized to represent the Company while differing in content from information previously made public via material event disclosures, prospectuses, circulars, CMB-approved announcement texts, financial reports, or other public disclosure documents, the Company issues a statement regarding the accuracy or adequacy thereof, pursuant to Article 9 of the Communiqué, titled "Confirmation of News and Rumors."

If the news or rumors in question relate to information whose public disclosure has been postponed, the reasons for the postponement are deemed to have ceased and the Company makes a public disclosure.

However, if the information contained in the news or rumors consists entirely of information previously disclosed to the public through material event disclosures, prospectuses, circulars, CMB-approved announcement texts, or financial reports, and contains no additional information, no material event disclosure is made.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Public Disclosure of Forward-Looking Assessments

The Company may, from time to time, disclose its forward-looking assessments in accordance with its Disclosure Policy.

Compliance with the provisions set forth in the applicable regulations is essential in the public disclosure of forward-looking assessments. Forward-looking assessments may be disclosed to the public provided that they are subject to a Board of Directors resolution or, where the Board of Directors has delegated authority, to the written approval of the authorized person. Such disclosure may take the form of a material event disclosure, or may be made through annual reports published within the framework of the CMB's regulations on financial statements, or through investor presentations, provided that the latter are disclosed on the PDP. Forward-looking assessments shall be disclosed to the public by management no more than four (4) times per year.

Where a material change occurs in publicly disclosed forward-looking assessments, a disclosure shall be made in accordance with applicable legislation, without being subject to the limit on the number of disclosures set out in this subparagraph.

Website (<https://www.iea.com.tr>)

The corporate website (<https://www.iea.com.tr>) is actively used in public disclosures in accordance with the CMB Corporate Governance principles. The disclosures on the Company's corporate website do not replace the notifications and material event disclosures that must be made pursuant to the provisions of Capital Markets Legislation. All public disclosures are accessible via the website.

The Company's corporate website includes: trade registry information; ownership and management structure; information on privileged shares; the current version of the articles of association together with the dates and issue numbers of the Turkish Trade Registry Gazettes in which amendments were published; material event disclosures; share price information; annual and interim activity reports; periodic financial statements and reports; prospectuses and circulars; General Assembly meeting agendas, lists of attendees, and meeting minutes; the proxy voting form; Dividend Policy; Disclosure Policy; corporate governance principles compliance report; corporate rating report; the Code of Ethics established by the Company; frequently asked questions; associates; contact information; and Investor Relations contact information for investors seeking further information.

The website is structured and segmented in accordance with the information required to be included under the Corporate Governance Principles and similar legislative provisions. All necessary measures are taken with regard to the security of the website. The website is maintained in Turkish and English, in the form and content stipulated by the CMB Corporate Governance Principles. Notices of upcoming General Assembly meetings, agenda items, explanatory information documents relating to the agenda, other relevant information, documents, and reports, and details of the methods of participation in the General Assembly are prominently displayed on the website. Work on the development of the website is carried out on an ongoing basis.

Dividend Distribution Policy

- a) Taking into account our Company's growth trajectory, profitability, strategic targets, investment projects, and the funding requirements of its working capital, the dividend distribution ratio is determined by the Board of Directors within the framework of the Turkish Commercial Code (TCC), Tax Procedure Law, Capital Markets Law, Capital Markets Board (CMB) principle decisions, and related legislation, alongside the relevant provisions of the Articles of Association, and is submitted to the General Assembly for consideration.
- b) Unless the statutory reserves and the dividends stipulated for shareholders in the Articles of Association have been fully allocated, no decision may be made to set aside other reserves, transfer profits to the following year, or distribute shares of profit to board members or company employees. Furthermore, no profit distribution can be made to these individuals until the designated shareholder dividend has been paid.
- c) If a dividend distribution decision is made, the Board of Directors shall decide whether the distribution will be made in cash and/or in the form of bonus shares and submit the matter to the General Assembly for consideration. If it is decided to distribute the dividend in cash, it may be paid in equal or varying installments, provided that such installments are approved at the same General Assembly meeting at which the dividend distribution is approved. The number of installments is determined by the General Assembly, or by the Board of Directors upon express authorization by the General Assembly.
- d) The Board of Directors submits the proposed timing of dividend payments to the General Assembly for consideration. The dividend is then paid on a date determined by the General Assembly within the legal period stipulated by the relevant article of the Articles of Association and relevant legislation upon the advice of the Board of Directors and the approval of the General Assembly.
- e) The Board of Directors may distribute dividend advances in respect of the relevant year, provided that it has been authorized by the General Assembly and that such distribution complies with capital markets legislation. The General Assembly's authorization of the Board of Directors to distribute dividend advances is only valid for the year of authorization. No decision may be made to distribute any further dividend advances or dividends unless the dividend advances from the previous year have been fully offset.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Human Resources Policy

Our Company's human resources policy is based on the belief that no investment in people goes unrewarded and aims to build a continuously developing, learning, efficient and high-performing team.

Accordingly, within the framework of Article 3.3 of the CMB Corporate Governance Principles, the Company's Board of Directors has adopted the following core tenets with full consensus and actively monitors their implementation:

- Providing equal opportunities to individuals under equivalent conditions;
- Informing employees comprehensively about their personal rights, career development opportunities, and corporate benefits;
- Ensuring a safe working environment and conditions for all employees;
- Preventing discrimination among employees and taking measures to protect employees against mistreatment.

Necati Şahin serves as the Human Resources Representative, responsible for managing employee relations in line with the Company's human resources policy.

No complaints, particularly regarding discrimination, have been received from employees. The Human Resources Department is responsible for listening to employees' concerns, suggestions, and expectations and, where possible, developing appropriate solutions. In addition, the email address ik@iea.com.tr has been established to receive and evaluate employees' comments and suggestions.

The Company's Quality Manual governs all personnel-related processes, including appointments, promotions, career advancement, performance rewards and incentives, and disciplinary actions (such as warnings, reprimands, and termination).

For the period from Jan. 1 to Dec. 31, 2025, the Company delivered a total of 6,599 hours of mandatory professional training to 1,791 employees, averaging 3.69 training hours per employee. These included:

- Mandatory "Onboarding Orientation and Occupational Safety Training" was provided to 122 newly hired and reassigned personnel, totaling 1,708 hours, covering occupational safety and job adaptation.
- A total of 35 hours of professional, technical, and personal development training was provided to six (6) individuals.
- As part of quality training, "Sedex SMETA 4-Pillar Version 7.0 Basic Training" was provided to 260 personnel for 780 hours.
- To raise employee awareness, "Business Ethics Awareness Training" was provided to 260 personnel for 780 hours.
- To raise employee awareness, "Environmental Management Awareness" training was provided to 448 personnel for 448 hours.
- A total of 189 hours of training was provided to 189 personnel as part of quality business process improvement training.
- In accordance with the Regulation on the Procedures and Principles of Occupational Health and Safety Training for Employees, 24 hours of "Fire Safety, Search and Rescue, and Evacuation Training for Emergency Teams" was provided to 24 emergency response personnel.
- In accordance with the Regulation on the Procedures and Principles of Occupational Health and Safety Training for Employees, 283 hours of theoretical training on the "Fire Safety, Search and Rescue, and Evacuation Drill" was provided to 283 personnel.

- In accordance with the Regulation on the Procedures and Principles of Occupational Health and Safety Training for Employees, 195 personnel received 2,340 hours of "General Occupational Health and Safety Awareness Training."
- As part of professional development training, four (4) personnel received 12 hours of "Theoretical and General Information Training on the Use of Stacking Machines."

Remuneration Policy for Board Members and Senior Executives

The remuneration of the members of the Board of Directors complies with the provisions of the Turkish Commercial Code, the Capital Markets Law, and other relevant legislation.

The fees for the Chairman and members of the Board of Directors are determined by the Corporate Governance Committee and enter into effect upon submission to and approval by the General Assembly.

When determining these fees, the time spent by members preparing for and executing their duties before, during, and after meetings is taken into account. Additionally, the board attendance fees paid to members for each meeting are determined by the General Assembly.

If a Board member also holds an executive position, the member is paid additional remuneration for that role, taking into account the Company's financial position and prevailing market conditions. While these criteria also apply to independent members, care is taken to ensure that their remuneration does not compromise their independence.

The objective of the wage policy is to ensure that compensation is aligned with job scope, individual performance, business contribution, knowledge, and skill sets. By maintaining internal equity, external market competitiveness, and a balanced compensation structure, the policy aims to motivate employees, foster corporate loyalty, and attract a high-caliber workforce to achieve the Company's strategic goals.

Code of Ethics and Social Responsibility

The company's Code of Ethics has been publicly disclosed on its website.

Code of Ethics

Our Board of Directors,

recognizes that capital markets are based above all on trust, that ethical principles are therefore essential, and that the rule of law and its protection must be placed at the forefront of those principles.

It is expected that the Board members, the Company's General Manager, the Managing Director Responsible for Financial Affairs and the Accounting and Finance department managers will:

1. make full, fair, accurate, timely and clear disclosures in all reports and documents disclosed to the public or submitted to the capital markets regulatory authorities with which the Company is registered;
2. comply with all laws, regulations and principles applicable to the Company and its relations with its shareholders; and
3. ensure compliance not only with the letter but also with the spirit of these ethical principles, and endeavor to foster a business culture in which compliance with the law and the Company's policies forms the foundation of all the Company's activities.

In addition:

Under the Ethical Principles, persons in a position to obtain inside information concerning financial statements that have not yet been disclosed to the public may not disclose such information to the public.

Board members may not publicly disclose any confidential information and/or trade secrets concerning the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Our employees:

- are honest, trustworthy, and attentive to ethical and moral values, and make no compromises on these values under any circumstances;
- carry out their duties in their respective units or departments in a disciplined, diligent, and selfless manner, with objectivity and in compliance with the principle of confidentiality, and in the interest of the Company;
- perform their duties to the best of their ability in order to increase the Company's profitability and market share;
- always maintain a reasonable and measured manner of speech, conduct, and appearance;
- act respectfully, tactfully, modestly, actively, and positively in all professional interactions, leaving a constructive impression on both internal and external stakeholders;
- rigorously and meticulously comply with laws, professional principles, and relevant statutory legislation;
- evaluate diverse ideas, perspectives, and suggestions with a conciliatory stance to adopt the most effective, robust, and appropriate decisions for the Company;
- refrain from any unlawful activities;
- do not engage in behaviors that compromise justice, integrity, honesty, reliability, and social responsibility;
- collaborate toward shared objectives by communicating respectfully and professionally with colleagues while performing their duties;
- must immediately reject any improper offers of benefit and report such instances to relevant authorities and their superiors;
- are not to accept gifts from current or potential customers and suppliers that fall outside customary commercial practice.
- As a manufacturing entity, our management and employees share the common goal to meet global quality standards, produce energy-efficient and eco-friendly products, deliver ergonomic designs that simplify daily life, and focus on producing quality rather than merely controlling it.

Ensuring Compliance with the Code of Ethics

- Employees must take all necessary measures to prevent any violation of the Code of Ethics.
- Employees must report suspected violations of the Code of Ethics to their managers or the Internal Audit Department Manager.
- The Internal Audit Department, in cooperation with the Legal Department (or Company legal counsel), Accounting and Finance, Human Resources, and other relevant departments, ensures compliance with the Code of Ethics as well as Company policies and procedures.
- The Head of Internal Audit reports directly to the Audit Committee and provides an independent opinion.

Sanctions in Case of Violations of the Code of Ethics

As investigating violations of the Code of Ethics is a sensitive process requiring specialized expertise, the Audit Committee is responsible for its oversight.

- The Head of the Internal Audit Department regularly reports violations and subsequent corrective and preventive actions to the Audit Committee.
- If allegations involving employees constitute a crime, the Internal Audit Department conducts the investigation in coordination with the Legal Department (or Company legal counsel).
- An email address (etik@iea.com.tr) has been established for stakeholders, including shareholders, customers, suppliers, and personnel, to report transactions they believe do not comply with the Company's legal or ethical values. These reports are routed directly to the Audit Committee, and the whistleblower's identity is kept strictly confidential. Following evaluation by the Audit Committee, necessary sanctions are implemented and the applicant is informed of the outcome.

Disciplinary Actions

- The Company will endeavor to determine the most appropriate disciplinary action under the Personnel Regulations, taking into account the nature and characteristics of the violation.
- Generally, a written warning is issued for a first-time, minor infraction.
- More severe violations may result in disciplinary measures such as a formal reprimand or termination of employment.
- Disciplinary actions are not limited to violations of the Code of Ethics; other infractions governed by the Personnel Regulations may also warrant disciplinary measures.

Social Responsibility

The Company strives to improve the quality of life, support economic development, and strictly adhere to laws, environmental regulations, consumer protection, public health regulations, and the Code of Ethics across its operations. The Company does not employ child labor, prevents all forms of forced or compulsory labor and does not discriminate in its recruitment or employment processes.

The Company supports a preventive approach to environmental protection to mitigate potential damage before it occurs.

The Company monitors social initiatives focused on the environment, local communities, and the general public, aiming to support and lead suitable projects.

Waste is segregated at the source in accordance with the Packaging Waste Control Regulation, and packaging waste is transferred to licensed firms for recycling.

The Company has a packaging waste certification agreement with the Economic Enterprise of the Consumer and Environmental Education Foundation (TÜKÇEV) to raise public awareness of environmental responsibility, the reduction of packaging waste at source, the separate collection, recovery and recycling of packaging waste, environmental problems and the development of environmental awareness, and to develop recovery projects and conduct training activities.

No environmental damage occurred during the period. There is no requirement for an Environmental Impact Assessment (EIA) report for the Company.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

SUSTAINABILITY PRINCIPLES COMPLIANCE OUTLINE

With the paragraph added to Articles 1 and 8 of the Communiqué on Corporate Governance (II-17.1), the Capital Markets Board announced that publicly held corporations must include explanations within the “Sustainability Principles Compliance Outline” in their reports of compliance with corporate governance principles to ensure that the basic principles they are expected to explain while carrying out their environmental, social and corporate governance activities are shared with the stakeholders.

Although implementation of the sustainability principles is voluntary, annual reports must disclose, in accordance with the “Comply or Explain” principle, whether these principles have been implemented; if not, the reasons for their non-implementation; and the effects of any failure to comply fully with these principles on environmental and social risk management.

Pursuant to the Capital Markets Board’s Resolution No. 34/977 dated June 23, 2022, and Corporate Governance Communiqué No. II-17.1, the disclosures required of companies whose shares are traded on the Borsa Istanbul Main Market, Star Market and SubMarket under the Sustainability Principles Compliance Framework are prepared in the format specified in the CMB Principle Decision, using the Sustainability Compliance Report template, and published on the PDP.

In this context, companies are required to report annually on their level of compliance with the Sustainability Principles, which are implemented on a voluntary basis, using the Sustainability Compliance Report template. This reporting must be submitted within the deadline for the submission of financial reports and, in any event, at least three (3) weeks before the date of the General Assembly meeting. The inclusion of the said template in annual reports, however, is left to the discretion of the companies.

İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi, aims – in line with the principles set out in the Sustainability Principles Compliance Outline – to revise its existing and ongoing practices and policies and accelerate its efforts.

The Company’s Sustainability Principles Compliance Report is available on the Company’s page on the Public Disclosure Platform and on its website at www.iea.com.tr.



STATEMENT OF RESPONSIBILITY

DATE OF THE BOARD OF DIRECTORS' RESOLUTION ON THE ACCEPTANCE OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT:

MARCH 10, 2026

DECISION NO.: 2026/11

STATEMENT OF RESPONSIBILITY

PURSUANT TO ARTICLE 9 OF SECTION TWO OF THE CAPITAL MARKETS BOARD'S COMMUNIQUÉ NO. II-14.1

In accordance with the CMB Communiqué on the Principles of Financial Reporting in Capital Markets (Serial: II-14.1) and the CMB's decision dated Dec. 28, 2023, No. 81/1820, and pursuant to the provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the application of inflation accounting, İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi has prepared its Consolidated Financial Statements and Annual Report as of Dec. 31, 2025. We hereby declare that;

- we have reviewed these documents;
- Based on the information available to us within the scope of our duties and responsibilities at the Company, the financial statements, the annual report, and the Corporate Governance Compliance Report (CGCR), Corporate Governance Information Form (CGIF), and Sustainability Principles Compliance Report annexed thereto and prepared pursuant to the Capital Markets Board's Resolution No. 2/49 dated Jan. 10, 2019, contain no material misstatement or omission that could render them misleading as of the date on which the relevant disclosure was made; and
- To the best of our knowledge within our areas of duty and responsibility within the entity, the financial statements prepared in accordance with the aforementioned legislation, together with those within the scope of consolidation, give a true and fair view of the entity's assets, liabilities, financial position, and profit and loss; and the annual report gives a true and fair view of the development and performance of the business and of the financial position of the entity, together with those within the scope of consolidation, along with a description of the principal risks and

Prof. Dr. Resul İzmirli, PhD

Chairman of the Audit Committee

Ahmet Olgun

Vice Chairman
and General Manager

Prof. Dr. Hüseyin Hüsnü Gündüz

Member of the Audit Committee

Mahmut Kemal Aydın

Board Member
Managing Director Responsible for
Financial Affairs

BOARD OF DIRECTORS' PROPOSAL ON THE 2025 YEAR-END RESULTS

As of the end of the Company's 2025 reporting period:

The net profit for the period attributable to the parent company, as presented in the consolidated financial statements prepared in accordance with Turkish Financial Reporting Standards (TFRS) under TAS 29 "Financial Reporting in Hyperinflationary Economies," amounts to TRY 26,571,249. In the Company's unconsolidated statutory records kept in accordance with the Tax Procedure Law, the net profit for the period after tax is TRY 229,172,085.

In accordance with relevant regulations, the Articles of Association, and the Company's dividend distribution policy, a proposal will be submitted to the General Assembly to allocate the required legal reserves from this profit, transfer the remaining balance to extraordinary reserves, and consequently, not distribute any dividends for the period.



INDEPENDENT AUDITOR'S REPORT ON THE EARLY RISK DETECTION SYSTEM AND COMMITTEE

To the General Assembly of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi

We have audited the Early Risk Detection System and Committee established by İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (collectively the "Group").

Responsibility of the Board of Directors

Pursuant to the first paragraph of Article 378 of the TCC No. 6102, the Board of Directors is obliged to establish an expert committee and to operate and develop a system for the early identification of causes that threaten the existence, development and continuity of the company, for the implementation of the necessary measures and remedies in that regard, and for risk management.

Responsibility of the Auditor

Our responsibility is to express a conclusion on the Company's early risk detection system and the Early Risk Detection Committee based on our audit. Our audit was carried out in accordance with the TCC, the "Principles on the Auditor's Report on the Early Risk Detection System and Committee" published by the Public Oversight, Accounting and Auditing Standards Authority, and the Code of Ethics. These Principles require us to determine whether the company has established an early risk detection system and committee, and if so, to assess whether the system and committee operate within the framework of Article 378 of the TCC. The appropriateness of the remedies proposed by the Early Risk Detection Committee and the measures implemented by management in response to the identified risks are not within the scope of our audit.

Information on the Early Risk Detection System and Committee

The Group has established an Early Risk Detection System, and an Early Risk Detection Committee that consists of two (2) members. The Committee submitted to the Board of Directors, for the period from Jan. 1 to Dec. 31, 2025, reports prepared for the purpose of early identification of causes threatening the existence and development of the Group, implementation of the necessary measures and remedies, and risk management.

Conclusion

Following our audit, we have concluded that, except for the matter(s) stated in the following paragraph, the Group's early risk detection system and committee are sufficient in all material respects within the framework of Article 378 of the TCC.

