

**KALESERAMİK ÇANAKKALE KALEBODUR
SERAMİK SANAYİ A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AS AT AND
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
WITH INDEPENDENT AUDITORS REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Orhan Öztürk, SMMM
Independent Auditor

Istanbul, 19 August 2025

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

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KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

ASSETS	Notes	Reviewed 30 June 2025	Audited 31 December 2024
Current assets		8,486,246,504	8,347,155,229
Cash and cash equivalents	5	1,198,909,826	1,701,351,110
Trade receivables		3,200,125,448	2,261,831,142
- Trade receivables from related parties	6	52,598,117	14,720,508
- Trade receivables from third parties		3,147,527,331	2,247,110,634
Other receivables		63,809,927	109,593,727
- Other receivables from third parties		63,809,927	109,593,727
Inventories		3,594,998,103	3,872,607,569
Prepaid Expenses		316,382,852	298,209,651
Tax assets for the current period	20	104,668,808	75,878,198
Other current assets		7,351,540	27,683,832
Non-current assets		9,929,347,560	9,708,673,635
Financial investments	3	946,182	74,551,540
Investments Accounted for Using Equity Method	3	23,284,336	25,365,076
Investment properties	7	402,440,135	370,730,273
Property, plant and equipment	8	7,859,286,773	7,659,289,611
Intangible assets	9	684,517,989	612,598,740
-Other intangible assets	9	684,517,989	612,598,740
Right of use assets	10	127,453,838	112,429,928
Prepaid Expenses		5,040,000	72,037,594
Deferred Tax Asset		825,918,307	781,134,173
Other Non Current Assets		460,000	536,700
Total Assets		18,415,594,064	18,055,828,864

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

LIABILITIES	Notes	Reviewed 30 June 2025	Audited 31 December 2024
Short term liabilities		9,384,774,395	7,974,582,435
Short-term financial borrowings	11	4,969,435,532	4,997,515,490
Short-term portion of long-term borrowings	11	537,972,163	336,836,346
- Short-term portions of long-term borrowings	11	503,758,133	301,609,108
- Borrowings from lease transactions	11	34,214,030	35,227,238
Trade payables		3,129,476,659	2,142,592,697
- Trade payables to related parties	6	355,159,560	185,079,752
- Trade payables to third parties		2,774,317,099	1,957,512,945
Payables Related to Employee Benefits		376,355,431	180,293,259
Other payables		22,200,242	22,445,824
- Other payables from third parties		22,200,242	22,445,824
Deferred income		259,718,691	221,393,126
Short-term provisions		78,754,006	48,989,123
- Short-term provisions for employee benefits		42,172,968	23,037,570
- Other short term provisions		36,581,038	25,951,553
Other short term liabilities		10,861,671	24,516,570
Long term liabilities		1,872,811,901	1,576,191,929
Long term liabilities		1,175,619,038	970,313,691
- Long term liabilities	11	1,084,302,346	892,673,843
- Borrowings from lease transactions	11	91,316,692	77,639,848
Trade Payables		180,084,321	161,457,821
- Trade payables to third parties		180,084,321	161,457,821
Long-term provisions		517,108,542	444,420,417
- Long-term provisions for employee benefits	13	517,108,542	444,420,417
Equity		7,158,007,768	8,505,054,500
Equity attributable to owners of the parent		7,108,224,472	8,424,525,226
Paid-in capital	14	514,778,661	514,778,661
Capital adjustment differences	14	9,752,415,199	9,752,415,199
Share capital	14	5,714,748,907	5,714,748,907
Accumulated other comprehensive income and expenses that will not be reclassified to profit or loss		(934,047,701)	(876,250,108)
- Remeasurement of defined benefit plans gains (losses)		(934,073,460)	(869,992,039)
- Investments in equity instruments gains (losses) arising from		-	(6,199,544)
- Share of other comprehensive income of investments accounted through equity method that will not be reclassified to profit or loss		25,759	(58,525)
Accumulated other comprehensive income and expenses that will be reclassified to profit or loss		(98,935,550)	(259,231,017)
- Foreign Currency Translation Differences		(98,935,550)	(259,231,017)
Restricted Profit Reserves	14	299,016,450	299,016,450
Previous Years Profit(Loss)		(6,727,152,410)	(2,425,776,237)
Net Profit for the Period		(1,412,599,084)	(4,295,176,629)
Non-controlling interests		49,783,296	80,529,274
Total Equity		18,415,594,064	18,055,828,864