Pursuant to Article 378 of the TCC, early risk detection committees are obliged to submit a status assessment report to the board of directors every two (2) months. The Group's early risk detection committee submitted six (6) reports to the Board of Directors in 2025.

Istanbul, March 10, 2026
Kaizen Bağımsız Denetim A.Ş.

Rafet Kalkan
Engagement Partner

İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR
THE REPORTING PERIOD JAN. 1-DEC. 31, 2025



Independent Auditor's Report for the Reporting Period Jan. 1-Dec. 31, 2025

To the General Assembly of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi

Introduction

We have audited the consolidated financial statements of İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of Dec. 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the reporting period then ended, together with notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of Dec. 31, 2025, and its consolidated financial performance and consolidated cash flows for the reporting period then ended, in accordance with Turkish Accounting Standards (TAS).

Basis for Opinion

Our independent audit was conducted in accordance with the Independent Auditing Standards ("BDSS"), which are part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority ("KGK"). Our responsibilities under these Standards are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the KGK and the ethical requirements set out in the legislation governing the independent audit of financial statements. We have also fulfilled our other ethical responsibilities under the Code of Ethics and the applicable legislation. We believe that the audit evidence we have obtained during the independent audit provides an adequate and appropriate basis for our opinion.

Key Audit Matters

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

Key Audit Matters

Impairment of Trade Receivables

As of Dec. 31, 2025, trade receivables amounting to TRY 829,176,507 are recognized in the financial statements.

Under TFRS, the Group is required to assess impairment of its trade receivables. The impairment of trade receivables involves significant estimates by Group management, and the failure of provisions set aside for potential and/or incurred impairment losses on trade receivables to meet the requirements of the applicable accounting principles and standards constitutes a probable risk for the Group. Consequently, the assessment of impairment of trade receivables is a significant matter for our audit.

The Group's disclosures on trade receivables are included in Notes 2 and 10.

How the Matter Was Addressed in the Audit

During our audit, the following audit procedures were applied regarding the impairment of the aforementioned trade receivables:

- Understanding the process related to trade receivables,
- Testing the control process,
- Aging of customer balances,
- Analytical examination of the aging,
- Evaluating key ratios,
- Obtaining information from legal counsel regarding ongoing collection lawsuits,
- Assessing whether the allowances recognized for customers deemed doubtful based on historical collection performance and forward-looking assessments are consistent with the Group's prudence policy,
- Obtaining reconciliation for trade receivables,
- Conducting a physical count of notes receivable held in the portfolio,
- Assessing whether trade receivables selected through sampling have been impaired in accordance with current accounting principles and standards,
- If impairment has occurred, evaluating the accuracy of the provision allocated for the related receivables,
- Reviewing the disclosures in the notes to the financial statements and evaluating the adequacy of the information provided therein in terms of TAS.

As a result of our work, we did not identify any significant findings in the impairment audit of trade receivables.

Key Audit Matters	How the Matter Was Addressed in the Audit
Inventory write-down	
As of Dec. 31, 2025, the financial statements include inventories amounting to TRY 498,039,765.	During our audit, the following audit procedures were performed in relation to the write-down of the aforementioned inventories:
Impairment of the Group's inventories must be assessed under TAS. There is a risk of impairment to inventories due to rapidly changing technology and macroeconomic factors. The calculation of the allowance for inventory write-down involves significant estimates and assumptions made by Group management. The assumptions used in calculating the inventory write-down include the evaluation of slow-moving inventories due to factors such as customer demand, economic conditions, and technological changes, as well as the assessment of allowances recognized for non-moving, damaged, or scrap inventories. Given the materiality of the inventory account balance to the financial statements, this annual impairment assessment is considered a key audit matter for our audit.	• Understanding and evaluating the appropriateness of the accounting policies related to inventory write-down testing, • Implementing procedures to identify non-moving or damaged/scrap inventory in the Group's inventory, • Comparison of key inventory ratios with the previous period, • Evaluating the adequacy of the allowance for inventory write-down and the accuracy of the calculation, • Comparison of the provision allocated with the previous period, • Evaluating the adequacy of the selling prices used in the net realizable value test and the information disclosed in the notes in accordance with TAS requirements; and • Reviewing the disclosures in the notes to the financial statements and evaluating the adequacy of the information provided therein in terms of TAS.
The Group's disclosures regarding its inventories are provided in Notes 2 and 13.	Based on the work performed, we identified no significant findings in our audit of inventory write-downs.

Key Audit Matters	How the Matter Was Addressed in the Audit
Revenue Recognition	During our audit, we performed the following audit procedures with respect to the aforementioned revenue:
As of Dec. 31, 2025, the financial statements include revenues amounting to TRY 3,728,145,032.	• Evaluating whether the accounting policies applied by Group management for revenue recognition comply with TAS and relevant legislation,
The recognition of revenue is a significant matter for our audit due to the monetary size of revenue in the financial statements, the fact that total revenue is generated from various channels such as home appliances, and catering and logistics services, and the nature of the Group's operations, which results in revenue being derived from a large number of transactions.	• Understanding the Group's revenue process, • Evaluating the design and effectiveness of internal controls related to the revenue process, • Obtaining external confirmations, • Evaluating whether revenue from realized transactions, selected by sampling, is accounted for in the appropriate amount and period on a transaction basis,
The Group's disclosures regarding its revenue items are provided in Notes 2, 5, and 28.	• Analytical review, • Reviewing the disclosures in the notes to the financial statements and evaluating the adequacy of the information provided therein in terms of TAS.
	Based on the audit procedures performed, we did not identify any significant findings in relation to the audit of revenue recognition.

Key Audit Matters	How the Matter Was Addressed in the Audit
Application of TAS 29, "Financial Reporting in Hyperinflationary Economies" Disclosures relating to the application of TAS 29 are presented in Note 2. The provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") were applied in the Group's financial statements for the year ended Dec. 31, 2025. TAS 29 requires financial statements to be restated according to the current purchasing power at the end of the reporting period. Therefore, transactions during 2025 and the amounts related to non-monetary items at period-end have been restated to reflect the Consumer Price Index (CPI) as of the Dec. 31, 2025, reporting date. The application of TAS 29 was significant to our audit because it has a pervasive and quantitatively material effect on the financial statements, because of the risk that the data used in applying TAS 29 may not be accurate and complete, and because of the additional audit effort required. The Group's disclosures regarding the application of inflation accounting are provided in Note 2.	During our audit, the following audit procedures were performed in relation to the application of the aforementioned TAS 29, "Financial Reporting in Hyperinflationary Economies": • Obtaining an understanding of and evaluating the process and controls designed and implemented by management in relation to the application of TAS 29; • Assessing whether management's classification of monetary and non-monetary items is in accordance with TAS 29; • Obtaining detailed listings of non-monetary items and testing the related transaction dates and amounts on a sample basis; • Evaluating the calculation methods used by management and assessing whether they have been applied consistently across reporting periods; • Verifying the general price index rates used in the calculations against the coefficients derived from the Consumer Price Index in Türkiye published by the Turkish Statistical Institute (TurkStat); • Testing the mathematical accuracy of the restated non-monetary items, statement of profit or loss, and statement of cash flows; • Evaluating the adequacy, under TAS, of the disclosures in the notes to the financial statements relating to the application of TAS 29. As a result of our work, we did not identify any significant findings in our audit of the application of TAS 29, "Financial Reporting in Hyperinflationary Economies."

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing matters related to going concern when necessary, and applying the going concern basis of accounting unless there is an intention or obligation to liquidate the Group or cease its operations.

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

Independent Auditor's Responsibilities Regarding the Independent Audit of Consolidated Financial Statements

In an independent audit, our responsibilities as independent auditors are as follows:

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an independent auditor's report that includes our opinion. Reasonable assurance obtained from an independent audit conducted in accordance with the Independent Auditing Standards ("BDSs") is a high level of assurance; however, it does not guarantee that a material misstatement, if one exists, will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

We have communicated to those charged with governance that we have complied with the ethical requirements regarding independence. We have also communicated with those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, the related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, namely key audit matters. We may decide not to communicate a matter in our independent auditor's report if legislation precludes public disclosure of the matter or, in extremely rare circumstances, if the adverse consequences of communicating the matter would reasonably be expected to outweigh the public interest benefits of such communication.

Other Legal and Regulatory Responsibilities

The Auditor's Report on the Early Risk Detection System and Committee, prepared pursuant to the fourth paragraph of Article 398 of the TCC No. 6102, was submitted to the Company's Board of Directors on March 10, 2026.

Pursuant to the fourth paragraph of Article 402 of the TCC, no significant matter has come to our attention indicating that the Company's bookkeeping system during the reporting period from Jan. 1 to Dec. 31, 2025, was not in compliance with the TCC and the financial reporting provisions of the Company's articles of association.

Pursuant to the fourth paragraph of Article 402 of the TCC, the Board of Directors has provided us with the explanations and documents requested in connection with the audit.

The engagement partner who conducted and concluded this independent audit is Rafet Kalkan.

Istanbul, March 10, 2026

Kaizen Bağımsız Denetim A.Ş.

**Rafet Kalkan, Sworn Financial Advisor
Engagement Partner**



İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

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İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Financial Position as of Dec. 31, 2025, and Dec. 31, 2024

(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

		Independent Audit	Independent Audit
	Notes	Dec. 31, 2025	Dec. 31, 2024
ASSETS			
Current Assets		1,442,532,608	1,451,126,214
Cash and Cash Equivalents	6	28,788,422	94,451,441
Financial Investments	7	1,974,900	1,033,723
Trade Receivables			
Trade Receivables from Related Parties	10-37	338,924,183	349,334,840
Trade Receivables From Third Parties	10	490,252,324	457,194,982
Other Receivables			
Other Receivables from Related Parties	11-37	5,554,182	38,304,572
Other Receivables from Third Parties	11	9,565,674	5,866,637
Inventories	13	498,039,765	416,795,114
Prepaid Expenses	24	36,728,634	29,392,267
Current Tax Assets	25	6,882,780	12,551,003
Other Current Assets	26	25,821,744	46,201,635
Non-Current Assets		1,331,117,227	1,338,775,101
Other Receivables	11	207,968	178,273
Investments Accounted for Using the Equity Method	16	67,095,001	42,114,204
Right-of-Use Assets	18	207,723,472	216,490,367
Investment Properties	17	592,070,000	673,859,885
Property, Plant, and Equipment	18	195,431,514	118,541,868
Intangible Assets	19	160,888,460	109,865,691
Prepaid Expenses	24	6,935,087	4,493,864
Deferred Tax Asset	35	100,765,725	173,230,949
Other Non-Current Assets		-	-
Total Assets		2,773,649,835	2,789,901,315

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Financial Position as of Dec. 31, 2025, and Dec. 31, 2024

(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

		Independent Audit	Independent Audit
	Notes	Dec. 31, 2025	Dec. 31, 2024
EQUITY AND LIABILITIES			
Current Liabilities		337,796,730	307,952,575
Short-Term Borrowings	8	8,330,482	25,379,575
Current Portions of Long-Term Borrowings	8	48,604,708	-
Trade Payables			
Trade Payables to Related Parties	10-37	4,787,207	11,704,815
Trade Payables to Third Parties	10	160,636,117	161,466,258
Employee Benefits Payable	22	31,203,608	26,491,792
Other Payables			
Other Payables to Related Parties	11-37	20,150,667	-
Other Payables to Third Parties	11	73,092	120,348
Deferred Income	24	22,882,926	38,648,818
Current Income Tax Liability	35	2,166,744	1,532,027
for Employee Benefits			
Short-Term Provisions for Employee Benefits	22	3,973,480	2,509,828
Other Short-Term Provisions	21	9,040,402	13,798,387
Other Current Liabilities	26	25,947,297	26,300,727
Non-Current Liabilities		390,891,019	472,920,021
Long-Term Borrowings	8	163,946,909	91,509,669
for Employee Benefits			
Long-Term Provisions for Employee Benefits	22	36,390,194	18,653,161
Other Long-Term Provisions	21	19,182,028	31,861,501
Deferred Tax Liability	35	171,371,888	330,895,690
Other Non-Current Liabilities		-	-

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Financial Position as of Dec. 31, 2025, and Dec. 31, 2024

(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

		Independent Audit Dec. 31, 2025	Independent Audit Dec. 31, 2024
Equity	Notes	2,044,962,086	2,009,028,719
Equity Attributable to Owners of the Parent		2,036,253,757	2,003,282,234
Paid-in Capital	27	350,500,000	350,500,000
Adjustments to Share Capital	27	1,442,369,110	5,510,142,574
Treasury Shares	27	-	(31,004,307)
Share Premiums/(Discounts)	27	36,057,817	150,871,407
Accumulated other comprehensive income (loss) not to be reclassified subsequently to profit or loss			
Remeasurement gains/(losses) on defined benefit plans	27	(1,792,669)	8,337,142
Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method that Will Not Be Reclassified to Profit or Loss	27	(1,261,085)	(953,051)
Accumulated other comprehensive income (loss) that will be reclassified subsequently to profit or loss		-	-
Restricted Reserves Appropriated from Profit	27	56,275,011	88,725,299
Retained earnings/(accumulated losses)		127,534,324	(4,148,245,489)
Net Profit/(Loss) for the Period	36	26,571,249	74,908,659
Non-Controlling Interests		8,708,329	5,746,485
Total Equity and Liabilities		2,773,649,835	2,789,901,315

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Profit or Loss for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024

(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

		Independent Audit Jan. 1- Dec. 31, 2025	Independent Audit Jan. 1- Dec. 31, 2024
	Notes	3,728,145,032	3,769,675,177
Revenue	28	3,728,145,032	3,769,675,177
Cost of Sales (-)	28	(3,197,992,851)	(3,256,220,708)
Gross Profit/(Loss)		530,152,181	513,454,469
General Administrative Expenses (-)	29	(185,218,779)	(127,993,468)
Marketing, Sales, and Distribution Expenses (-)	29	(117,344,261)	(105,715,738)
Research and Development Expenses (-)	29	(17,820,785)	(55,771,135)
Other Operating Income	30	61,831,104	84,787,799
Other Operating Expenses (-)	30	(62,421,724)	(49,125,461)
Operating Profit/(Loss)		209,177,736	259,636,466
Income From Investing Activities	31	6,116,751	208,894,160
Expenses from Investing Activities (-)	31	(82,261,061)	(120,149,083)
Share of Profit/(Loss) of Investments Accounted for Using the Equity Method	16	25,288,830	(23,854,890)
Operating Profit/(Loss) Before Finance Costs		158,322,256	324,526,653
Finance Income	33	16,041,300	17,023,168
Finance Costs (-)	32	(49,087,775)	(19,256,748)
Net Monetary Position Gain/(Loss)	14	(138,982,529)	(206,259,435)
Profit/(Loss) Before Tax from Continuing Operations		(13,706,748)	116,033,638
Tax Income/(Expense) from Continuing Operations		43,262,426	(39,097,892)
Current Tax Expense/(Income)	35	(40,412,023)	(6,603,164)
Deferred Tax Expense/(Income)	35	83,674,449	(32,494,728)
Profit/(Loss) for the Period from Continuing Operations	36	29,555,678	76,935,746
Discontinued Operations		-	-
Profit/(Loss) for the Period	36	29,555,678	76,935,746
Profit/(Loss) for the Period Attributable to:			
Owners of the Parent		26,571,249	74,908,659
Non-Controlling Interests		2,984,429	2,027,087
Earnings/(Loss) per Share	36	0.0843	0.2195
Earnings per Share from Continuing Operations	36	0.0843	0.2195

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Other Comprehensive Income for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are presented in Turkish lira ("TRY"), expressed in terms of the purchasing power as of Dec. 31, 2025.)

	Notes	Independent Audit Jan. 1- Dec. 31, 2025	Independent Audit Jan. 1- Dec. 31, 2024
Profit/(Loss) for the Period	36	29,555,678	76,935,746
Other Comprehensive Income (After Tax)		(10,460,430)	(6,754,747)
Items That Will Not Be Reclassified Subsequently to Profit or Loss		(10,460,430)	(6,754,747)
Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method that Will Not Be Reclassified to Profit or Loss		(308,034)	(114,238)
Remeasurement Gains/(Losses) on Defined Benefit Plans		(13,536,525)	(8,854,013)
Income Tax on Other Comprehensive Income Items That Will Not Be Reclassified Subsequently to Profit or Loss			
Deferred Tax Expense/(Income)	35	3,384,129	2,213,504
Items that will be reclassified subsequently to profit or loss		-	-
Share of Other Comprehensive Income of Investments Accounted for Using the Equity Method that Will Be Reclassified to Profit or Loss		-	-
Total Comprehensive Income		19,095,248	70,180,999
Total Comprehensive Income Attributable to:		19,095,248	70,180,999
Owners of the Parent		16,133,404	68,153,912
Non-Controlling Interests		2,961,844	2,027,087

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Changes in Equity for the Reporting Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

	Accumulated Other Comprehensive Income (Loss) Not to be Reclassified Subsequently to Profit or Loss	Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss	Restricted Reserves Appropriated from Profit	Share Premiums/ Discounts	Treasury Shares	Adjustments to Share Capital	Note	Paid-in Capital	Share Capital	Transfers	Share Premiums/ Discounts	Treasury Shares	Adjustments to Share Capital	Share Capital	Accumulated Profits	Equity
Jan. 1, 2025	350,500,000	5,510,142,574	(31,004,307)	150,871,407	88,725,299	(953,051)	8,337,142	(4,148,245,489)	74,908,659	(74,908,659)	-	-	-	-	74,908,659	2,009,028,719
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) due to repurchase of own shares	-	-	31,004,307	-	-	-	-	-	-	-	-	-	-	-	16,838,119	-
Increase/(decrease) due to share- based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) due to other changes (*)	-	(4,067,773,464)	-	(114,813,590)	(32,450,288)	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	36	-	-	-	-	(308,034)	(10,129,811)	-	26,571,249	16,133,404	2,961,844	19,095,248	-	-	-	-
Dec. 31, 2025	350,500,000	1,442,369,110	-	36,057,817	56,275,011	(1,261,085)	(1,792,669)	127,534,324	26,571,249	2,036,253,757	8,708,329	2,044,962,086	-	-	-	-
Jan. 1, 2024	350,500,000	5,510,142,574	(30,181,979)	150,871,407	88,297,245	(838,814)	14,608,732	(3,749,023,698)	(396,837,502)	396,837,502	-	-	-	-	1,937,537,965	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) due to repur- chase of own shares	-	-	(822,328)	-	-	-	-	-	-	-	-	-	-	-	(822,328)	2,897,070
Increase/(decrease) due to share- based payment transactions	-	-	-	-	428,054	-	368,918	(1,901,273)	-	-	-	-	-	-	(1,104,301)	-
Increase/(decrease) due to other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(483,016)	-
Total Comprehensive Income	36	-	-	-	-	(114,237)	(6,640,508)	-	74,908,659	68,153,914	2,027,087	70,181,001	-	-	-	-
Dec. 31, 2024	350,500,000	5,510,142,574	(31,004,307)	150,871,407	88,725,299	(953,051)	8,337,142	(4,148,245,489)	74,908,659	2,003,282,234	5,746,485	2,009,028,719	-	-	-	-

(*) Pursuant to the General Assembly resolution dated June 3, 2025, it was resolved that the indexed amounts of prior-year losses arising from the initial inflation adjustment may, subject to compliance with other relevant regulations, be offset against the following items, if any, in the order listed: profit for the period, undistributed prior-year profits, extraordinary reserves, legal reserves including share premiums, and the amounts arising from the inflation adjustments to those items. In this context, the indexed differences arising from the initial inflation restatement were offset against retained earnings/(accumulated losses).

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

	Notes	Independent Audit Jan. 1- Dec. 31, 2025	Independent Audit Jan. 1- Dec. 31, 2024
Cash Flows from Operating Activities			
Profit/(Loss) for the Period	36	29,555,678	76,935,746
Adjustments to reconcile net profit/(loss) for the period			
Adjustments for depreciation and amortization expenses	28-29	102,263,254	117,383,009
Adjustments for impairment losses/(reversals) on receivables	10	45,544,988	19,900,105
Adjustments for impairment losses/(reversals) of other financial assets		-	(26,715,562)
Adjustments for inventory write-downs/(reversals)	13	3,416,820	(17,801)
Adjustments for employee benefit provisions/(reversals)	22	10,899,481	18,225,850
Adjustments for litigation and/or penalty provisions/(reversals)	21	(26,680,709)	(33,079,015)
Adjustments for warranty provisions/(reversals)	21	9,243,251	19,681,750
Adjustments for interest income	33	(15,872,077)	(15,880,928)
Adjustments for interest expense	32	47,935,892	18,094,325
Adjustments for fair value losses/(gains) on investment properties	17	81,789,885	(110,597,133)
Adjustments for undistributed profits of associates	16	(25,288,830)	23,854,890
Adjustments for tax expense/(income)	35	(43,262,426)	39,097,892
Adjustments for losses/(gains) on disposal of non-current assets	31	(5,528,557)	(4,821,660)
Other adjustments to reconcile profit/(loss) (including adjustments for gains/losses) on the net monetary position		(18,706,427)	46,242,875
Changes in working capital			
Adjustments for increase/(decrease) in trade receivables from third parties	10-37	(78,602,330)	88,137,228
Adjustments for increase/(decrease) in trade receivables from related parties		10,410,657	(40,338,390)
Adjustments for increase/(decrease) in other receivables from third parties	11	(3,728,732)	5,861,246
Adjustments for increase/(decrease) in other receivables from related parties		32,750,390	(38,304,572)
Adjustments for increase/(decrease) in inventories		(84,661,471)	50,012,710
Adjustments for increase/(decrease) in prepaid expenses		(9,777,590)	1,461,652
Adjustments for increase/(decrease) in trade payables from third parties	10	(830,141)	(31,889,018)
Adjustments for increase/(decrease) in trade payables from related parties	10-37	(6,917,608)	(10,695,203)
Adjustments for increase/(decrease) in employee benefits payable	22	4,711,816	(26,701,047)
Increase/(decrease) in other operating payables to third parties	11	(47,256)	13,090
Increase/(decrease) in other operating payables to related parties		20,150,667	(2,099,371)
Adjustments for increase/(decrease) in deferred income	24	(15,765,892)	(7,169,867)
Adjustments for decrease/(increase) in other operating assets		26,048,114	(45,284,094)
Adjustments for increase/(decrease) in other operating liabilities		(353,430)	7,323,094
Tax rebates (payments)	35	(39,777,306)	(9,865,981)
Payments related to employee benefit provisions	22	(7,893,189)	(13,502,365)
Net cash flows from/(used in) operating activities (A)		41,026,922	115,263,455

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

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(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

	Notes	Independent Audit Jan. 1- Dec. 31, 2025	Independent Audit Jan. 1- Dec. 31, 2024
Cash flows from investing activities			
Cash outflows from purchases of property, plant, and equipment	18	(106,839,860)	(32,403,437)
Cash outflows from purchases of intangible assets	19	(69,629,037)	(53,894,534)
Cash inflows from sales of property, plant, and equipment		5,528,557	5,057,795
Cash outflows from the purchase of equity or debt instruments of other businesses or funds		-	(692,045)
Net cash flows from/(used in) investing activities (B)		(170,940,340)	(81,932,221)
Cash Flows from Financing Activities			
Interest received		15,872,077	15,880,928
Interest paid		(2,890,979)	(139,475)
Cash inflows from the sale of treasury shares		16,838,119	(796,095)
Cash outflows from payments of lease liabilities		(45,943,655)	(36,322,195)
Cash inflows from borrowings	8	91,452,787	603,194
Net cash flows from/(used in) financing activities (C)		75,328,349	(20,773,643)
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)		(54,585,069)	12,557,591
Cash and cash equivalents at the beginning of the period (E)	6	94,451,441	112,648,214
Effect of inflation on cash and cash equivalents		(11,077,950)	(30,754,364)
Cash and cash equivalents at the end of the period (F=D+E)	6	28,788,422	94,451,441

The accompanying notes are an integral part of the consolidated financial statements.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

Note 1 – Organization and Nature of Activities of the Group

İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi (the “Company”), located at Merkez Mahallesi, 29 Ekim Caddesi, İhlas Plaza, No: 11 B/21, Yenibosna – Bahçelievler, İstanbul, is registered as a taxpayer with the Marmara Corporate Tax Office under registration number 4700073778. The Company is engaged in the manufacture of home appliances at its premises located at Beylikdüzü OSB Mahallesi, Mermerciler Sanayi Sitesi, 7. Cadde, No: 14, Beylikdüzü, İstanbul.

The Company carries out its manufacturing within a total enclosed area of 14,300 square meters across seven production units, comprising an administrative unit, a cleaning robot factory, a water purification factory, a water heater factory, a carpet cleaning machine factory, an injection molding production facility, a carbon filling facility, and filter production facilities.

The Company is registered with the Istanbul Chamber of Commerce under registration number 135455 and with the Istanbul Chamber of Industry under registration number 54867. Issued by the Istanbul Chamber of Industry, the Company's capacity report, dated June 20, 2024, and numbered 2024/3207, is valid until June 27, 2026.

As of Dec. 31, 2025, the Group had 489 employees (2024: 414).

The Company's shareholding structure is as follows:

Name	Dec. 31, 2025		Dec. 31, 2024	
	Shareholding Ratio %	Share Amount	Shareholding Ratio %	Share Amount
İhlas Pazarlama A.Ş.	0.02	84,651	0.02	84,651
İhlas Holding A.Ş.	27.26	95,551,299	25.12	88,046,773
Ahmet Mücahid Ören	0.46	1,597,228	0.46	1,597,228
Publicly Traded	72.26	253,266,822	72.26	253,266,822
İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi	-	-	2.14	7,504,526
	100.00	350,500,000	100.00	350,500,000
Adjustments to Share Capital		1,442,369,110		5,510,142,574
		1,792,869,110		5,810,642,574

The indirect shareholding structure of the Company is presented below:

Name	Dec. 31, 2025		Dec. 31, 2024	
	Shareholding Ratio %	Share Amount	Shareholding Ratio %	Share Amount
Publicly Traded	95.19	333,626,877	95.43	334,482,530
Ahmet Mücahid Ören	3.98	13,935,350	3.78	13,250,994
Other	0.83	2,937,773	0.79	2,766,476
	100.00	350,500,000	100.00	350,500,000

The breakdown of the Company's privileged shares (Class A shares) as of the reporting date is as follows:

Shareholder's Name/Title	Series	Group	B/R	Number of Shares	Amount
İhlas Pazarlama A.Ş.	I	A	Bearer	8,465,100	84,651
İhlas Holding A.Ş.	I	A	Bearer	1,678,900	16,789

If the Company's General Assembly determines that the Board of Directors consists of five (5) members, it should select three (3) of the board members from the candidates nominated by Class A shareholders. Similarly, it should select four (4) board members from Class A nominees if the Board of Directors consists of seven (7) members, five (5) if it consists of nine (9) members, and six (6) if it consists of eleven (11) members. If the amendment of the Articles of Association violates the rights of privileged shareholders, then the General Assembly decision needs to be approved by the board of privileged shareholders.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

Subsidiaries Included in Consolidation (Based on Effective Rate)

Şıfa Yemek ve Gıda Üretim Tesisleri Ticaret A.Ş.: Food production and marketing.

KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş: Domestic and international transportation, employee transportation services, and warehouse and bonded warehouse operations.

Associate under the equity method:

İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş. (İhlas Gayrimenkul): Engages in operations within the mining, construction, marketing, and energy sectors.

Note 2 – Basis of Presentation of Financial Statements

A. Basis of Presentation

Statement of Compliance with Applied Accounting Standards and TAS

The Group maintains its accounting records and statutory financial statements in Turkish lira (TRY) in accordance with the commercial legislation, financial legislation, and the Uniform Chart of Accounts published by the Ministry of Finance, which are effective in Türkiye. The financial statements are based on the Group's statutory records and have been subjected to adjustments and reclassification changes to comply with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("KGGK") and related addenda and interpretations.

The Company has presented its financial statements and notes in accordance with the formats prescribed by the CMB and has included the required disclosures.

Approval of financial statements

The financial statements dated Dec. 31, 2025, were approved by the Board of Directors on March 10, 2026. The General Assembly only reserves the right to amend the financial statements once they are approved by the Board of Directors.

Related Parties

Turkish Accounting Standard 24 (TAS 24), Related Party Disclosures, defines entities that can directly or indirectly control or exercise significant influence over another party through shareholdings, contractual rights, family relationships or similar means as related parties. Related parties also include shareholders and Group management. Related party transactions involve the transfer of resources and obligations between related parties, whether or not consideration is exchanged.

For the purposes of these financial statements, the Group's shareholders and Group companies with an indirect capital relationship with the Group, members of the board of directors, senior management, and other key management personnel are defined as “related parties.” Key management personnel comprise individuals who have direct or indirect authority and responsibility for planning, directing, and controlling the activities of the Group, including any director (whether executive or otherwise) of the Group.

Transactions with related parties in the ordinary course of business were generally carried out at prices consistent with market conditions. The Group's balances with and transactions with companies with which it has direct or indirect relationships are presented in Note 37.

Consolidation Principles Applied

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

These consolidated financial statements comprise the financial statements of the parent company, İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi, and its subsidiaries for the year ended Dec. 31, 2025.

Subsidiaries

In the Group's consolidated financial statements, companies that the Company has the authority and power to control are treated as subsidiaries. The Company is considered to control an investee when, through shares owned directly and/or indirectly, it has the authority to exercise more than 50% of the voting rights; or when, although it does not have the authority to exercise more than 50% of the voting rights, it has the power to control the investee by virtue of the shareholding structure and/or is exposed, or has rights, to variable returns through its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Subsidiaries are consolidated using the full consolidation method, offsetting the carrying value of the parent's investment against the respective equity of the subsidiary. The portions of subsidiaries' equity and net profit for the period attributable to non-controlling interests are presented as non-controlling interests in the consolidated statement of financial position (balance sheet) and the consolidated statement of comprehensive income, respectively.

The Group considers the purchase and sale transactions of shares of subsidiaries it currently controls, carried out with non-controlling interests, as an application of the parent entity expansion method. Accordingly, for additional share purchases from or sales to non-controlling interests, any difference between the consideration paid or received and the carrying amount of the net assets proportionate to the acquired or disposed share of the subsidiary is recognized directly in equity. In other words, changes in a parent company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

All intercompany balances and transactions, including unrealized intercompany profits, gains, and losses, have been eliminated in full. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in ownership interest in a subsidiary without a loss of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. These transactions are between shareholders. The difference between the carrying value of the acquired net assets of the subsidiary and the fair value of the consideration paid is recognized directly in equity. Similarly, any gain or loss resulting from the sale of non-controlling interests is also presented under equity.

Disposal of subsidiaries

When the Group loses control of a subsidiary, the Group's interest in the subsidiary is measured at fair value as of the date control is lost, and the difference between its fair value and carrying amount is recognized as profit or loss in the statement of comprehensive income.

The fair value represents the initial cost for the subsequent accounting of interests held in associates, joint ventures, and financial assets. In addition, amounts previously recognized in other comprehensive income in relation to that entity are accounted for as if the related assets or liabilities had been disposed of by the Group.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

Associates

If 20% to 50% of the voting rights of the investee are held, directly or indirectly, significant influence is presumed to exist unless it can be clearly demonstrated otherwise, and the investee is considered an associate.

The equity method is applied in accounting for investments in associates. Under the equity method, an investment in an associate is initially recognized at cost. After the acquisition date, the carrying amount of the investment is increased or decreased to reflect the investor's share of the investee's profit or loss in the financial statements. The investor's share of the investee's profit or loss is recognized as the investor's own profit or loss. Additionally, goodwill related to the associate is included in the carrying amount of the investment in the associate.

The table below presents the ownership percentages in subsidiaries included in consolidation and associates accounted for using the equity method as of the reporting date:

Subsidiaries included in consolidation

	Effective Share %
Şifa Yemek ve Gıda Üretim Tesisleri Ticaret A.Ş. (Şifa)	100.00
KPT Lojistik Taşımacılık Tur. Rek. Paz. İç ve Dış Tic. A.Ş. (KPT)	93.46

Associates accounted for using the equity method

	Effective Share %
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş. (*)	3.87

(*) These entities are considered associates due to representation on the board of directors or equivalent governing body of the investee and the execution of significant transactions between the investor and the investee.

Subsidiaries not included in consolidation and other financial investments (based on effective rate)

Company Name	Share %
İhlas Motor A.Ş. (İhlas Motor)	11.69%

B. Changes in Accounting Policies

Users of financial statements should be able to compare an entity's financial statements over time in order to identify trends in its financial position, financial performance, and cash flows. Accordingly, the same accounting policies are applied in each interim reporting period and each annual reporting period.

The following do not constitute changes in accounting policies:

- The application of an accounting policy to transactions or events that differ in substance from those previously occurring,
- The application of a new accounting policy to transactions or events that did not occur previously or were not material.

The Group applies the same accounting policies consistently across periods in accordance with the consistency principle.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

New and Amended Standards and Interpretations

New standards, amendments to existing standards, and interpretations effective from Jan. 1, 2025

TAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

Effective for annual reporting periods beginning on or after Jan. 1, 2024. The amendment clarifies that the classification of liabilities as current or non-current is based on the rights that exist at the end of the reporting period. The amendment is not expected to have any impact on the Group's financial position or performance.

TFRS 16 Leases – Amendments to Sale and Leaseback Transactions

Effective for annual reporting periods beginning on or after Jan. 1, 2024. These amendments clarify how a sale and leaseback transaction within the scope of TFRS 16 is accounted for after the transaction date. The amendment is not expected to have any impact on the Group's financial position or performance.

TAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

Effective for annual reporting periods beginning on or after Jan. 1, 2024. The amendments to TAS 1 clarify how conditions that an entity must meet within twelve (12) months after the reporting period affect the classification of a liability. The amendment is not expected to have any impact on the Group's financial position or performance.

TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

Effective for annual reporting periods beginning on or after Jan. 1, 2024. The amendments to TAS 7 and TFRS 7 supplement the existing disclosure requirements by requiring entities to provide qualitative and quantitative information about supplier finance arrangements. The amendment is not expected to have any impact on the Group's financial position or performance.

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more consistent approach to the measurement and presentation of all insurance contracts. These requirements are designed to achieve consistent, principles-based accounting for insurance contracts. TFRS 17 replaced TFRS 4 Insurance Contracts as of Jan. 1, 2025. It is not expected to have any impact on the Group's financial position or performance.

TSRS 1 General Requirements for Disclosure of Sustainability-Related Financial Information

TSRS 1 sets out the general requirements for sustainability-related financial disclosures to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. For annual reporting periods beginning on or after Jan. 1, 2024, application of this Standard is mandatory for entities that meet the relevant criteria set out in the KGK announcement dated Jan. 5, 2024, No. 2024-5, and the Board Decision dated Dec. 16, 2024, amending that announcement. Other entities may report in accordance with TSRS standards on a voluntary basis. The amendment is not expected to have any impact on the Group's financial position or performance.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

TSRS 2 Climate-Related Disclosures

TSRS 2 sets out the requirements for the identification, measurement, and disclosure of climate-related risks and opportunities that are useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. For annual reporting periods beginning on or after Jan. 1, 2024, application of this Standard is mandatory for entities that meet the relevant criteria set out in the KGK announcement dated Jan. 5, 2024, No. 2024-5, and the Board Decision dated Dec. 16, 2024, amending that announcement. Other entities may report in accordance with TSRS standards on a voluntary basis.

Standards Issued but Not Yet Effective and Not Early Adopted

New standards, interpretations, and amendments that had been issued as of the date on which the financial statements were authorized for issue but were not yet effective for the current reporting period and had not been early adopted by the Group are as follows: Unless otherwise stated, the Group will make the necessary changes to its financial statements and notes once the new standards and interpretations become effective.

New and amended standards and interpretations issued by the International Accounting Standards Board (IASB) but not yet issued by the KGK:

The new standards, interpretations, and amendments to existing IFRS standards listed below have been issued by the IASB but are not yet effective for the current reporting period. These new standards, interpretations, and amendments have not yet been adopted or issued by the KGK and therefore do not form part of TFRS. The Group will make the necessary changes to its financial statements and the accompanying notes once these standards and interpretations become effective under TFRS.

TAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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

The potential effects of the aforementioned standard, amendments, and improvements on the financial position and performance of the Group are being evaluated.

İHLAS EV ALETLERİ İMALAT SAN. VE TİC. A.Ş.

Consolidated Statements of Cash Flows for the Periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024
(Unless otherwise stated, amounts are expressed in Turkish lira ("TRY") in terms of the purchasing power at Dec. 31, 2025.)

Disclosure on Financial Reporting in Hyperinflationary Economies and the Functional Currency

In accordance with the announcement by the KGK dated Nov. 23, 2023, inflation accounting has been applied to the consolidated financial statements pursuant to the provisions of Turkish Accounting Standard 29 ("TAS 29") – Financial Reporting in Hyperinflationary Economies.

The Group presented its consolidated financial statements as of Dec. 31, 2025, and Dec. 31, 2024, based on the purchasing power at the reporting date, as required by TAS 29. Differences arising from inflation adjustments and restatements have been reported in the "Net Monetary Position Gain/(Loss)" account. The Group's policies regarding these adjustments are set out below:

- No adjustments were made to monetary items in the financial statements as of Dec. 31, 2025; non-monetary items were adjusted to reflect their purchasing power at the reporting date, based on their transaction (or registration) dates.
- Calculations relating to non-monetary assets carried at net realizable or recoverable value in the financial statements as of Dec. 31, 2025, have been recalculated on the basis of adjusted values.
- Prior-period financial statements were restated to reflect the purchasing power at Dec. 31, 2025.
- All income and expense items in the statement of profit or loss, other than those recalculated (e.g., based on recoverable amounts), were adjusted using their respective transaction dates.
- All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

The financial statements and accompanying notes were restated using the Consumer Price Index (CPI) published monthly by TurkStat, in line with the KGK announcement dated Jan. 20, 2022. As of Dec. 31, 2025, the indices and restatement coefficients used in the restatement of the financial statements are as follows:

Date	Cumulative Index	Adjustment Coefficient	3-Year Compound Inflation Rate
Dec. 31, 2025	3,513.87	1.00000	211%
Dec. 31, 2024	2,684.55	1.30892	291%
Dec. 31, 2023	1,859.38	1.88981	268%

The accompanying financial statements, including the financial statements as of Dec. 31, 2025, and the prior-period financial data presented for comparative purposes, have been prepared in Turkish lira (TRY). Prior-period figures have been restated using the general price index to ensure that the comparative financial statements are expressed in terms of the measuring unit current at the end of the reporting period.

In accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates," the Group records foreign currency transactions in its functional currency at the amount determined by applying the spot exchange rate between the foreign currency and the functional currency on the transaction date.