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025)

	Notes	Reviewed 1 January - 30 June 2025	Not Reviewed 1 April - 30 June 2025	Reviewed 1 January - 30 June 2024	Not Reviewed 1 April - 30 June 2024
Profit or Loss					
Sales	15	6,082,419,152	3,078,024,944	6,246,603,372	2,783,196,396
Cost of sales (-)		(5,552,958,717)	(2,680,744,654)	(5,808,105,195)	(2,720,374,779)
Gross profit		529,460,435	397,280,290	438,498,177	62,821,617
General Administrative Expenses (-)		(385,873,293)	(191,416,833)	(446,904,336)	(211,776,215)
Marketing expenses (-)		(859,303,256)	(459,961,887)	(887,404,939)	(447,549,819)
Research and development expenses (-)		(118,782,415)	(57,410,710)	(86,685,370)	(37,951,126)
Other income from operating activities	16	326,463,535	160,520,627	512,596,901	59,641,133
Other expenses from operating activities (-)	16	(457,037,052)	(251,520,432)	(500,855,896)	(201,946,499)
Operating profit (loss)		(965,072,046)	(402,508,945)	(970,755,463)	(776,760,909)
Income from investing activities	17	2,524,351	1,051,399	9,021,110	4,758,450
Expense from investing activities (-)	17	(22,516)	(22,516)	(15,756,755)	(13,351,266)
Impairment gains (losses) and reversals of impairment losses determined in accordance with TFRS 9		(34,262,870)	(11,610,029)	(18,885,258)	(2,379,968)
Share of profits of investments accounted for using the equity method	3	(2,165,024)	(344,508)	4,462,294	2,456,107
Profit (loss) from operations before finance income (costs)		(998,998,105)	(413,434,599)	(991,914,072)	(785,277,586)
Finance income	18	313,607,472	144,831,961	798,604,546	375,085,707
Finance costs (-)	18	(1,540,287,998)	(806,169,959)	(1,446,164,271)	(652,377,816)
Monetary gain	19	745,108,393	256,361,384	181,722,880	170,416,021
Profit before tax		(1,480,570,238)	(818,411,213)	(1,457,750,917)	(892,153,674)
Tax income/(expense)		27,494,741	50,833,373	(304,676,457)	(98,431,587)
- Current tax expense	20	-	-	-	-
- Deferred tax expense	20	27,494,741	50,833,373	(304,676,457)	(98,431,587)
Net Profit(Loss) for the period		(1,453,075,497)	(767,577,840)	(1,762,427,374)	(990,585,261)
Distribution of profit (loss) for the period					
-Non-controlling interests		(40,476,413)	(20,479,799)	(17,225,181)	(16,217,531)
-Owners of the parent		(1,412,599,084)	(747,098,041)	(1,745,202,193)	(974,367,730)
Earnings per share		(0,8582)	(0,4539)	(1,0603)	(0,5920)

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025)

	Reviewed 1 January 30 June 2025	Not Reviewed 1 April 30 June 2025	Reviewed 1 January - 30 June 2024	Not Reviewed 1 April 30 June 2024
Other comprehensive income				
Items that will not be reclassified to profit or loss	(63,997,137)	(46,873,043)	(104,847,068)	(112,920,297)
Share of other comprehensive income from investments account using the equity method that will not be classified under profit	84,284	189,357	-	-
- <i>Share of other comprehensive income from investments accounted for using the equity method that will not be classified under profit or loss after tax</i>	84,284	189,357	-	-
- <i>Remeasurement losses on defined benefit plans, net of tax</i>	(64,081,421)	(53,846,928)	(116,064,505)	(94,425,100)
- <i>Gains (losses) from investments in equity instruments, net of tax</i>	-	6,784,528	11,217,437	(18,495,197)
Items that will be reclassified to profit or loss	170,025,902	48,620,018	(12,844,749)	3,480,315
- <i>Foreign Currency Translation Differences</i>	170,025,902	48,620,018	(12,844,749)	3,480,315
Other Comprehensive (Expense)	106,028,765	1,746,975	(117,691,817)	(109,439,982)
Total comprehensive income (loss)	(1,347,046,732)	(765,830,865)	(1,880,119,191)	(1,100,025,243)
Distribution of total comprehensive income (loss)				
Non-controlling interests	(30,745,978)	(21,501,093)	(17,225,181)	(16,217,531)
Owners of the parent	(1,316,300,754)	(744,329,772)	(1,862,894,010)	(1,083,807,712)