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As of Dec. 31, 2025, and Dec. 31, 2024, the closing exchange rates of foreign currencies published by the Central Bank of the Republic of Türkiye (CBRT) are as follows:

Currency	Foreign Exchange Rates (TRY/Foreign Currency Unit)	
	Dec. 31, 2025	Dec. 31, 2024
USD	42.8623	35.2233
EUR	50.4532	36.7429

Comparative Information and Restatement of Prior Period Financial Statements

To enable the identification of financial position and performance trends, the Group's financial statements are prepared on a comparative basis with the prior period. To ensure comparability when the presentation or classification of items in the financial statements changes, the prior period financial statements are reclassified accordingly.

Going Concern

The Group prepared its consolidated financial statements based on the going concern principle.

Offsetting

Assets and liabilities, and income and expenses, are not offset unless required or permitted by a Standard or Interpretation. Assets and liabilities are presented on a net basis when there is a legally enforceable right to offset, an intention to settle on a net basis, or an intention to realize the assets and settle the liabilities simultaneously. Presenting assets net of valuation allowances, such as the allowance for inventory write-down and the allowance for doubtful receivables, does not constitute offsetting.

C. Changes in Accounting Policies and Accounting Estimates, and Errors

Changes in accounting policies resulting from the initial application of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. Amendments that do not include any transitional provisions, material voluntary changes in accounting policies, or identified accounting errors are applied retrospectively, and the prior-period financial statements are restated. Changes in accounting estimates are applied in the current period if they relate only to that period and, if they relate to future periods, in the period in which the change is made and prospectively.

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D. Summary of Significant Accounting Policies

The preparation of the financial statements in accordance with TAS/IFRS requires the use of certain significant accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Disclosures regarding areas requiring a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements, are provided in Note 2.E.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other highly liquid short-term investments with maturities of three (3) months or less from the date of acquisition, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Trade Receivables

Trade receivables (notes receivable and accounts receivable) are amounts due from customers arising from the sale of goods or the rendering of services. In accordance with TFRS 15 "Revenue from Contracts with Customers," trade receivables that do not contain a significant financing component are measured at the transaction price upon initial recognition.

Trade receivables arising from sales with a significant financing component are measured at amortized cost using the effective interest method. Due to the absence of cash values for its receivables and payables in accordance with commercial practices and the non-application of maturity differences to sales, the Group utilized peer interest rates as the effective interest rate for its receivables where maturity differences are material. The difference between the nominal amount and the amortized cost of trade receivables that contain a significant financing component is recognized as "Finance Income/(Expense) From Deferred Payment terms" in accordance with TFRS 9 "Financial Instruments."

The Group utilizes its historical credit loss experiences regarding these financial assets to estimate the expected credit losses on its trade receivables. The loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. When a trade receivable is deemed uncollectible, it is written off against the loss allowance. Changes in the loss allowance are recognized in the statement of profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The unit cost of inventories is determined using the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Replacement costs for raw materials and supplies are used as the best measure reflecting their net realizable value.

The cost of inventories is written down to net realizable value on an item-by-item basis. This write-down is recognized by establishing allowances for inventory write-downs. Accordingly, if the cost of inventories exceeds their net realizable value, an allowance for write-down is recognized to reduce the carrying amount of the inventories to their net realizable value; otherwise, no adjustment is made.

If inventories are acquired under deferred payment terms, the difference between the cash purchase price and the price paid is recognized as interest expense during the financing period, provided that it contains a significant financing component.

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Investment Properties

Investment properties are properties (land or a building, or part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation, or both.

Investment property is initially measured at cost. Transaction costs are also included in this initial measurement. However, investment properties acquired under finance leases are recognized at the lower of their fair values and the present values of the minimum lease payments.

Subsequent to initial recognition, investment properties are measured choosing either the fair value model or the cost model. The Group has elected to use the fair value model for the measurement of its investment properties.

The fair value of an investment property is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where no market exists for investment property, fair value is determined based on the best estimate. Accordingly, fair value may change depending on changes in estimates and market conditions. In determining fair value, factors such as asset-specific risks, market conditions, and physical deterioration are taken into account based on expert opinion. Accordingly, based on its assessments of whether any impairment or appreciation has occurred regarding its investment properties, the Group has recognized the fair value gains or losses for the current period under "income from investing activities" in the statement of comprehensive income.

Gains or losses arising from changes in the fair value of investment property are recognized in profit or loss in the period in which they arise and accounted for under "Income/(Expense) from Investing Activities."

Land and buildings are separable assets, even when acquired together, and are accounted for separately.

Property, Plant, and Equipment, and Intangible Assets

An item of property, plant, and equipment or an intangible asset that qualifies for recognition as an asset is measured at cost on initial recognition. In subsequent periods, they are measured using either the cost model or the revaluation model.

The initial cost of property, plant, and equipment comprises its purchase price, including customs duties, non-refundable purchase taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Under the cost model, property, plant, and equipment and intangible assets are presented at cost less accumulated depreciation or amortization and accumulated impairment losses, if any. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Revaluation surpluses are recognized in equity under the revaluation surplus fund, while revaluation decreases are offset against previously recognized revaluation surpluses, if any, or expensed under the "Expenses from Investing Activities (-)" line item. When the Company revalues an item of property, plant, and equipment, it adjusts the accumulated depreciation at the date of the revaluation proportionately with the change in the gross carrying amount of the asset. This ensures that the carrying amount of the asset after revaluation equals its revalued amount.

In transfers made by the Group from its inventories to property, plant, and equipment for use in its operating activities, the provisions of TAS 2 ("Inventories") and TAS 16 ("Property, Plant, and Equipment") are applied. Accordingly, the fair value at the date of the transfer is taken as the basis.

Depreciation and amortization are calculated on a pro-rata basis over the estimated useful lives of the assets using the straight-line method as of the reporting date, based on the following useful lives and methods:

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	Useful Life (Years)	Method
Machinery, plants, and equipment	4-12	Straight-line
Vehicles, tools, and equipment	4-10	Straight-line
Furniture and fixtures	2-10	Straight-line
Other intangible assets	5-10	Straight-line

Useful lives and depreciation methods are reviewed regularly to ensure that the depreciation methods and periods are consistent with the economic benefits expected to be derived from the relevant assets.

An assessment is conducted to determine whether there is an impairment in the value of property, plant, and equipment if events and changes in circumstances arise indicating that the carrying amounts of these assets may not be recoverable. If such indications exist or if the carrying amounts exceed the recoverable amounts, the related assets are written down to their recoverable amounts.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In determining value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the risks specific to the asset. For assets that do not generate cash inflows that are largely independent, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. The related property, plant, and equipment is depreciated over its remaining estimated useful life. Depreciation expenses of property, plant, and equipment are allocated to general administrative expenses and cost of sales in the statement of profit or loss. Impairment losses are recorded under the "Expenses from Investing Activities (-)" line item.

The Group conducts impairment tests on assets, and the fair value less costs of disposal is determined by considering the secondhand market values for certain assets, and the depreciated replacement costs for assets without an active secondhand market. Since the net selling prices of these assets were equal to or greater than their net carrying amounts, there was no need to calculate their values in use, and no impairment provision was recognized. For certain other assets (such as goodwill), if the fair value less costs of disposal cannot be determined, impairment testing is performed based on their value in use.

Intangible assets comprise the Aura Roboclean trademark, rights, research and preparation expenditures, and other intangible items. Intangible assets acquired before Jan. 1, 2005, are carried at cost restated for the effects of inflation as of Dec. 31, 2004, while those acquired after Dec. 31, 2004, are carried at acquisition cost, in each case less accumulated amortization and impairment losses. The Company amortizes intangible assets on a straight-line basis over their estimated useful lives from the date of acquisition. Trademarks, however, classified within intangible assets are deemed to have indefinite useful lives and are therefore not subject to amortization. In determining the recoverable amount of assets with indefinite useful lives, the higher of fair value less costs of disposal and value in use is used as the basis. However, if one of these methods is unreliable or cannot be determined, a single method may be used to determine the recoverable amount. Impairment allowances are recorded under "expenses from investing activities." Amortization of intangible assets is recognized under operating expenses in the statement of profit or loss.

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Research and development expenses

Research expenditures are expensed in the period in which they are incurred. Expenditures for development activities, excluding project expenditures that meet the criteria specified below, are recorded as expenses in the period in which they are incurred:

- The expenditures relate to the product and their cost can be measured reliably,
- It is technically feasible for the product to be made ready for use or sale,
- There is an intention and ability to use or sell the product,
- The product will generate probable future economic benefits,
- Adequate technical, financial, and other necessary resources are available to complete the project.

Development project costs that meet the aforementioned criteria are capitalized and amortized over their useful lives.

Property, plant, and equipment and intangible assets are derecognized when they are withdrawn from use or when no future economic benefits are expected from their disposal.

The gain or loss arising from the derecognition of property, plant, and equipment and intangible assets is determined by comparing their net carrying amounts with the sale proceeds and is recognized under the "Income/(Expense) from Investing Activities" line items in the statement of comprehensive income.

Impairment of Non-Financial Assets

An impairment test is performed when events or changes in circumstances indicate that the carrying amount of assets subject to depreciation and amortization may not be recoverable. If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized under "expenses from investing activities" in the statement of comprehensive income. Non-financial assets for which an impairment loss has been recognized are reviewed at each reporting date for possible reversal of the impairment loss. The reversal is determined assuming that the asset had never been impaired, and the reversed amounts are recognized under "income from investing activities" in the statement of comprehensive income.

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Taxation and Deferred Tax

The tax expense or income for the period comprises current tax and deferred tax.

The current tax liability is calculated based on the taxable profit for the period. Taxable profit differs from the profit reported in the statement of profit or loss because it excludes income and expense items that are taxable or deductible in other periods, as well as items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current tax payable is offset against prepaid taxes where both amounts have been paid or are payable to the same tax authority.

Deferred tax is calculated using the liability method based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases (the balance sheet method/ balance sheet liability method). These differences are divided into two categories: deductible and taxable. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilized, provided that the difference does not arise from the initial recognition of a liability in a transaction that is not a business combination. Deferred tax liabilities are recognized for all taxable temporary differences. However, deferred tax liabilities are not recognized for temporary differences arising on the initial recognition of goodwill or on the initial recognition of an asset or liability in transactions that do not constitute a business combination.

Unused tax losses and tax credits carried forward under tax legislation are recognized as deferred tax assets to the extent that it is probable that sufficient taxable profit will be available in future periods against which they can be utilized.

In measuring deferred tax, the enacted tax rates in effect as of the reporting date are used in accordance with the applicable tax legislation.

While deferred tax liabilities are recognized for all taxable temporary differences, deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and deferred tax liabilities are offset, provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets against current tax liabilities.

Leases

Operating Leases

The Group classifies a lease as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

As a Lessee

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase or renewal option, and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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Right-of-use asset

The Group recognizes a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease. The right-of-use asset is initially measured at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in TAS 16 ("Property, Plant, and Equipment") in depreciating right-of-use assets. The provisions of TAS 36 "Impairment of Assets" are applied to determine whether the right-of-use assets are impaired and, if so, to measure the impairment loss.

Lease liability:

At the commencement date of the lease, 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 its incremental borrowing rate. The Group utilizes its incremental borrowing rate as the discount rate.

In subsequent periods, the Group increases the carrying amount of the lease liability to reflect interest on the lease liability and reduces it to reflect the lease payments made. It also remeasures the lease liability to reflect any reassessments or lease modifications, or to reflect revised in-substance fixed lease payments. Interest on the lease liability for each period during the lease term is calculated by applying a constant periodic rate of interest to the remaining balance of the lease liability.

The Group determines the lease liability by taking into account the renewal, early termination, and purchase options contained in the lease agreements. If the lease agreement includes a renewal option and/or specific leasehold improvements are made to the underlying asset, and the exercise of such options is assessed to be reasonably certain, the lease term is determined by considering these circumstances. If significant changes in the contract terms or in the relevant circumstances occur, the current assessment is reviewed.

The Group has elected to apply the practical expedients for leases previously classified as operating leases under TAS 17 ("Leases"). These practical expedients are as follows:

- A single incremental borrowing rate was applied to a portfolio of leases with reasonably similar characteristics,
- Initial direct costs were excluded from the measurement of the right-of-use asset at the date of initial application,
- The Group utilized historical experience in determining the lease term for lease agreements containing options to extend or terminate the lease.

For leases previously classified as finance leases under TAS 17, the Group carried forward the carrying amounts of the leased asset and lease liability calculated under TAS 17 immediately before the transition date as the carrying amounts of the right-of-use asset and lease liability at the transition date.

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As a Lessor

Under operating leases, leased assets are classified as non-current assets in the statement of financial position, and rental income earned is recognized in the statement of comprehensive income on a straight-line basis over the lease term.

Provisions for Employee Benefits

The provision for severance pay represents the discounted value, as of the reporting date, of the Group's estimated total future liability that may arise under the Turkish Labor Law in the event of an employee's retirement, termination of employment after completing at least one year of service, call-up to military service, or death. An actuarial valuation method and various actuarial assumptions have been used to determine the present value of the Group's severance pay obligation. The most important of these is the discount rate used to calculate the present value of the obligation.

The discount rate used to discount post-employment benefit obligations (severance pay provisions) is determined by reference to market yields on high-quality corporate bonds at the reporting date. In the absence of a deep market for such bonds, a real interest rate was used, taking into account the market yields (compound interest rates) on government bonds at the reporting date. In other words, an inflation-adjusted interest rate (real interest rate) is used.

Within this framework, the Company has calculated the provision for severance pay using the actuarial method in accordance with TAS 19 "Employee Benefits," for the estimated future obligations arising from the retirement, death, military conscription, or termination of employment after completing at least one (1) year of service for all personnel subject to the labor law, and recognized them in the accompanying financial statements.

The assumptions used in calculating the severance pay provisions are disclosed. In accordance with the Turkish Labor Law, upon termination of an employment contract for any reason, the employee or the employee's beneficiaries must be paid for any accrued but unused annual leave based on the employee's wage at the date of termination. The provision for unused leave is recognized within this framework.

Provisions, Contingent Liabilities and Contingent Assets

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

When some or all of the expenditure required to settle an obligation related to a provision is expected to be reimbursed by another party, the related reimbursement is recognized in the financial statements. However, it must be highly probable that the reimbursement will be received when the related obligation is settled.

When the effect of the time value of money is material, the amount of a provision is measured at the present value of the expenditures expected to be required to settle the obligation at the reporting date. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. The expected value method is used when the provision being measured involves a large population of items or events, with the obligation estimated by weighting all possible outcomes by their associated probabilities (warranty provisions are calculated using this method). For provisions involving a single obligation or event, such as litigation, the most likely outcome is estimated and recognized in the financial statements.

Possible obligations and assets arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not recognized in the financial statements but are disclosed in the notes as contingent assets, liabilities, and commitments.

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Warranty Provisions

Warranty provisions are recognized based on historical data and estimates regarding repair and maintenance expenses incurred for products produced and sold, labor and material costs borne by authorized service centers under warranty without charging customers, initial maintenance expenses undertaken by the Group, and potential return or repair rates in subsequent years relating to products whose revenue has been recognized in the current period.

Revenue

Revenue is measured at the consideration the Group expects to be entitled to in exchange for transferring promised goods or services to a customer, net of discounts, rebates, and commissions.

The Group recognizes the performance obligations it has committed to fulfill under contracts in its consolidated financial statements either over time or at a point in time. Revenue is recognized in the consolidated financial statements based on the criteria described below:

- Identifying contracts with customers,
- Identifying the performance obligations in the contract,
- Determining the transaction price of the contract,
- Allocating the transaction price to the performance obligations in the contract,
- Recognizing revenue as each performance obligation in the contract is satisfied.

The Group assesses the goods or services promised in each contract with customers and identifies each promise to transfer a good or service as a separate performance obligation.

The transaction price in a contract generally consists of a single amount. If the revenue amount comprises more than one (1) transaction price, each transaction is separately identified, and the transaction price is allocated to those transactions. If a customer promises to pay for goods or services with non-cash consideration instead of cash, revenue is recognized based on the fair value of the non-cash consideration.

The Group determines its performance obligations at contract inception. Accordingly, whether the performance obligations will be satisfied over time is also determined based on the contract with the customer (whether written or oral).

The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. For revenue to be recognized, control of the goods sold or services rendered must be transferred to the counterparty. The Group considers the following criteria when evaluating the transfer of control of goods or services sold to the customer:

- The Group has a present right to payment for the goods or services,
- The customer's legal title to the goods or services,
- Transfer of possession of the goods or services,
- The customer's assumption of the significant risks and rewards of ownership of the goods or services,
- The customer's acceptance of the goods or services.

If the Group's sales of goods or services contain a significant financing component, the revenue amount is calculated by discounting the future collections using the interest rate embedded in the financing component. The resulting finance income is recognized on an accrual basis in the relevant periods under "Other Operating Income."

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Sale of goods:

The Group recognizes revenue from the sale of goods as performance obligations are satisfied. Revenue is recognized net of sales discounts, which consist of sales returns and allowances.

Rendering services:

Revenue from rendering services is recognized when a measurable stage of completion has been reached. When the revenue from a service contract cannot be reliably measured, revenue is recognized only to the extent of the expenses incurred that are recoverable.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the reporting date.

Dividends:

Dividend income from equity investments is recognized when the shareholders' right to receive dividends is established.

Other income

Other income is recognized on an accrual basis.

Unearned Finance Income and Expenses

Unearned finance income/(expense) represents the finance income and expense included in credit sales and purchases. Such income and expense are calculated over the term of the related credit sales and purchases using the effective interest method and presented under "Other Operating Income/(Expense)."

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. Such costs are included in the cost of a qualifying asset when they can be measured reliably and it is probable that the entity will obtain the future economic benefits associated with the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

In subsequent periods, borrowings are presented in the financial statements at their discounted value, and the difference between the cash proceeds received and the repayment value is recognized as an expense in the statement of profit or loss over the term of the borrowing.

Earnings per Share

Earnings per share is calculated by dividing the portion of net profit or loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period. The weighted average number of shares outstanding during the period is calculated by taking into account bonus shares issued without an increase in resources.

Financial Instruments

Recognition and Derecognition of Financial Instruments:

The Group recognizes a financial asset or a financial liability in its statement of financial position only when it becomes a party to the contractual provisions of the financial instrument. The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and the transfer qualifies for derecognition.

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Fair value of financial instruments:

The fair value of a financial instrument is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Assets

The Group classifies and accounts for its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). This classification is based on the business model within which the financial assets are managed and the contractual cash flow characteristics of the financial asset. Financial assets are classified on the date of acquisition.

A financial asset to be measured at amortized cost is initially recognized in the financial statements at its fair value on the transaction date and is subsequently measured at amortized cost using the effective interest method.

Financial assets classified as fair value through other comprehensive income (FVOCI) are measured at fair value. Gains or losses arising from these financial assets, other than impairment gains or losses and foreign exchange differences, are recognized in other comprehensive income. Upon the disposal of these financial assets, any cumulative gain or loss previously recognized in other comprehensive income is transferred to retained earnings.

Financial assets measured at fair value through profit or loss (FVTPL) are measured at fair value and consist of financial assets that are not measured at amortized cost or at fair value through other comprehensive income (FVOCI). Gains and losses arising from the valuation of these assets are recognized in profit or loss.

Financial liabilities:

All financial liabilities, other than those measured at fair value through profit or loss, are subsequently measured at amortized cost.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (FVTPL) or financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest method, with the related interest expense recognized in profit or loss.

The Group's financial borrowings are measured using the effective interest method.