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

	Paid in share capital	Inflation adjustments to paid in capital	Share premiums (discounts)	Remeasurement gains (losses) on defined benefit plans	Gains (losses) from investments in equity instruments	Other comprehensive income that will be Reclassified in Profit or Loss	Other comprehensive income that will not be Reclassified in Profit or Loss	Restricted reserves appropriate d from profit	Retained earnings	Net profit for the period	Equity attributable to owners of the parent	Non-controlling interests	Equity
						Revaluation and measurement gains/losses	Accumulated shares of other comprehensive income from investments accounted for using the equity method that will not be reclassified to profit or loss (+/-)						
Balance as at 1 January 2024	514,778,661	9,752,415,199	5,714,748,907	(696,685,308)	4,021,137	(163,598)	(205,509,524)	288,987,593	(2,778,078,501)	497,379,781	13,091,894,347	-	13,091,894,347
Transfers	-	-	-	-	-	-	-	-	497,379,781	(497,379,781)	-	-	-
Total comprehensive income/(expenses)	-	-	-	(116,064,505)	11,217,437	-	(12,844,749)	-	-	(1,745,202,193)	(1,862,894,010)	(17,225,181)	(1,880,119,191)
Dividends (Note 14)	-	-	-	-	-	-	-	10,087,609	(145,136,266)	-	(135,048,657)	-	(135,048,657)
Acquisition or disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(6,376,908)	(6,376,908)
Balance as at 30 June 2024	514,778,661	9,752,415,199	5,714,748,907	(812,749,813)	15,238,574	(163,598)	(218,354,273)	299,075,202	(2,425,834,986)	(1,745,202,193)	11,093,951,680	(23,602,089)	11,070,349,591
Balance as at 1 January 2025	514,778,661	9,752,415,199	5,714,748,907	(869,992,039)	(6,199,544)	(58,525)	(259,231,017)	299,016,450	(2,425,776,237)	(4,295,176,629)	8,424,525,226	80,529,274	8,505,054,500
Transfers	-	-	-	-	-	-	-	-	(4,295,176,629)	4,295,176,629	-	-	-
Total comprehensive income/(expenses)	-	-	-	(64,081,421)	6,199,544	84,284	160,295,467	-	(6,199,544)	(1,412,599,084)	(1,316,300,754)	(30,745,978)	(1,347,046,732)
Balance as at 30 June 2025	514,778,661	9,752,415,199	5,714,748,907	(934,073,460)	-	25,759	(98,935,550)	299,016,450	(6,727,152,410)	(1,412,599,084)	7,108,224,472	49,783,296	7,158,007,768

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

	Notes	Reviewed 1 January - 30 June 2025	Audited 1 January - 30 June 2024
Net profit/(loss) for the period		117,948,990	(1,712,210,049)
Profit (loss) for the period		(1,453,075,497)	(1,762,427,374)
Adjustments to reconcile profit for the period		1,091,098,730	869,185,594
Adjustments for depreciation and amortization expenses	8,9,10	542,680,402	469,788,017
Adjustments for impairment of receivables		34,262,870	18,885,258
Adjustments for impairment of inventories		119,232,705	776,435
Adjustments for provisions related to employee benefits	13	67,359,831	84,430,497
Adjustments for provisions related to legal claims	16	14,980,441	-
Adjustments for other provisions		185,866	1,154,314
Adjustments for interest income	18	(313,607,472)	(798,604,546)
Adjustments for interest expenses	18	951,211,911	1,082,992,019
Adjustments for fair value losses/gains on derivative financial instruments		-	(8,768,998)
Adjustments for tax (income) expenses		(27,494,741)	304,676,457
Adjustments for undistributed profits of equity-accounted investments	3	2,165,024	(4,462,294)
Adjustments for gains/losses on disposal of property, plant, equipment, and intangible assets	17	3,657	9,760,384
Adjustments for unrealized foreign exchange differences		582,817,373	110,348,917
Adjustments for monetary position gains and losses		(882,699,137)	(401,790,866)
Changes in working capital:		546,461,777	(699,358,824)
Changes in trade receivables from related parties		(37,877,609)	(3,986,507)
Changes in trade receivables from non-related parties		(915,052,278)	(133,440,588)
Changes in other receivables related to operations from non-related parties		45,783,800	13,845,634
Adjustments for changes in inventories		158,376,761	(721,978,890)
Changes in prepaid expenses		48,824,393	(177,704,899)
Changes in other assets related to operations		20,408,992	11,956,005
Changes in trade payables to related parties		170,079,808	142,182,255
Changes in trade payables to non-related parties		835,430,654	490,464,404
Changes in liabilities for employee benefits		196,062,172	(48,708,090)
Changes in deferred income		38,325,565	(305,688,179)
Adjustments for changes in other payables related to operations to non-related parties		(245,582)	37,845,136
Adjustments for changes in other liabilities related to operations		(13,654,899)	(4,145,105)
Net cash flows from operating activities		184,485,010	(1,592,600,604)
Adjustments for tax refunds		(28,790,610)	(8,500,755)
Employee termination benefits paid		(37,745,410)	(111,108,690)
Net cash flows from investing activities		(763,123,184)	(711,999,588)
Cash inflows from the sale of property, plant, equipment, and intangible assets		24,325	6,846,143
Cash outflows for the purchase of property, plant, equipment, and intangible assets	8,9	(836,752,867)	(718,845,731)
Other cash inflows	3	73,605,358	-
Net cash flows from investing activities		376,120,866	2,355,818,935
Cash inflows from borrowings	11	3,852,349,463	4,552,755,295
Cash outflows for debt payments	11	(2,995,209,009)	(1,804,700,619)
Cash outflows for lease payments (principal portion)	11	(41,099,348)	(41,267,977)
Interest received		327,257,356	797,118,137
Interest paid		(767,177,596)	(1,013,037,244)
Dividends paid		-	(135,048,657)
Net Increase In Cash And Cash Equivalents Before Effect Of Exchange Rate Changes		(269,053,328)	(68,390,702)
Effect of exchange rate changes on cash and cash equivalents		4,408,839	28,925,202
Monetary Losses		(224,146,911)	(755,628,218)
Net change in cash and cash equivalents		(488,791,400)	(795,093,718)
Cash and cash equivalents at beginning of period	5	1,656,626,224	3,828,331,445
Cash and cash equivalents at end of period	5	1,167,834,824	3,033,237,727

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

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

1. ORGANISATION AND NATURE OF OPERATIONS

Çanakkale Seramik Fabrikaları A.Ş., the first ceramic tile producer in Turkey, was established in 1957, while Kalebodur Seramik Sanayi A.Ş., the first floor tile producer, was founded in 1972. Çanakkale Seramik Fabrikaları A.Ş. and Kalebodur Seramik Sanayi A.Ş. merged under the name of Kaleseramik Çanakkale Kalebodur Seramik Sanayi A.Ş. (“Kaleseramik” or the “Company”) in the year 2000. Kaleseramik, along with its subsidiaries and affiliates (collectively referred to as the “Group”), is primarily engaged in the production, sale, and distribution of wall tiles, floor tiles, granite ceramics, insulators, frit, and bathroom and kitchen furniture and accessories. The ultimate controlling shareholder of the Company is H. İbrahim Bodur Holding A.Ş., which is ultimately controlled by the Bodur family.

The Company is registered in Turkey and has a registered address.
Büyükdere Caddesi Kaleseramik Binası 34330 Levent, İstanbul.

Subsidiaries

As of June 30, 2025 and December 31 ,2024 the consolidated subsidiaries are as follows:

30 June 2025	Country	Principal Activities	Ordinary Shares held by the company percentage (%)	Ordinary Shares held by the company percentage (%)
Kale Italia	Italy	Production	100.00	100.00
OOO Kaleseramik Rusya Ltd.	Russia	Production	100.00	100.00
Al-Sadaf Porselen ve Seramik Kaşı Üretimi Limited Şirketi	Iraq	Production	49.00	49.00
Kaleseramik Seramik Ticareti ve Üretimi Limited Şirketi	Iraq	Marketing	100.00	100.00

31 December 2024	Country	Principal Activities	Ordinary Shares held by the company percentage (%)	Ordinary Shares held by the company percentage (%)
Kale Italia	Italy	Production	100.00	100.00
OOO Kaleseramik Rusya Ltd.	Russia	Production	100.00	100.00
Al-Sadaf Porselen ve Seramik Kaşı Üretimi Limited Şirketi	Iraq	Production	49.00	49.00
Kaleseramik Seramik Ticareti ve Üretimi Limited Şirketi	Iraq	Marketing	100.00	100.00

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Company has prepared its condensed interim consolidated financial statements for the period ended June 30, 2025, in accordance with Turkish Accounting Standard No: 34 “Interim Financial Reporting.” The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements as of December 31, 2024.