Effective interest method

This method is used to calculate the amortized cost of a financial asset or financial liability, and to allocate and recognize interest income or expense in profit or loss over the relevant period. Under the effective interest method, the effective interest rate is applied to the gross carrying amount of the financial instrument.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

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Impairment of financial instruments

The Group calculates impairment using the "expected credit loss model" in accordance with TFRS 9 "Financial Instruments." The impairment model under TFRS 9 "Financial Instruments" applies to financial assets measured at amortized cost and contract assets.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets and liabilities has been impaired. The loss allowance for expected credit losses on these financial instruments is assessed. The Group measures the expected credit losses on a financial instrument in a manner that reflects:

An unbiased, probability-weighted amount determined by considering a range of possible outcomes,

Reasonable and supportable information available at the reporting date, without undue cost or effort, regarding past events, current conditions, and forecasts of future economic conditions.

For all financial assets, except for trade receivables whose carrying amounts are reduced through the use of an allowance account, impairment losses are deducted directly from the carrying amount of the related financial asset.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full, without recourse by the Group to actions such as realizing collateral (if any).

Trade Payables

Trade payables (comprising trade accounts payable and notes payable) represent obligations to pay for goods and services acquired from suppliers in the ordinary course of the Group's business. Trade payables are classified as current liabilities if they are expected to be settled within one (1) year or less (or over a longer period if they form part of the Company's working capital).

Trade payables are recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Financial Risk Management

The Group is exposed to a variety of financial risks resulting from its operations. These risks are credit risk, foreign currency risk, and liquidity risk. The Group's overall risk-management program focuses on the volatility of financial markets and seeks to minimize the potential adverse effects on the Group's financial performance.

Credit Risk

Credit risk arises principally from the Group's trade receivables. Trade receivables are assessed by Group management in light of market conditions and historical experience, and an appropriate allowance for doubtful receivables is recognized. An allowance has been recognized for doubtful receivables identified up to the reporting date.

Foreign currency risk

Foreign currency risk arises from changes in the value of a financial instrument due to fluctuations in foreign currency rates. Foreign currency risk arises when the Turkish lira (TRY) depreciates against foreign currencies.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in obtaining funds to meet its obligations associated with financial instruments. The Group manages liquidity risk by maintaining a balance between the maturity profiles of its assets and liabilities.

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Effects of Changes in Foreign Exchange Rates

The reporting currency of the Group is expressed in Turkish lira ("TRY"). Transactions in foreign currencies (currencies other than the functional currency of the respective entity) are initially translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are revalued at the exchange rates prevailing at the reporting date, and the resulting foreign exchange gains or losses are recognized in the statement of other comprehensive income for the period. All monetary assets and liabilities have been translated at the period-end closing rates, and the related exchange differences have been recognized in the statement of other comprehensive income. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items denominated in foreign currencies and measured at fair value are translated into the functional currency using the exchange rates prevailing on the date the fair value is determined.

Related Parties

Turkish Accounting Standard 24 (TAS 24), Related Party Disclosures, defines entities that can directly or indirectly control or exercise significant influence over another party through shareholdings, contractual rights, family relationships or similar means as related parties. Related parties also include shareholders and Company management. Related party transactions involve the transfer of resources and obligations between related parties, whether or not consideration is exchanged.

For the purposes of these financial statements, the Group's shareholders and companies with an indirect capital relationship with the Group, members of the board of directors, senior management, and other key management personnel are defined as "related parties." Key management personnel comprise individuals who have direct or indirect authority and responsibility for planning, directing, and controlling the activities of the Group, including any director (whether executive or otherwise) of the Group.

Transactions with related parties in the ordinary course of business were generally carried out at prices consistent with market conditions.

Events after the Reporting Period

Refers to events, whether favorable or unfavorable to the entity, that occur between the reporting date and the date on which the financial statements are authorized for issue. If there is new evidence regarding conditions that existed at the reporting date, or if events occur after the reporting date that require an adjustment to the financial statements, the Group adjusts its consolidated financial statements accordingly (adjusting events). If these events do not require an adjustment to the financial statements, they are disclosed in the relevant footnotes (non-adjusting events).

Government Grants and Assistance

Government grants are recognized at fair value when there is reasonable assurance that the grants will be received and the Group will comply with the conditions attached to them. Government grants and incentives related to costs are recognized as income on a systematic basis over the periods in which the related costs are recognized as expenses.

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Statement of Cash Flows

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. In accordance with TAS 7, Statement of Cash Flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an asset to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Accordingly, investments with maturities of three (3) months or less are considered cash equivalents. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents (for example, preferred shares acquired within a short period of their maturity and with a specified redemption date).

The Group prepares the statement of cash flows to provide users of financial statements with information regarding changes in its net assets, its financial structure, and its ability to affect the amounts and timing of cash flows to adapt to changing circumstances.

In the statement of cash flows, cash flows for the period are classified and reported by operating, investing, and financing activities. Cash flows from operating activities represent cash flows arising from activities within the Group's scope of operations. Cash flows from investing activities represent cash flows used in and generated from the Group's investing activities (fixed investments and financial investments). Cash flows from financing activities represent the resources used in the Group's financing activities and the repayment of those resources.

Reporting by Operating Segments

The Group operates in the home appliances, food, and domestic and international transportation sectors.

E. Significant Accounting Judgments, Estimates, Assumptions, and Sources of Estimation Uncertainty

The preparation of the financial statements requires the use of estimates and assumptions that may affect the reported amounts of assets and liabilities as of the reporting date, the disclosure of contingent assets and liabilities, and the reported amounts of income and expenses during the reporting period. Accounting judgments, estimates, and assumptions are continuously evaluated taking into account past experience, other factors, and reasonable expectations about future events under the prevailing circumstances. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from these assumptions.

Significant estimates and assumptions used by the Group in preparing its consolidated financial statements are disclosed in the following notes:

Note 2/D	Determination of Fair Values
Note 35/B	Deferred Tax Assets and Liabilities
Note 21	Provisions for Lawsuits and Warranties
Note 22	Provision for Severance Pay
Note 2/D	Useful lives and allowances for impairment for property, plant, and equipment and intangible assets
Note 10 and 38/E	Allowance for impairment of trade receivables
Note 13	Allowance for inventory write-downs

As of the reporting date, the assumptions concerning the future and other sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are described below.

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Income tax

Deferred tax is recognized when it is probable that taxable income will be generated in future years. When it is probable that taxable profit will be available, deferred tax assets are calculated based on unused accumulated tax losses carried forward and all deductible temporary differences.

Revisions to useful lives and impairment; allowances for doubtful receivables; allowances for inventory write-downs; and litigation and warranty provisions

Management also used certain assumptions and estimates when determining useful lives, estimating the loss allowance for doubtful receivables, and calculating provisions for litigation.

The Group determines the allowance for doubtful receivables based on customers' historical collection performance, market conditions, and collateral held. If it becomes apparent that doubtful receivables cannot be collected, an impairment loss will be recognized in the financial statements for any receivable for which no loss allowance has been recognized, and the carrying amount of trade receivables will be reduced by the same amount. Detailed information is provided in Note 38.E.

The Group calculates its inventory write-down provision based on estimated selling prices.

Group management determines the useful lives of property, plant, and equipment based on the experience of its technical team and applicable regulations.

Group management estimates provisions for litigation based on the opinions of legal counsel regarding the probability of losing the relevant lawsuits and/or the probable outcomes in the event of a loss.

The Group calculates warranty provisions by estimating maintenance and spare parts expenses, including labor and material costs anticipated for products sold under warranty, as well as potential return rates and maintenance and spare parts costs that may arise in subsequent years.

Change in fair value of investment properties

In accordance with the accounting policy disclosed in Note 2.D, the Group commissions independent professional appraisers annually to determine the fair value of its investment properties. These calculations require the use of estimates.

Prevailing market conditions were used as the basis for determining the fair value of investment properties.

Retirement/termination benefit payments

The present value of the provision for severance pay is determined on an actuarial basis using certain assumptions. These assumptions are used to determine the net expense (income) related to severance pay obligations and include the discount rate. Any change in these assumptions affects the carrying amount of the severance pay obligations.

The Group determines the appropriate discount rate at the end of each reporting period. This rate is used to calculate the present value of the estimated future cash outflows required to settle the severance pay obligations. In determining the appropriate discount rate, the Group considers the yields of high-quality corporate bonds denominated in the same currency as the benefits and with maturities approximating the terms of the related obligations.

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Determination of fair values

Information regarding the determination of fair values for financial instruments is presented in Note 38.

The Group's finance and accounting department maintains an internal valuation unit responsible for the appraisal of investment properties, land, and buildings—including Level 3 fair value measurements—for financial reporting purposes. This unit reports directly to the Accounting and Finance Director. Views and conclusions regarding the valuation processes are discussed between the director and the valuation unit in line with the Group's reporting dates.

Note 3 - Business Combinations

Jan. 1-Dec. 31, 2025: None (2024: None).

Note 4 - Interests in Other Entities

Details regarding the Group's interests in other entities, comprising associates accounted for using the equity method, are disclosed in Note 16.

Note 5 - Segment Reporting

Basic Information on Reportable Segments

Group management has defined its reportable segments as home appliances and other. The Group's reportable segments are strategic business units that offer different products and services. The table below presents the activity descriptions for each reportable segment:

Reportable segment	Activities
Home Appliances	Manufacturing and Marketing of Electrical Home Appliances

Other segments outside the reportable segments comprise food production and marketing, transportation, personnel transportation, and other services.

Group management monitors the performance of its operating segments based on EBITDA (earnings before finance income/(expense), tax income/(expense), other financial income/(expense), finance income/(expense) arising from deferred payment terms and foreign exchange gains/losses presented in Note 30, and depreciation and amortization expenses). EBITDA information has been included in segment reporting as it may be used by certain investors in their analyses.

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Sectoral information by operating segments is presented below:

For the period Jan. 1-Dec. 31, 2025

	Home Appliances	Other	Group
Revenue	3,304,994,023	423,151,009	3,728,145,032
Cost of Sales (-)	(2,846,879,288)	(351,113,563)	(3,197,992,851)
Gross Profit/(Loss)	458,114,735	72,037,446	530,152,181
Operating Expenses	(276,620,871)	(43,762,954)	(320,383,825)
Other Operating Income	54,167,343	7,663,761	61,831,104
Other Operating Expenses (-)	(50,702,120)	(11,719,604)	(62,421,724)
Operating Profit/(Loss)	184,959,087	24,218,649	209,177,736
Income/(expense) from investing activities (net)	(81,388,778)	5,244,468	(76,144,310)
Share of Profit/(Loss) of Investments Accounted for Using the Equity Method	25,288,830	-	25,288,830
Operating Profit/(Loss) Before Finance Costs	128,859,139	29,463,117	158,322,256
Financing Income/(Expenses) (Net)	(12,122,325)	(20,924,150)	(33,046,475)
Profit/(Loss) Before Tax from Continuing Operations	116,736,814	8,538,967	125,275,781
Tax Income/(Expense), Net	44,312,365	(1,049,940)	43,262,426
EBITDA	160,965,219	19,782,542	180,747,761
Total Assets	2,481,525,618	292,124,217	2,773,649,835
Total Liabilities	589,480,290	139,207,459	728,687,749

Of the total sales revenue of TRY 423,151,009 reported under the "Other" segment in the current period, TRY 211,680,498 is derived from catering operations, and TRY 211,470,510 from logistics operations.

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For the period Jan. 1-Dec. 31, 2024:

	Home Appliances	Other	Group
Revenue	3,390,288,769	379,386,408	3,769,675,177
Cost of Sales (-)	(2,918,023,252)	(338,197,456)	(3,256,220,708)
Gross Profit/(Loss)	472,265,517	41,188,952	513,454,469
Operating Expenses	(259,119,298)	(30,361,043)	(289,480,341)
Other Operating Income	66,435,862	18,351,937	84,787,799
Other Operating Expenses (-)	(45,081,977)	(4,043,484)	(49,125,461)
Operating Profit/(Loss)	234,500,104	25,136,362	259,636,466
Income/(expense) from investing activities (net)	83,881,570	4,863,507	88,745,077
Share of Profit/(Loss) of Investments Accounted for Using the Equity Method	(23,854,890)	-	(23,854,890)
Operating Profit/(Loss) Before Finance Costs	294,526,784	29,999,869	324,526,653
Financing Income/(Expenses) (Net)	(5,579,265)	3,345,685	(2,233,580)
Profit/(Loss) Before Tax from Continuing Operations	288,947,519	33,345,554	322,293,073
Tax Income/(Expense), Net	(28,411,309)	(10,686,583)	(39,097,892)
EBITDA	371,608,469	34,317,104	405,925,573
Total Assets	2,545,679,510	244,221,797	2,789,901,307
Total Liabilities	650,868,191	130,004,401	780,872,592

Of the total sales revenue of TRY 379,386,408 reported under the "Other" segment in the previous period, TRY 185,706,928 is derived from catering operations, and TRY 193,679,473 from logistics operations.

Of the Group's depreciation and amortization expenses, TRY 43,753,016 (2024: TRY 78,695,496) arose from home appliances, and TRY 4,803,466 (2024: TRY 7,264,361) from other operations.

Of the Group's property, plant, and equipment and intangible assets (including investment properties) acquisitions, TRY 154,289,859 (2024: TRY 58,619,454) arose from home appliance operations, and TRY 22,179,038 (2024: TRY 27,678,517) from other operations.

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Reconciliation Information by Operating Segments

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Revenue		
Total revenue of reportable segments	3,305,092,158	3,390,323,754
Total revenue of other segments	459,881,038	403,400,777
Eliminations and adjustments	(36,828,164)	(24,049,354)
Consolidated revenue	3,728,145,032	3,769,675,177
	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Profit/(loss) before tax		
Total profit/(loss) before tax of reportable segments	(61,384,647)	63,396,026
Total profit/(loss) before tax of other segments	47,677,899	52,637,612
Consolidated profit/(loss) before tax:	(13,706,748)	116,033,638
	Dec. 31, 2025	Dec. 31, 2024
Assets		
Total assets of reportable segments	2,562,845,778	2,626,999,670
Total assets of other segments	297,292,005	246,156,804
Eliminations and adjustments	(86,487,948)	(83,255,159)
Consolidated assets	2,773,649,835	2,789,901,315
	Dec. 31, 2025	Dec. 31, 2024
Liabilities		
Total liabilities of reportable segments	594,648,084	652,803,194
Total liabilities of other segments	139,207,448	130,004,398
Eliminations and adjustments	(5,167,783)	(1,934,996)
Consolidated liabilities	728,687,749	780,872,596

Reporting by geographical regions

Since the Group's operations are primarily conducted and concentrated within Türkiye, no separate disclosure for reporting by geographical regions has been prepared.

Note 6 - Cash and Cash Equivalents

	Dec. 31, 2025	Dec. 31, 2024
Cash on hand	493,919	816,545
Bank		
Demand deposits	90,270	470,904
Time deposits	28,198,475	93,163,573
Other cash equivalents	5,758	419
	28,788,422	94,451,441

The interest rates for time deposits denominated in TRY range from 35% to 38% per annum (2024: 42% to 49% per annum).

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Note 7 - Financial Investments

Short-Term Financial Investments

	Dec. 31, 2025	Dec. 31, 2024
Financial assets at FVTPL	1,974,900	1,033,723
	1,974,900	1,033,723

Long-Term Financial Investments

Current Period

AFS Financial Assets	Effective Share %	Investment Amount	Capital Commitment	Impairment / Appreciation	Net Worth
İhlas Motor A.Ş. ^(e)	11.69	147,062,722	-	(147,062,722)	-
TOTAL		147,062,722	-	(147,062,722)	-

^(e) Detes Enerji Üretim A.Ş. merged with İhlas Motor A.Ş. in 2025 by transferring all of its assets and liabilities as a whole; the merger had no material impact on the Company. The Company's liability in respect of this subsidiary is limited to the capital it has contributed.

Previous Period

AFS Financial Assets	Effective Share %	Investment Amount	Capital Commitment	Impairment / Appreciation	Net Worth
Detes Enerji Üretim A.Ş. ^(b)	99.84	147,062,722	(9,383,962)	(137,678,760)	-
İhlas Madencilik Enerji ve Ticaret A.Ş.	0.63	729,551	-	(729,551)	-
TOTAL		147,792,273	(9,383,962)	(138,408,311)	-

^(b) Detes Energy Production is currently inactive, and therefore, its financial statements have not been consolidated as they are not material to the Company's financial statements and do not generate significant cash flows. The Company's liability in respect of this subsidiary is limited to the capital it has contributed.

The financial statements of the subsidiary have been excluded from consolidation because its financial position as of Dec. 31, 2025, and Dec. 31, 2024, and its operating results for the years then ended, are not material, either individually or in the aggregate, to the financial statements. Consequently, this subsidiary is classified as an available-for-sale financial asset.

Summary financial information for Detes Energy, an unconsolidated subsidiary classified as an available-for-sale financial asset, is as follows:

	Dec. 31, 2024
Current Assets	6,062,698
Non-Current Assets	-
Current Liabilities	332,898
Non-Current Liabilities	-
Equity	5,729,800

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Note 8 - Financial Borrowings

Short-term borrowings:

	Dec. 31, 2025	Dec. 31, 2024
Bank Borrowings	661,742	796,913
Current Portion of Non-Current Borrowings	48,604,708	-
Lease Liabilities to Related Parties	86,337	406,046
Lease Liabilities to Third Parties	7,582,403	24,176,616
	56,935,190	25,379,575

Long-term borrowings:

	Dec. 31, 2025	Dec. 31, 2024
Bank borrowings	42,983,250	-
Lease Liabilities to Related Parties	1,987,399	1,132,994
Lease Liabilities to Third Parties	118,976,260	90,376,675
	163,946,909	91,509,669

Bank borrowings

The maturities and interest rates of bank borrowings are as follows:

	Dec. 31, 2025				
	Currency	Interest Rate		Maturity	Amount (TRY)
		Min	Max		
Short-term loans	Revolving loans	Maturities and interest-rate ranges vary.			661,742
					661,742
Current portion of non-current borrowings	TRY	34%	34%	Up to 3 months	14,026,607
	TRY	34%	34%	3-12 months	34,578,101
					49,266,450
Long-term loans	TRY	34%	34%	1-5 years	42,983,250
					42,983,250

	Dec. 31, 2024			
	Currency	Interest Rate (%)		Amount (TRY)
		Maturity		
Short-term loans	Revolving Loans	Maturities and interest-rate ranges vary.		796,913
				796,913

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Current lease liabilities:

			Dec. 31, 2025	Dec. 31, 2024
	Currency	Maturity	TRY Equivalent	TRY Equivalent
Lease liabilities	TRY	Up to 3 months	1,696,404	6,176,039
	TRY	3-12 months	5,972,336	18,406,623
			7,668,740	24,582,662

Non-current lease liabilities:

			Dec. 31, 2025	Dec. 31, 2024
	Currency	Maturity	TRY Equivalent	TRY Equivalent
Lease liabilities	TRY	1-5 years	120,963,659	91,509,669
			120,963,659	91,509,669

Note 9 - Other Financial Liabilities

Dec. 31, 2025: None (2024: None).

Note 10 - Trade Receivables and Payables

Short-term trade receivables:

	Dec. 31, 2025	Dec. 31, 2024
Trade Receivables from Related Parties	338,924,183	349,334,840
Trade Receivables From Third Parties		
Trade accounts receivable	237,817,655	174,722,052
Post-dated checks and notes receivable	367,264,044	375,010,619
Unearned finance income (-)	(10,010,416)	(10,013,645)
Allowance for doubtful receivables (-)	(104,818,959)	(82,524,044)
	829,176,507	806,529,822

Details of trade receivables from related parties are presented in Note 37.

The aging analysis of receivables that are past due but not impaired, as well as those that are past due and impaired, together with the recognized allowances, are explained in detail in Note 38.

Movement of Allowance for Doubtful Trade Receivables:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Balance at period-start	(82,524,044)	(91,398,599)
Provisions recognized during the period/Provisions no longer required, net	(45,544,988)	(19,900,105)
Net monetary position gain/(loss)	23,250,073	28,774,660
Balance at period-end	(104,818,959)	(82,524,044)

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Short-term trade payables:

	Dec. 31, 2025	Dec. 31, 2024
Trade Payables to Related Parties	4,787,207	11,704,815
Trade Payables to Third Parties		
Trade accounts payable	162,350,646	163,487,203
Unearned finance costs (-)	(1,714,529)	(2,020,945)
	165,423,324	173,171,073

Details of trade payables to related parties are presented in Note 37.

Note 11 - Other Receivables and Payables

Other current receivables:

	Dec. 31, 2025	Dec. 31, 2024
Other Receivables from Related Parties	5,554,182	38,304,572
Other Receivables from Third Parties		
Deposits and guarantees given	4,151,940	4,380,079
Tax receivables	5,411,783	1,484,003
Other Receivables	1,951	2,555
	15,119,856	44,171,209

Other non-current receivables:

	Dec. 31, 2025	Dec. 31, 2024
Other Receivables from Third Parties		
Deposits and guarantees given	207,968	178,273
	207,968	178,273

Other current payables:

	Dec. 31, 2025	Dec. 31, 2024
Other Payables to Related Parties	20,150,667	-
Other Payables to Third Parties	73,092	120,348
	20,223,759	120,348

Note 12 - Receivables and Payables from Financial Sector Operations

Dec. 31, 2025: None (2024: None).

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Note 13 - Inventories

	Dec. 31, 2025	Dec. 31, 2024
Raw Materials and Supplies	230,993,968	230,735,375
Work in progress	27,226,362	21,451,435
Finished goods	789,494	2,576,899
Merchandise	2,821,400	3,499,603
Other Inventories (Goods in Transit)	242,517,710	162,335,051
Allowance for Inventory Write-down (-)	(6,309,169)	(3,803,249)
	498,039,765	416,795,114

Goods in transit consist of items that have been invoiced and dispatched to the Group by overseas suppliers as of the reporting date, but have not yet completed customs clearance procedures.

Movements in the provision for inventory write-down during the period:

	Jan. 1-Dec. 31, 2025	Jan. 1-Dec. 31, 2024
Balance at period-start	(3,803,249)	(5,644,461)
Impairment Provision (-)/Provisions no longer required	(3,416,820)	17,801
Net monetary position gain/(loss)	910,900	1,823,411
Balance at period-end	(6,309,169)	(3,803,249)

Since the inventories are not considered qualifying assets as defined under TAS 23 ("Borrowing Costs"), finance costs related to inventories are recognized directly in the statement of profit or loss and other comprehensive income when incurred and are not capitalized.

The Group has no inventories pledged as collateral for its liabilities (2024: None).

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Note 14 - Net Monetary Position Gain/(Loss)

Disclosures on net monetary position gain/(loss)

Statement of Financial Position Items	Dec. 31, 2025	Dec. 31, 2024
Inventories	5,690,308	9,197,215
Prepaid expenses (current)	199,886	134,432
Investments accounted for using the equity method	38,276,632	(17,291,843)
Property, Plant, and Equipment	56,498,776	56,661,098
Intangible Assets	105,105,473	50,914,099
Right-of-use assets	96,547,376	107,019,597
Prepaid expenses (non-current)	56,313	-
Deferred tax asset/(liability)	(9,072,498)	(51,772,872)
Other liabilities	(17,549,968)	(29,265,860)
Paid-in Capital	(1,442,369,110)	(5,401,864,965)
Treasury Shares	-	16,475,766
Share premiums/(discounts)	(29,322,190)	(142,054,988)
Accumulated other comprehensive income (loss) not to be reclassified subsequently to profit or loss	(7,456,213)	28,843
Restricted Reserves Appropriated from Profit	(39,113,505)	(67,085,297)
Non-Controlling Interests	(2,284,825)	(1,595,603)
Retained Earnings/(Accumulated Losses)	942,900,739	4,894,920,205
Statement of Profit or Loss Items		
Revenue	(342,630,539)	(461,211,287)
Cost of sales	419,179,571	517,214,486
Operating Expenses	35,711,390	82,384,779
Other income/(expense) from operating activities	(134,447)	(6,065,056)
Income/(expense) from investing activities	158,642,275	227,003,721
Share of profit/(loss) of investments accounted for using the equity method	(41,496,057)	33,351,168
Finance income/(expense)	3,214,747	(79,494)
Tax Income/(Expense) from Continuing Operations	(69,576,663)	(23,277,579)
Net monetary position gain/(loss)	(138,982,529)	(206,259,435)

The effect of inflation on the Group's cash flows from operating activities, investing activities, and financing activities amounted to TRY 20,086,566 (2024: TRY 43,298,414), TRY 34,019,822 (2024: TRY 41,035,122), and TRY 2,719,411 (2024: TRY 2,257,042), respectively.

Note 15 - Derivative Instruments

Dec. 31, 2025: None (2024: None).

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Note 16 - Investments Accounted for Using the Equity Method

As of Dec. 31, 2025, and Dec. 31, 2024, the Group's direct and indirect voting rights and shareholding ratios in its associates are presented below:

	Dec. 31, 2025		Dec. 31, 2024	
	Ratio	Amount	Ratio	Amount
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	3.8%	67,095,001	3.8%	42,114,204

The movement table of the associates during the period is presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Balance at beginning of period	42,114,204	92,798,893
Share of profit/(loss)	25,288,830	(23,854,890)
Gain/(loss) on valuation of associates	-	(26,715,561)
Share of other comprehensive income/(expense)	(308,033)	(114,238)
Balance at end of period	67,095,001	42,114,204

Summary financial information for İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş. as of Dec. 31, 2025, and Dec. 31, 2024, is as follows:

	Dec. 31, 2025	Dec. 31, 2024
Current assets	4,159,107,967	2,545,764,602
Non-current assets	729,471,251	691,213,125
Current liabilities	1,344,217,351	787,098,089
Non-current liabilities	1,809,085,687	1,360,681,128
Net assets	1,735,276,180	1,089,198,510
Revenue	1,722,595,195	630,155,971
Profit/(loss) before tax from continuing operations	463,551,802	(551,066,980)
Total comprehensive income/(expense)	646,077,670	(619,912,911)

Group management tested the investment in İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş. for impairment, treating it as a single cash-generating unit. For this purpose, the quoted market price was used as the basis to determine the recoverable amount of the investment.

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Note 17 - Investment Properties

Movements in investment properties for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Balance at Jan. 1	673,859,885	563,262,753
Additions	-	-
Disposals	-	-
Transfers	-	-
Fair value gains/(losses)	(81,789,885)	110,597,132
Net carrying amount	592,070,000	673,859,885

Investment properties consist of buildings and land used by various parties.

Finance costs related to investment properties are recognized in the statement of profit or loss and other comprehensive income and are not capitalized.

The fair values of the investment properties were determined by independent appraisers licensed by the Capital Markets Board ("CMB") who provide valuation services in accordance with capital markets legislation and have up-to-date knowledge of the categories and locations of the properties concerned. Details of the valuation process are presented below:

Real Estate	Valuation date	Current appraisal values	Fair value gains/(losses)	Valuation methods used	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Independent Section No. 15	Dec. 31, 2025	319,150,000	(44,089,300)	Market value (<i>comparable sales</i>) approach	- Comparable values based on the property's location, characteristics, and market conditions	The estimated fair value would increase (decrease) if: - If the expected comparable values of similar properties are higher (lower)
Independent Section No. 16	Dec. 31, 2025	272,920,000	(37,700,584)	Market value (<i>comparable sales</i>) approach	- Comparable values based on the property's location, characteristics, and market conditions	The estimated fair value would increase (decrease) if: - If the expected comparable values of similar properties are higher (lower)

These properties consist of independent sections in the building located on Map Section 24, Plot 10913, Yenibosna Neighborhood, Bahçelievler District, Istanbul.

The Group does not have any investment properties acquired through finance leases with outstanding obligations as of the end of the reporting period.

Since the investment properties are not considered qualifying assets as defined under TAS 23 ("Borrowing Costs"), finance costs related to investment properties are recognized directly in the statement of profit or loss and other comprehensive income when incurred and are not capitalized.

The Group recognized total rental income of TRY 16,201,389 from its investment properties during the current period (2024: TRY 13,836,501).

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Note 18 - Property, Plant, and Equipment

Jan. 1-Dec. 31, 2025

	Plant, machinery and equipment	Vehicles	Furniture, fixtures	Other property, plant, and equip- ment	Total
As of Jan. 1					
Cost	138,744,854	81,498,768	256,722,676	6,621,039	483,587,337
Accumulated depreciation	(70,665,571)	(50,165,458)	(239,216,567)	(4,997,873)	(365,045,469)
Net carrying amount	68,079,283	31,333,310	17,506,109	1,623,166	118,541,868
Opening net carrying amount	68,079,283	31,333,310	17,506,109	1,623,166	118,541,868
Additions	82,426,329	18,360,370	3,015,141	3,038,020	106,839,860
Disposals	-	-	-	-	-
Depreciation charge for the period	(18,263,145)	(5,497,323)	(5,427,955)	(761,791)	(29,950,214)
Closing net carrying amount	132,242,467	44,196,357	15,093,295	3,899,395	195,431,514
As of Dec. 31, 2025					
Cost	219,426,157	85,822,312	259,407,959	9,552,540	574,208,968
Accumulated depreciation	(87,183,690)	(41,625,955)	(244,314,664)	(5,653,145)	(378,777,454)
Net carrying amount	132,242,467	44,196,357	15,093,295	3,899,395	195,431,514

Jan. 1-Dec. 31, 2024

	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Other property, plant, and equipment	Total
As of Jan. 1					
Cost	131,880,788	71,639,098	251,762,140	6,303,245	461,585,271
Accumulated depreciation	(54,924,682)	(55,987,732)	(232,417,951)	(4,522,904)	(347,853,269)
Net carrying amount	76,956,106	15,651,366	19,344,189	1,780,341	113,732,002
Opening net carrying amount	76,956,106	15,651,366	19,344,189	1,780,341	113,732,002
Additions	6,864,066	19,888,553	5,333,025	317,794	32,403,438
Disposals	-	(234,583)	-	-	(234,583)
Depreciation charge for the period	(15,740,889)	(3,972,028)	(7,171,105)	(474,969)	(27,358,991)
Closing net carrying amount	68,079,283	31,333,308	17,506,109	1,623,166	118,541,866
As of Dec. 31, 2024					
Cost	138,744,854	81,498,768	256,722,676	6,621,039	483,587,337
Accumulated depreciation	(70,665,571)	(50,165,458)	(239,216,567)	(4,997,873)	(365,045,469)
Net carrying amount	68,079,283	31,333,310	17,506,109	1,623,166	118,541,868

There are no pledges, restrictions or mortgages on the Group's property, plant, and equipment.

The Group does not have any property, plant or equipment acquired under finance leases for which a liability remains outstanding as of the reporting date.

As property, plant, and equipment do not qualify as "qualifying assets" under TAS 23 Borrowing Costs, the related borrowing costs are expensed in the statement of comprehensive income rather than capitalized.

The Group does not hold any temporarily idle property, plant, and equipment.

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Right-of-Use Assets

The breakdown of the Group's right-of-use assets recognized in the consolidated statement of financial position as of Dec. 31, 2025, and Dec. 31, 2024, by asset class is presented below:

	Dec. 31, 2025	Dec. 31, 2024
Buildings	200,439,616	212,775,687
Vehicles	7,283,856	3,714,680
Total	207,723,472	216,490,367

In addition, in relation to leases within the scope of TFRS 16, the Group recognized depreciation and interest expenses instead of operating lease expense. For the year ended Dec. 31, 2025, the Group recognized depreciation expense of TRY 53,706,772 (2024: TRY 31,423,152) and interest expense of TRY 43,681,115 (2024: TRY 19,288,886) in respect of these leases.

Note 19 - Intangible Assets

Goodwill:

Dec. 31, 2025: None (2024: None).

Other Intangible Assets:

Jan. 1-Dec. 31, 2025

	Brand	Development expenses	Other	Total
As of Jan. 1				
Cost	78,518,690	231,646,503	54,941,371	365,106,564
Accumulated amortization	-	(205,145,928)	(50,094,945)	(255,240,873)
Net carrying amount	78,518,690	26,500,575	4,846,426	109,865,691
Opening net carrying amount	78,518,690	26,500,575	4,846,426	109,865,691
Additions	15,289	67,573,431	2,040,317	69,629,037
Disposals	-	-	-	-
Amortization for the period	-	(16,199,059)	(2,407,209)	(18,606,268)
Closing net carrying amount	78,533,979	77,874,947	4,479,534	160,888,460
As of Dec. 31, 2025				
Cost	78,533,979	299,219,934	56,981,688	434,735,601
Accumulated amortization	-	(221,344,987)	(52,502,154)	(273,847,141)
Net carrying amount	78,533,979	77,874,947	4,479,534	160,888,460

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Jan. 1-Dec. 31, 2024

	Brand	Development expenses	Other	Total
As of Jan. 1				
Cost	78,518,690	178,127,951	54,565,386	311,212,027
Accumulated amortization	-	(149,963,273)	(46,676,729)	(196,640,002)
Net carrying amount	78,518,690	28,164,678	7,888,657	114,572,025
Opening net carrying amount	78,518,690	28,164,678	7,888,657	114,572,025
Additions	-	53,518,552	375,985	53,894,537
Disposals	-	-	-	-
Fair value gains/(losses)	-	-	-	-
Amortization for the period	-	(55,182,655)	(3,418,216)	(58,600,871)
Closing net carrying amount	78,518,690	26,500,575	4,846,426	109,865,691
As of Dec. 31, 2024				
Cost	78,518,690	231,646,503	54,941,371	365,106,564
Accumulated amortization	-	(205,145,928)	(50,094,945)	(255,240,873)
Net carrying amount	78,518,690	26,500,575	4,846,426	109,865,691

There are no pledges, restrictions, or mortgages on the Group's intangible assets (2024: None).

In assessing whether the trademark has an indefinite useful life, the going concern concept was taken into consideration. Summary information, assumptions, and methods regarding the valuation report for the impairment test of the Group's "Aura Roboclean" trademark as of Dec. 31, 2025 are presented below:

- Macroeconomic factors, together with the Group's financial statements and projections, were considered in the trademark valuation.
The trademark impairment assessment was performed by the Group's management.
- The valuation study is based on value in use, and the key assumptions used are presented below:
 - The market value of the "Aura Roboclean" trademark and naming rights was determined using the Relief from Royalty method.
 - In determining the royalty rate used to calculate the trademark value of "Aura Roboclean," royalty rates applied by brands in the small home appliances sector, particularly for vacuum cleaner sales, were analyzed.
 - Royalty data from manufacturers producing similar products was utilized, taking into account the products manufactured under the Aura Roboclean brand and the profit margins achieved. Additionally, the length of time Aura Roboclean has operated in the sector, its market share, and brand awareness were taken into consideration.
 - A royalty rate of 2.92% and an average WACC of 41.4% were utilized.
 - A country risk premium of 10.06% was applied.
 - The terminal growth rate was assumed to be an average of 26.7%.

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A reconciliation of the opening and closing balances for the "Aura Roboclean" trademark is provided below:

	Jan. 1-Dec. 31, 2025	Jan. 1-Dec. 31, 2024
Balance at beginning of period	78,075,323	78,075,323
Value increases during the period	-	-
Balance at end of period	78,075,323	78,075,323

Note 20 – Government Grants and Assistance

The R&D incentive of TRY 5,912,218 related to the cleaning robot developed by the Company is recognized in the restricted reserves appropriated from profit account under equity (2024: TRY 12,916,261). The R&D deduction utilized for corporate income tax purposes in the current period amounted to TRY 36,225,327 (2024: TRY 27,436,383).

Note 21 – Provisions, Contingent Assets and Liabilities, and Commitments

Commitments, Collateral, Pledges, Mortgages, and Guarantees ("CPMGs") provided by the Group

CPMGs Issued by the Group (Dec. 31, 2025)	USD Balance	EUR Balance	TRY Balance	Total (TRY Equivalent)
A. Total amount of CPMGs provided by the Company on its own behalf	-	-	120,000,000	120,000,000
B. Total Amount of CPMGs Provided in Favor of Fully Consolidated Subsidiaries	-	-	663,962	663,962
C. Total amount of CPMGs provided to secure other third-party debts in the ordinary course of business	-	-	-	-
D. Total Amount of Other CPMGs Provided	-	-	-	-
i. Total Amount of CPMGs Provided in Favor of the Parent Company	-	-	-	-
ii. Total amount of CPMGs provided in favor of other related companies not covered under items B and C	-	-	-	-
iii. Total amount of CPMGs provided in favor of third parties not covered under item C	-	-	-	-
Total	-	-	120,663,962	120,663,962
Total Equity of the Group				2,044,962,086
Ratio of other CPMGs provided by the Group to the Group's equity				0%

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CPMGs Issued by the Group (Dec. 31, 2024)	USD Balance	EUR Balance	TRY Balance	Total (TRY Equivalent)
A. Total amount of CPMGs provided by the Company on its own behalf	-	-	14,659,941	14,659,941
B. Total Amount of CPMGs Provided in Favor of Fully Consolidated Subsidiaries	-	-	-	-
C. Total amount of CPMGs provided to secure other third-party debts in the ordinary course of business	-	-	-	-
D. Total Amount of Other CPMGs Provided	343,239	-	-	12,090,009
i. Total Amount of CPMGs Provided in Favor of the Parent Company	-	-	-	-
ii. Total amount of CPMGs provided in favor of other related companies not covered under items B and C	343,239	-	-	12,090,009
iii. Total amount of CPMGs provided in favor of third parties not covered under item C	-	-	-	-
Total	343,239	-	14,659,941	26,749,950
Total Equity of the Group				2,009,028,719
Ratio of other CPMGs provided by the Group to the Group's equity				1%

As of Dec. 31, 2025, summary information on litigations and enforcement proceedings related to the Group is as follows:

	Amount
Ongoing lawsuits filed by the Group	-
Enforcement proceedings initiated by the Group	1,138,280
Ongoing lawsuits filed against the Group	1,363,234
Enforcement proceedings initiated against the Group	40,012

As of Dec. 31, 2025, the Group has recognized a total provision of TRY 1,363,235 (2024: TRY 1,582,196) for lawsuits filed against it, whereas no provision has been allocated for cases where a favorable outcome is highly probable.

Provisions:

	Dec. 31, 2025	Dec. 31, 2024
Warranty Provisions	7,677,167	12,216,191
Provisions for Litigation	1,363,235	1,582,196
Short-Term	9,040,402	13,798,387
	Dec. 31, 2025	Dec. 31, 2024
Warranty Provisions	19,182,028	31,861,501
Long-Term	19,182,028	31,861,501

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The movement table for warranty and litigation provisions for the period is presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Warranty Provisions		
Balance at period-start	44,077,692	58,549,262
Charge for the period/provisions no longer required, net	(2,391,735)	(5,021,327)
Net monetary position gain/(loss)	(14,826,762)	(9,450,243)
Balance at period-end	26,859,195	44,077,692
	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Provisions for Litigation		
Balance at period-start	1,582,196	507,892
Charge for the period/provisions no longer required, net	185,173	1,327,221
Net monetary position gain/(loss)	(404,134)	(252,917)
Balance at period-end	1,363,235	1,582,196

Other information:

The Group received promissory notes and checks totaling USD 10,000,000 from related parties and USD 18,451,000 from other customers as collateral for its receivables.

Note 22 - Employee Benefits and Employee Benefits Payable

Short-term employee benefit payables:

	Dec. 31, 2025	Dec. 31, 2024
Salaries, severance, and similar payables to personnel	22,372,887	18,645,171
Social security deductions payable	8,830,721	7,846,621
	31,203,608	26,491,792

Short-term employee benefit provisions:

	Dec. 31, 2025	Dec. 31, 2024
Provision for unused leave entitlements	3,973,480	2,509,828
	3,973,480	2,509,828

Long-term employee benefit provisions:

	Dec. 31, 2025	Dec. 31, 2024
Provision for severance pay	36,390,194	18,653,161
	36,390,194	18,653,161

Under the Labor Law, the Group is required to pay severance pay to employees who have completed at least one (1) year of service and whose employment is terminated without cause, who are called up for military service, who die, or who retire after completing twenty-five (25) years of service for men and twenty (20) years for women and reaching retirement age. The amount payable is equal to one (1) month's salary, subject to the limits set forth below, and is capped at TRY 53,919 (2024: TRY 41,828) as of Dec. 31, 2025.

Apart from the statutory regulations described above, there are no pension commitments. The provision is unfunded because there is no requirement to allocate a separate fund for the liability. The provision for severance pay is calculated by estimating the present value of the potential future obligations of the Group arising from the retirement of employees as of the reporting date.

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TAS 19 "Employee Benefits" requires companies to use actuarial valuation methods to estimate their obligations under certain employee benefit plans. Accordingly, actuarial assumptions and existing legal obligations were used to calculate the total liability. The primary actuarial estimates and assumptions used are as follows:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Discount rate	16.59%	18.70%
Forfeiture rate for severance pay obligations (average)	26%	25%

The fundamental assumption in calculating the provision for severance pay is that the ceiling amount determined for each year of service increases in proportion to inflation. Thus, the discount rate applied represents the real rate net of the expected effects of inflation. As the severance pay ceiling is revised every six (6) months, the Group's provision for severance pay is calculated based on the full ceiling amount of TRY 64,949 effective from Jan. 1, 2026 (Jan. 1, 2025: TRY 46,655).

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Balance at period-start	18,653,161	15,862,246
Actuarial gains/(losses)	13,536,525	8,854,007
Net monetary position gain/(loss)	2,657,868	(11,115,918)
Payments	(7,893,189)	(13,502,365)
Provisions recognized during the period	9,435,829	18,555,191
Balance at period-end	36,390,194	18,653,161

Note 23 - Retirement Plans

Apart from the statutory requirements disclosed in Note 22, there are no other pension commitments.

Note 24 - Prepaid Expenses and Deferred Income

Current prepaid expenses:

	Dec. 31, 2025	Dec. 31, 2024
Advance payments for purchase orders	33,087,792	26,477,556
Business advances	20,943	43,056
Prepaid expenses for future months and others	3,619,899	2,871,655
	36,728,634	29,392,267

Non-current prepaid expenses:

	Dec. 31, 2025	Dec. 31, 2024
Advances given	6,935,087	4,493,864
	6,935,087	4,493,864

Current deferred income:

	Dec. 31, 2025	Dec. 31, 2024
Advances received for orders	22,882,926	38,648,818
	22,882,926	38,648,818

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Note 25 - Current Tax Assets

	Dec. 31, 2025	Dec. 31, 2024
Prepaid tax receivables	6,882,780	12,551,003
	6,882,780	12,551,003

Note 26 - Other Assets and Liabilities

Other current assets:

	Dec. 31, 2025	Dec. 31, 2024
Carried-forward VAT and other VAT	25,821,744	46,201,635
	25,821,744	46,201,635

Other current liabilities:

	Dec. 31, 2025	Dec. 31, 2024
Taxes, duties, and other withholdings payable	11,965,576	16,575,780
Other VAT	13,981,721	9,724,947
	25,947,297	26,300,727

Note 27 - Capital, Reserves, and Other Equity Items

Paid-in Capital and Adjustments to Paid-in Capital

The Company's approved and issued share capital consists of 35,050,000,000 shares, each with a nominal value of 1 kuruş (TRY 0.01). The Company's registered capital ceiling is TRY 750,000,000.

As of Dec. 31, 2025, and Dec. 31, 2024, the Company's approved and issued capital and capital structure are as follows:

Name	Dec. 31, 2025		Dec. 31, 2024	
	Shareholding Ratio %	Share Amount	Shareholding Ratio %	Share Amount
İhlas Pazarlama A.Ş.	0.02	84,651	0.02	84,651
İhlas Holding A.Ş.	27.26	95,551,299	25.12	88,046,773
Ahmet Mücahid Ören	0.46	1,597,228	0.46	1,597,228
Publicly Traded	72.26	253,266,822	72.26	253,266,822
İhlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi	-	-	2.14	7,504,526
	100.00	350,500,000	100.00	350,500,000
Adjustments to Share Capital (*)		1,442,369,110		5,510,142,574
		1,792,869,110		5,810,642,574

(*) Pursuant to the General Assembly resolution dated June 3, 2025, it was resolved that the amounts arising from the initial inflation adjustment may be offset, subject to compliance with other relevant regulations. In this context, the indexed differences arising from the initial inflation restatement were offset against retained earnings/(accumulated losses).

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Treasury Shares

The Company does not hold any treasury shares (2024: 7,504,526 shares and TRY 31,004,307).

Accumulated other comprehensive income (loss) not to be reclassified subsequently to profit or loss

i. Share of other comprehensive income of investments accounted for using the equity method that will not be reclassified to profit or loss

This consists of the Company's share of items in the other comprehensive income statement of its associates that will not be reclassified to profit or loss, amounting to TRY 1,261,085 (2024: TRY 953,051).

ii. Remeasurement gains/(losses) on defined benefit plans

Remeasurement gains/(losses) on defined benefit plans arise from the actuarial assumptions used in calculating the Group's provision for severance pay, and are presented in the statement of other comprehensive income net of the deferred tax effect. The remeasurement gain/(loss) arising from actuarial assumptions amounts to TRY 1,792,669 and has been recognized under equity (2024: TRY 8,337,142).

Reserves

Under the Turkish Commercial Code, legal reserves consist of first and second legal reserves. The first legal reserve is appropriated at 5% of the net profit reported in the statutory financial statements until its cumulative balance reaches 20% of the restated paid-in capital. Second legal reserves are appropriated at 10% of total dividend distributions exceeding 5% of the restated share capital. In accordance with the provisions of the TCC, legal reserves may be used only to offset losses and may not be used for other purposes unless they exceed 50% of the paid-in capital.

	Dec. 31, 2025	Dec. 31, 2024
Restricted reserves (*)	56,275,011	88,725,299
Total	56,275,011	88,725,299

(*) Pursuant to the General Assembly resolution dated June 3, 2025, it was resolved that the amounts arising

from the initial inflation adjustment may be offset, subject to compliance with other relevant regulations. In this context, the indexed differences arising from the initial inflation restatement were offset against retained earnings/(accumulated losses).

Share Premiums/(Discounts)

	Dec. 31, 2025	Dec. 31, 2024
Share premiums (*)	36,057,817	150,871,407
Total	36,057,817	150,871,407

(*) Pursuant to the General Assembly resolution dated June 3, 2025, it was resolved that the amounts arising

from the initial inflation adjustment may be offset, subject to compliance with other relevant regulations. In this context, the indexed differences arising from the initial inflation restatement were offset against retained earnings/(accumulated losses).

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Note 28 - Revenue and Cost of Sales

Revenue:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Domestic Sales	2,857,978,399	2,858,390,911
Export Sales	871,975,229	911,547,072
Sales discounts (-)	(1,808,596)	(262,806)
Total	3,728,145,032	3,769,675,177

Cost of Sales:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Cost of Sales (-)	(3,197,992,851)	(3,256,220,708)

The breakdown of external revenue by major product and service groups is presented in Note 5.

Details regarding the timing of revenue recognition for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Revenue recognized at a point in time	3,305,111,648	3,390,485,435
Revenue recognized over time	423,033,384	379,189,742
Total	3,728,145,032	3,769,675,177

A breakdown of the Group's cost of sales for the periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024, is

presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Raw materials and supplies expenses	(1,826,780,042)	(1,997,253,569)
Personnel expenses	(332,683,555)	(296,815,539)
Logistics service expenses	(107,865,172)	(100,464,082)
Cost of merchandise sold	(392,100,889)	(352,845,776)
Depreciation and amortization expenses	(60,929,381)	(53,022,568)
Other expenses	(477,633,812)	(455,819,174)
Cost of Sales	(3,197,992,851)	(3,256,220,708)

The Group's sales quantities for each main product group during the period are as follows:

Product Group	Jan. 1- Dec. 31, 2025 Unit (Piece)	Jan. 1- Dec. 31, 2024 Unit (Piece)
<i>Home Appliances Group</i>		
Cleaning Robot Group	135,863	131,645
Water Treatment Group	166,391	171,360
Water Heater Group	160,978	106,768
Other	12,252	16,783

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The Group's production quantities for each main product group during the period are as follows:

<i>Product Group</i>	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
	Unit (Piece)	Unit (Piece)
<i>Home Appliances Group</i>		
Cleaning Robot Group	135,878	131,645
Water Treatment Group	166,454	171,360
Water Heater Group	160,978	106,768
Other	11,479	16,583

Gross Profit/(Loss) from Financial Sector Operations

Jan. 1-Dec. 31, 2025: None (2024: None).

Note 29 - Operating Expenses

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
General administrative expenses	(185,218,779)	(127,993,468)
Marketing Expenses	(117,344,261)	(105,715,738)
Research and development expenses	(17,820,785)	(55,771,135)
Total	(320,383,825)	(289,480,341)

Details of expenses by nature for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

General Administrative Expenses:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Personnel expenses	(80,070,487)	(70,278,213)
Allowance for doubtful receivables	(47,026,318)	(25,330,688)
Building cleaning and security expenses	(6,968,077)	(6,417,712)
Audit, consulting, and advisory expenses	(7,573,048)	(3,147,513)
Insurance expenses	(2,581,169)	(2,372,497)
Repair, maintenance, and energy expenses	(821,473)	(751,668)
Depreciation and amortization expenses	(25,134,818)	(9,177,787)
Distribution and shipping expenses	(1,605,491)	(1,481,567)
General assembly, MKK, and BIST fees	(816,996)	(1,223,201)
Communication and stationery expenses	(447,067)	(527,650)
Notary, taxes, duties and fees	(1,827,347)	(1,883,815)
Other general administrative expenses	(10,346,488)	(5,401,157)
	(185,218,779)	(127,993,468)

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Marketing Expenses:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Personnel expenses	(34,127,627)	(26,933,631)
Meeting, organization, travel, and accommodation expenses	(7,259,377)	(6,135,687)
Warranty expenses	(17,760,792)	(19,045,240)
Advertising expenses	(36,870,268)	(27,629,108)
Export expenses	(2,635,266)	(2,349,268)
Exhibition expenses	(10,564,565)	(13,538,814)
Quality certification expenses	(1,453,653)	(1,629,249)
Distribution and shipping expenses	(3,525,717)	(2,799,592)
TSE, patent and similar expenses	(908,100)	(1,574,426)
Electricity, water, and heating expenses	(449,975)	(519,269)
Other marketing, sales, and distribution expenses	(1,788,921)	(3,561,454)
	(117,344,261)	(105,715,738)

Research and Development Expenses:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Personnel expenses	(1,621,730)	(588,481)
Depreciation expenses	(16,199,055)	(55,182,654)
Research and Development Expenses	(17,820,785)	(55,771,135)

A breakdown of personnel expenses included in operating expenses is presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Gross wages and salaries	(85,664,821)	(71,748,023)
Social security contributions	(26,223,857)	(21,223,601)
Other expenses	(11,790,022)	(7,092,185)
Total	(123,678,700)	(100,063,809)

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Note 30 - Other Operating Income/(Expense)

Details of other operating income and expenses for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Other operating income:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Foreign exchange gains (*)	25,322,204	24,804,169
Rental income	19,189,683	15,837,315
Finance income from deferred payment terms (*)	11,965,957	19,122,376
Provisions no longer required	215	6,411,323
Other income	5,353,045	18,612,616
	61,831,104	84,787,799

Other operating expenses:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Foreign exchange losses (*)	(10,991,724)	(15,516,397)
Expenses from deferred payment terms(*)	(33,211,935)	(26,082,790)
Other expenses	(18,218,065)	(7,526,274)
	(62,421,724)	(49,125,461)

(*) Relates to trade transactions.

Note 31 - Income/(Expense) from Investing Activities

Income from investing activities:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Fair value gains on investment properties	-	204,030,652
Gains on sale of non-current assets	5,528,557	4,821,660
Gains on sale and fair value increases of financial investments	588,194	41,848
	6,116,751	208,894,160

Expenses from investing activities:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Impairment loss on investment property	(81,789,885)	(93,433,519)
Impairment provisions for financial investments	(471,176)	(26,715,564)
	(82,261,061)	(120,149,083)

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Note 32 - Finance Costs

Details of finance costs for the periods of Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024, are presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Interest expenses	(47,935,892)	(18,094,325)
Foreign exchange losses (*)	(127,887)	(1,130,355)
Other	(1,023,996)	(32,068)
Total	(49,087,775)	(19,256,748)

(*) Relates to cash and cash equivalents, financial borrowings and other financial liabilities/assets.

Note 33 - Finance Income

Details of finance income for the periods of Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024, are presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Foreign exchange gains (*)	169,223	1,142,240
Interest income	15,872,077	15,880,928
Total	16,041,300	17,023,168

(*) Relates to cash and cash equivalents, financial borrowings and other financial liabilities/assets.

Note 34 - Non-Current Assets Held for Sale and Discontinued Operations

Non-Current Assets Held for Sale:

Dec. 31, 2025: None (2024: None).

Discontinued Operations:

Jan. 1-Dec. 31, 2025: None (2024: None).

Note 35 - Tax Assets and Liabilities

Current Tax Assets and Liabilities

Dividends paid to entities earning income through a permanent establishment or permanent representative in Türkiye and to entities resident in Türkiye are not subject to withholding tax. All other dividend payments are subject to a 15% withholding tax. The capitalization of profits is not considered a profit distribution and is not subject to withholding tax. Advance tax paid during the year relates to that year and is offset against the corporate income tax calculated based on the corporate income tax return to be filed in the following year.

A 25% portion of the gains derived from the sale of real estate held in the assets of corporate entities for at least two full years (applicable only to those acquired before July 2023), along with a 50% portion of the gains derived from the sale of participation shares, founders' shares, dividend-right certificates and pre-emptive rights, are exempt from corporate tax. To benefit from the exemption, the aforementioned gain must be retained in a fund account under equity, must not be withdrawn from the business for five (5) years, and the sales proceeds must be collected by the end of the second calendar year following the year of sale.

Under the Corporate Tax Law, tax losses reported in the corporate income tax return may be carried forward and deducted from the corporate income tax base for up to five (5) years. Tax returns and related accounting records may be inspected by the tax authorities within five (5) years, and tax assessments may be revised.

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The main components of tax expenses as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

	Dec. 31, 2025	Dec. 31, 2024
Current period tax provisions	40,412,023	6,603,164
Prepaid taxes (-)	(38,245,279)	(5,071,137)
Total	2,166,744	1,532,027

The main components of tax expenses recognized in the statement of profit or loss are presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Current corporate income tax	(40,412,023)	(6,603,164)
Deferred tax income/(expense)	83,674,449	(32,494,728)
Balance at period-end	43,262,426	(39,097,892)

Current tax regulations do not allow the parent to file tax returns based on its consolidated financial statements. Therefore, tax provisions reflected in these consolidated financial statements are calculated separately for each entity included in the scope of full consolidation.

The reconciliation of the Group's tax income/(expense) for the years ended Dec. 31, 2025, and Dec. 31, 2024, is presented below:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Profit/(loss) before tax from continuing operations	(13,706,748)	116,033,638
Calculated tax income/(expense)	3,426,687	(29,008,410)
Tax effect:		
Non-taxable income	(184,541,654)	(91,091,880)
Effect of unrecognized tax losses and investment incentives	-	-
Effect of non-deductible expenses and non-taxable differences	224,377,393	81,002,398
Total tax income/(expense)	43,262,426	(39,097,892)

Deferred Tax Assets and Liabilities

The Group recognizes deferred income tax assets and liabilities taking into account the effects of temporary differences resulting from the differing valuations of balance sheet items between TFRS and statutory financial statements. These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with TFRS and tax laws.

The corporate tax rate is 25% as of the reporting date (2024: 25%).

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The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of Dec. 31, 2025, and Dec. 31, 2024, prepared using the enacted tax rates, is presented below:

Deferred tax assets/(liabilities), net:

	Taxable temporary differences		Deferred tax assets (liabilities)		Statement of profit or loss and other comprehensive income	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Temporary differences on investment properties, financial assets, property, plant, and equipment, and intangible assets						
Income/(expenses) from rediscount/ amortization	(354,078,895)	(620,592,481)	(88,519,724)	(155,148,120)	66,628,396	(20,940,899)
Allowance for inventory write-downs	(25,226,574)	(38,665,445)	(6,306,644)	(9,666,362)	3,359,718	(652,810)
Provisions for employee benefits	6,309,169	3,803,247	1,577,293	950,812	626,481	(460,303)
Provisions for doubtful receivables	35,808,270	1,447,588	8,952,068	361,898	8,590,170	2,423,027
Warranty provisions	104,351,419	81,912,300	26,087,855	20,478,075	5,609,780	(2,373,632)
Provisions for Litigation	28,866,007	40,552,539	7,216,502	10,138,135	(2,921,633)	(4,499,180)
Other	1,363,235	1,582,196	340,809	395,549	(54,740)	268,576
	(79,817,281)	(100,698,911)	(19,954,322)	(25,174,728)	5,220,406	(4,046,003)
	(282,424,650)	(630,658,967)	(70,606,163)	(157,664,741)	87,058,578	(30,281,224)

Movement table for net deferred tax assets:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Balance at period-start	(157,664,741)	(127,383,518)
Deferred tax income/(expense)	83,674,449	(32,494,728)
Deferred tax income/(expense) recognized in other comprehensive income	3,384,129	2,213,504
Balance at period-end	(70,606,163)	(157,664,742)

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Note 36 – Earnings/(Loss) Per Share

The Group's weighted average number of shares and calculation of earnings per share as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Earnings/(Loss) per Share from Continuing Operations:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
Net profit/(loss) for the period from continuing operations	29,555,678	76,935,746
Owners of the Parent	26,571,249	74,908,659
Non-Controlling Interests	2,984,429	2,027,087
Weighted average number of shares with a nominal value of 1 kuruş (Kr) (TRY 0.01)	35,050,000,000	35,050,000,000
Earnings/(Loss) per Share (Kr)	0.0843	0.2195

The Group does not have any discontinued operations.

Diluted earnings per share was not calculated because the Group has no potential ordinary shares that would have a dilutive effect (2024: None).

No dividends were accrued during the current period (2024: None).

There are no share-based payments (2024: None).

Note 37 – Related Party Disclosures

A. The outstanding balances (carrying amounts) of the Group with its shareholders, with major entities with which it has indirect capital, management, or business relationships through its shareholders, and with its key management personnel as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Trade receivables and others:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	22,214,187	52,093,400
İhlas Gazetecilik A.Ş.	5,943,666	4,700,811
İhlas Pazarlama A.Ş.	313,159,782	327,059,515
İhlas Yayın Holding A.Ş.	2,495,993	2,822,953
Other	664,737	962,733
	344,478,365	387,639,412

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Trade payables:

	Dec. 31, 2025	Dec. 31, 2024
TGRT Haber TV A.Ş.	3,347,686	2,622,310
İhlas Gazetecilik A.Ş.	1,303,519	1,468,032
İhlas Holding A.Ş.	124,809	7,554,610
Other	11,193	59,863
	4,787,207	11,704,815

Other payables:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	20,150,667	-
	20,150,667	-

Deferred income:

	Dec. 31, 2025	Dec. 31, 2024
Net Tech Bilişim ve Siber Güvenlik A.Ş.	-	87,486
	-	87,486

Liabilities arising from short-term leases:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	77,970	365,454
İhlas Gazetecilik A.Ş.	5,713	25,454
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	2,654	15,138
	86,337	406,046

Liabilities arising from long-term leases:

	Dec. 31, 2025	Dec. 31, 2024
İhlas Holding A.Ş.	1,794,805	1,006,644
İhlas Gazetecilik A.Ş.	131,506	86,515
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	61,088	39,835
	1,987,399	1,132,994

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Benefits provided to key personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. There are two types of benefit provided to key management personnel: Short-term benefits include salaries and wages, social security contributions, bonuses, paid leave, and attendance fees. Such short-term benefits were reported under the "Employee Benefits Payable" account. Termination benefits comprise the Group's severance pay obligation. Such benefits were reported under the "Provisions for Employee Benefits" account.

Total short-term benefits provided to key personnel, including salaries, board attendance fees, and similar benefits, amounted to TRY 19,364,364 for the period Jan. 1-Dec. 31, 2025 (2024: TRY 12,764,529). Total benefits payable to key management personnel upon termination of employment (severance pay) for the period Jan. 1-Dec. 31, 2025 amounted to TRY 1,608,050 (2024: TRY 805,543).

The Group did not provide any long-term benefits to its key management personnel during the years ended Dec. 31, 2025, and Dec. 31, 2024.

No benefits were provided to key management personnel who departed from the Group during the period from Jan. 1 to Dec. 31, 2025 (2024: TRY 116,966).

There are no share-based payment arrangements.

B. The following are the Group's sales and purchases (including maturity differences) with major companies with which it had indirect ownership, management and business relationships through its shareholders during the periods Jan. 1-Dec. 31, 2025, and Jan. 1-Dec. 31, 2024:

Purchases:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	64,962,091	67,346,244
İhlas Holding A.Ş.	221,930	-
TGRT Haber TV A.Ş.	19,629,802	24,735,126
Other	1,443,516	799,432
	86,257,339	92,880,802

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Sales:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	90,388,326	77,917,991
İhlas Pazarlama A.Ş.	1,935,811,705	1,891,515,597
İhlas Haber Ajansı A.Ş.	1,692,331	1,911,157
İhlas Gazetecilik A.Ş.	69,004,752	58,219,729
TGRT Haber TV A.Ş.	5,054,947	5,442,497
Other	16,603,520	11,373,490
	2,118,555,581	2,046,380,461

İhlas Pazarlama A.Ş. serves as the Company's main distributor for product marketing, and the associated purchase and sale transactions are presented above. Additionally, the Company's receivable from İhlas Pazarlama A.Ş. as of the reporting date is presented in Article A.

C. Interest, rent and other income received from, and expenses paid to, the Group's shareholders and certain major companies with which it has indirect ownership, management or business relationships through its shareholders for the years ended Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Interest invoices issued:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	5,205,825	8,903,836
İhlas Yayın Holding A.Ş.	-	1,302,481
Other	-	1,784,295
	5,205,825	11,990,612

Rent invoices issued:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	8,018,278	6,847,870
İhlas Pazarlama A.Ş.	1,185,891	915,971
İhlas Haber Ajansı A.Ş.	7,954,087	6,620,339
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	219,630	169,520
Other	439,260	337,174
	17,817,146	14,890,874

Invoices arising from lease agreements:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Holding A.Ş.	972,291	671,342
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	32,108	27,422
Other related parties	57,596	239,321
	1,061,995	938,085

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Interest invoices received:

	Jan. 1- Dec. 31, 2025	Jan. 1- Dec. 31, 2024
İhlas Gazetecilik A.Ş.	131,763	757,265
İhlas Gayrimenkul Proje Geliştirme ve Ticaret A.Ş.	-	675,266
İhlas Holding A.Ş.	10,273,541	5,658,713
Other related parties	549,349	4,128,890
	10,954,653	11,220,134

Note 38 – Nature and Extent of Risks Arising from Financial Instruments

A) Capital risk management

In its capital management, the Group aims to increase its profitability and market value by maintaining an efficient balance between debt and equity, while also ensuring the continuity of its activities.

The Group's capital structure consists of debt, which includes financial borrowings, and equity components including paid-in capital, capital reserves, restricted reserves, and retained earnings/(accumulated losses).

The Group monitors its capital adequacy using the net debt-to-equity ratio. This ratio is calculated by dividing net debt by total equity. Net debt is calculated by deducting cash and cash equivalents from total debt (which includes short and long-term borrowings, trade payables, and other payables presented in the statement of financial position).

	Dec. 31, 2025	Dec. 31, 2024
Total liabilities	728,687,749	780,872,596
Cash and cash equivalents	(28,788,422)	(94,451,441)
Net debt	699,899,327	686,421,155
Total equity	2,044,962,086	2,009,028,719
Net debt-to-equity ratio	34%	34%

B) Significant accounting policies

The Group's significant accounting policies relating to financial instruments are disclosed in the "Financial Instruments" section of Note 2, "Summary of Significant Accounting Policies."

C) Financial risk management objectives

The Group's significant financial risks include foreign currency risk, interest rate risk, and liquidity risk.

The Group has an early risk detection and management committee. The Board of Directors is obliged to establish an expert committee, and run and develop a system for the early detection of the events that threaten the existence, development and continuity of the Company, implementation of the necessary measures and remedies, and risk management.

D) Market risk

In the course of its operations, the Group is exposed to financial risks arising from foreign exchange and interest rate fluctuations. Group management actively monitors the currency breakdown of its income and expenses, as well as the currency profile and interest rate structures (fixed vs. variable) of its liabilities.

Changes in market conditions that give rise to market risk include changes in benchmark interest rates, the price of another entity's financial instrument, commodity prices, foreign exchange rates, or price or rate indices.

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Management of inventory price changes (price risk):

The Group is exposed to price risk because fluctuations in raw material prices affect its selling prices. There is no derivative instrument available to mitigate the adverse effects of price movements on sales margins. The Group reviews the balance among order placement, production and procurement in light of anticipated movements in raw material prices and seeks to reflect changes in raw material prices in its selling prices.

Interest rate risk management:

The Group borrows at fixed interest rates. The Group has no borrowings at variable interest rates. Consequently, the Group is not exposed to interest rate risk. The Group's interest rate position is presented below:

	Dec. 31, 2025	Dec. 31, 2024
Fixed-rate instruments		
Financial assets		
- Time deposits	28,198,475	93,163,573
Financial Borrowings	220,882,099	116,889,244
Variable-rate instruments	-	-

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Foreign currency risk management:

The carrying amounts (net) of financial assets and liabilities denominated in foreign currencies as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

Foreign Currency Position Table				
Dec. 31, 2025				
	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	33,143,161	671,533	86,411	-
2a. Monetary Financial Assets (Including Cash on Hand and Bank Accounts)	110,844	2,094	418	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	23,747,558	441,602	95,524	-
4. Current Assets (1+2+3)	57,001,563	1,115,229	182,353	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	5,544,153	129,348	-	-
8. Non-Current Assets (5+6+7)	5,544,153	129,348	-	-
9. Total Assets (4+8)	62,545,716	1,244,577	182,353	-
10. Trade Payables	3,502,128	40,979	34,599	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	22,801,593	474,699	48,657	-
13. Current Liabilities (10+11+12)	26,303,721	515,678	83,256	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	26,303,721	515,678	83,256	-
19. Net Asset/(Liability) Position of Off-Balance Sheet Foreign Currency Derivatives (19a-19b)	-	-	-	-
19a. Amount of Off-Balance Sheet Foreign Currency Derivatives with Asset Characteristics	-	-	-	-
19b. Amount of Off-Balance Sheet Foreign Currency Derivatives with Liability Characteristics	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	36,241,995	728,899	99,097	-
21. Monetary items net foreign currency asset/(liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	29,751,877	632,648	52,230	-
22. Total Fair Value of Financial Instruments Used for Currency Hedging	-	-	-	-
23. Amount of Hedged Foreign Currency Assets	-	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-
25. Exports	861,631,992	17,385,290	3,742,917	38,190
26. Imports	967,240,923	13,197,170	10,063,792	7,983,976

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Foreign Currency Position Table				
Dec. 31, 2024				
	TRY Equivalent	USD	EUR	Other
1. Trade Receivables	25,176,599	566,381	142,254	-
2a. Monetary Financial Assets (Including Cash on Hand and Bank Accounts)	39,127	711	384	-
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	22,115,604	622,102	5,529	-
4. Current Assets (1+2+3)	47,331,330	1,189,194	148,167	-
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	729,330	20,706	-	-
8. Non-Current Assets (5+6+7)	729,330	20,706	-	-
9. Total Assets (4+8)	48,060,660	1,209,900	148,167	-
10. Trade Payables	12,824,922	3,778	345,424	-
11. Financial Liabilities	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	38,535,655	1,031,753	59,711	-
13. Current Liabilities (10+11+12)	51,360,577	1,035,531	405,135	-
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	-	-	-	-
18. Total Liabilities (13+17)	51,360,577	1,035,531	405,135	-
19. Net Asset/(Liability) Position of Off-Balance Sheet Foreign Currency Derivatives (19a-19b)	-	-	-	-
19a. Amount of Off-Balance Sheet Foreign Currency Derivatives with Asset Characteristics	-	-	-	-
19b. Amount of Off-Balance Sheet Foreign Currency Derivatives with Liability Characteristics	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(3,299,917)	174,369	(256,968)	-
21. Monetary items net foreign currency asset/(liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	12,390,804	563,314	(202,786)	-
22. Total Fair Value of Financial Instruments Used for Currency Hedging	-	-	-	-
23. Amount of Hedged Foreign Currency Assets	-	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-
25. Exports	906,803,190	24,867,873	2,120,622	-
26. Imports	914,694,811	14,153,843	13,665,725	19,276

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	Dec. 31, 2025	Dec. 31, 2024
A. Foreign currency assets	62,545,716	48,060,660
B. Foreign currency liabilities	26,303,721	51,360,577
Net foreign currency position (A-B)	36,241,995	(3,299,917)

The Group's hedge ratio for its total foreign currency liabilities arising from total imports as of Dec. 31, 2025, and Dec. 31, 2024, represents the proportion of total foreign currency liabilities hedged against exchange rate risk through derivative instruments. Since the Group has no forward contracts, there is no hedge ratio for its total foreign currency liabilities.

As of Dec. 31, 2025, and Dec. 31, 2024, if TRY had changed simultaneously by 10% against USD, EUR, and other foreign currencies and all other variables had remained constant, net profit/(loss) for the period before tax, as a result of the net foreign exchange gain/(loss) arising from assets and liabilities denominated in these currencies, would have been lower/higher by:

Jan. 1-Dec. 31, 2025: TRY 3,624,204 (2024: TRY 329,990).

The Company's foreign exchange risk sensitivity analysis relating to its foreign currency position is presented below:

	Foreign Exchange Rate Sensitivity Analysis Table			
	Jan. 1-Dec. 31, 2025		Jan. 1-Dec. 31, 2024	
	Profit/(Loss)		Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
	If the USD exchange rate changes by 10%:			
1- USD net asset/(liability)	3,124,229	(3,124,229)	614,185	(614,185)
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1+2)	3,124,229	(3,124,229)	614,185	(614,185)
	If the EUR exchange rate changes by 10%:			
	Jan. 1-Dec. 31, 2025		Jan. 1-Dec. 31, 2024	
	Profit/(Loss)		Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
	If the EUR exchange rate changes by 10%:			
4- EUR net asset/(liability)	499,975	(499,975)	(944,175)	944,175
5- Portion hedged against EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	499,975	(499,975)	(944,175)	944,175
Total (3+6)	3,624,204	(3,624,204)	(329,990)	329,990

E) Credit risk management

The Group's credit risk arises primarily from its trade receivables. The carrying amount presented on the balance sheet represents the net value after deducting the allowance for expected credit losses (ECL), which is estimated by management for each financial asset using a provision matrix based on historical experience and forward-looking assessments. Due to a highly diversified customer base, the Group's credit risk is broadly distributed, with no significant concentration of credit risk.

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Credit risk exposure by type of financial instrument:

Dec. 31, 2025	Receivables				Deposits at Banks	Cash and Other
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk exposure as of the reporting date	338,924,183	490,252,324	5,554,182	9,773,642	28,288,745	499,677
Portion of maximum risk secured by collateral, etc.	428,623,000	790,852,297	-	-	-	-
Net carrying amount of financial assets that are neither past due nor impaired	338,924,183	479,489,040	5,554,182	9,773,642	28,288,745	499,677
Net carrying amounts of impaired assets	-	10,763,284	-	-	-	-
- Gross carrying amount	-	115,582,243	-	-	-	-
- Impairment [-]	-	(104,818,959)	-	-	-	-
- Portion of net amount secured by collateral, etc.	-	-	-	-	-	-
Off-balance sheet items with credit risk	-	-	-	-	-	-

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Dec. 31, 2024	Receivables				Deposits at Banks	Cash and Other
	Trade Receivables		Other Receivables			
	Related Party	Other Party	Related Party	Other Party		
Maximum credit risk exposure as of the reporting date	349,334,840	457,194,982	38,304,574	6,044,908	93,634,478	816,964
Portion of maximum risk secured by collateral, etc.	461,045,975	850,675,929	-	-	-	-
Net carrying amount of financial assets that are neither past due nor impaired	349,334,840	450,281,881	38,304,574	6,044,908	93,634,478	816,964
Net carrying amounts of impaired assets	-	6,913,101	-	-	-	-
- Gross carrying amount	-	89,437,145	-	-	-	-
- Impairment (-)	-	(82,524,044)	-	-	-	-
- Portion of net amount secured by collateral, etc.	-	-	-	-	-	-
Off-balance sheet items with credit risk	-	-	-	-	-	-

In determining the amount, factors that enhance creditworthiness, such as collateral received, have not been taken into account.

Financial assets that are neither past due nor impaired are not expected to suffer any future impairment, and no credit risk is anticipated.

For the purpose of calculating the expected credit loss allowance for receivables, the Group has applied a 12-month expected credit loss allowance for those with no significant increase in credit risk, and a lifetime expected credit loss allowance for those with a significant increase in credit risk. To measure expected credit losses, the Group calculated the expected credit loss allowance for its receivables using their maturities and credit risk characteristics, historical credit loss experience, and forward-looking macroeconomic indicators. A full allowance is recognized for receivables under enforcement proceedings and at the litigation stage due to their reduced collectability.

The aging analysis for receivables is presented below:

	Dec. 31, 2025	Dec. 31, 2024
Not past due	917,164,686	907,946,916
3 months past due	484,000	-
3-12 months past due	2,325,699	23,043,673
1-5 years past due	28,875,625	1,787,093
More than 5 years past due	473,280	625,666
Less: Impairment	(104,818,959)	(82,524,044)
Total	844,504,331	850,879,304

The Group's cash and cash equivalents consist of financial instruments that are not past due and not impaired. The deposit amounts are held at financial institutions operating in Türkiye.

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F) Liquidity risk management

The Company manages liquidity risk by regularly monitoring estimated and actual cash flows and maintaining adequate funds and borrowing facilities by matching the maturities of financial assets and liabilities.

The table below presents the contractual undiscounted cash flows of the Group's financial liabilities by maturity as of Dec. 31, 2025, and Dec. 31, 2024.

Contractual Maturities	Dec. 31, 2025				
	Carrying amount	Total Contractual Cash Outflows	Less than 3 months	3-12 months	1-5 years
Non-Derivative Financial Liabilities	429,474,598	538,322,287	235,478,517	81,898,021	220,945,749
Bank Borrowings	92,249,700	135,490,024	21,136,742	55,335,990	59,017,292
Lease Liabilities	128,632,399	192,521,709	7,648,313	22,944,939	161,928,457
Trade Payables	165,423,324	167,141,379	163,524,287	3,617,092	-
Other Liabilities	43,169,175	43,169,175	43,169,175	-	-

Contractual Maturities	Dec. 31, 2024				
	Carrying Amount	Total Contractual Cash Outflows	Less than 3 months	3-12 months	1-5 years
Non-Derivative Financial Liabilities	333,127,880	374,254,978	198,745,638	61,161,292	114,348,048
Bank Borrowings	796,915	796,915	796,915	-	-
Lease Liabilities	116,092,329	155,106,674	10,608,791	30,149,835	114,348,048
Trade Payables	173,171,073	175,283,826	144,272,369	31,011,457	-
Other Liabilities	43,067,563	43,067,563	43,067,563	-	-

G) Hedge Accounting

The Company does not utilize derivative instruments such as forwards, futures, options, or swaps to hedge against foreign exchange and/or interest rate risks (fixed and variable).

Note 39 - Financial Instruments (Fair Value Disclosures and Disclosures Within the Scope of Hedge Accounting)

Under TFRS 9 "Financial Instruments," financial assets are classified into three categories and financial liabilities into two categories. Financial assets comprise those at fair value through profit or loss (FVTPL), those measured at amortized cost, and those at fair value through other comprehensive income (FVOCI). Financial liabilities are classified into two categories: those at fair value through profit or loss and those measured at amortized cost.

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The carrying amounts and classification of financial assets and liabilities as of Dec. 31, 2025, and Dec. 31, 2024, are presented below:

	Dec. 31, 2025		Dec. 31, 2024	
	Measured at amortized cost	At FVTPL	Measured at amortized cost	At FVOCI
Financial assets				
Cash and cash equivalents	28,788,422	-	94,451,441	-
Financial investments	-	1,974,900	-	1,033,723
Trade receivables	829,176,507	-	806,529,822	-
Other receivables	15,327,824	-	44,349,482	-
Financial Liabilities				
Borrowings	220,882,099	-	116,889,244	-
Trade payables	165,423,324	-	173,171,073	-
Other Payables	20,223,759	-	120,348	-

Note 40 - Events after the Reporting Period

Real Estate Acquisition

To increase its production capacity and strengthen its operational infrastructure, the Company purchased 10 plots of land with a total area of 22,421.50 square meters, located in Deliklikaya Neighborhood, Arnavutköy District, Istanbul Province, specifically designated as Block 258, Plots 1 to 6 and Block 258, Plots 13 to 16.

Distributorship Agreement

A procurement and distribution agreement has been signed between AQUASHIELD EUROPE s.r.o., which operates in the water solutions sector and holds the Philips brand license, and İhlas Pazarlama A.Ş. Under the agreement, the Company will manufacture its newly developed digital water heater and water purification devices, the design process for which has been completed, under the "Philips" brand on behalf of AQUASHIELD EUROPE. The manufactured products will be offered for sale in Türkiye through İhlas Pazarlama A.Ş. as the sole and exclusive distributor, and will also be available through AQUASHIELD EUROPE's international sales network.

Note 41 - Fees for Services Obtained from the Independent Auditor

The independent audit fee for services obtained from the independent audit firm with which the Company has entered into an audit engagement agreement for the period Jan. 1-Dec. 31, 2025, amounts to TRY 600,000 (2024: TRY 400,000), and no fees were incurred for tax advisory services (2024: None).

CONTACT INFORMATION

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