The accompanying condensed interim consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board (“CMB”) Communiqué No: II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette dated September 13, 2013, and numbered 28676. These financial statements have been prepared based on Turkish Financial Reporting Standards (“TFRS”) issued by the Kamu Gözetleme Kurumu (“KGK”) as per Article 5 of the Communiqué, including the related appendices and interpretations. The Company’s accompanying condensed interim consolidated financial statements have been prepared in accordance with the CMB’s announcement dated June 7, 2013, “Announcement on Financial Statement and Disclosure Formats.” The financial statements are presented in accordance with the formats specified in the “2024 TFRS Taxonomy” published by the KGK on July 3, 2024, and the Financial Statement Examples and User Guide published by the KGK.

The Group’s condensed interim consolidated financial statements for the six-month interim period ended June 30, 2025. were approved for issuance by the Company’s Board of Directors on August 19, 2025.

Adjustment of Financial Statements in Periods of High Inflation

In accordance with the decision of the Capital Markets Board (“CMB”) dated December 28, 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by implementing the provisions of TAS 29 “Financial Reporting in Hyperinflationary Economies” starting from their annual financial reports for the fiscal periods ending on December 31, 2023.

Based on the announcement made by the Kamu Gözetleme Kurumu (“KGK”) on November 23, 2024, and the published “Implementation Guide on Financial Reporting in Hyperinflationary Economies,” the Group has prepared its consolidated financial statements for the year ended June 30, 2025, by applying TAS 29 “Financial Reporting in Hyperinflationary Economies.” According to this standard, consolidated financial statements prepared in the currency of a hyperinflationary economy should be presented in terms of the purchasing power of the currency at the balance sheet date, and comparative information for previous periods should also be expressed in the current measurement unit at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of June 30, 2024, and December 31, 2024, in terms of purchasing power as of June 30, 2025..

The adjustments made under TAS 29 have been calculated using the adjustment coefficient derived from the Consumer Price Index (“CPI”) published by the Turkish Statistical Institute (“TUIK”). As of June 30, 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements, from January 1, 2005, when the Turkish Lira ceased to be classified as the currency of a hyperinflationary economy, to the current and previous periods, are as follows:

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation (Continued)

Date	Index	Adjustment coefficient	Three years compound inflation rate
30 June 2025	3,132.17	1,00000	%220
31 December 2024	2,684.55	1,16674	%291
30 June 2024	2,319.29	1,35049	%324

The main elements of the adjustments made by the Group for financial reporting purposes in hyperinflationary economies are as follows:

- The current period consolidated financial statements prepared in Turkish Lira are expressed in terms of the purchasing power at the balance sheet date, and the amounts for previous reporting periods are also adjusted to reflect the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. If the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

2.2 New and amended standards and interpretations

i) As at 30 June 2025, new standards, amendments and interpretations to existing standards effective as at 30 June 2025:

- **TAS 21 Lack of Exchangeability:** Effective for annual reporting periods beginning on or after January 1, 2025. An entity is affected by these amendments when it has a transaction or activity in a foreign currency that cannot be exchanged into another currency at a specific measurement date for a specific purpose. A currency is exchangeable when an entity can obtain another currency (within a normal administrative delay) and the transaction occurs through a market or exchange mechanism that creates enforceable rights and obligations.

ii) Standards, amendments and interpretations issued but not yet effective as at 30 June 2025:

- **TFRS 9 and TFRS 7, Amendments Related to Classification and Measurement of Financial Instruments:** Effective for annual reporting periods beginning on or after January 1, 2026 (early application is permitted). These amendments:
 - Clarify the timing requirements for the recognition and derecognition of certain financial assets and liabilities, including a new exception for certain financial liabilities paid through an electronic cash transfer system;
 - Provide additional guidance and clarification on assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 New and amended standards and interpretations (Continued)

- Introduce new disclosures for certain instruments with contractual terms that could change cash flows (such as some instruments linked to environmental, social, and governance (ESG) targets); and
 - Update disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
 - **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.
 - **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 New and amended standards and interpretations (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.
- **TFRS 17, 'Insurance Contracts';** is effective for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently allows a wide variety of practices. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Group is assessing the impact of the above amendments on its operations and will apply them from their effective date. It assesses the potential impact of the application of the above standards and interpretations on the Group's condensed consolidated financial position and performance in future periods.

2.3 Comparative Information and Restatement of Prior Period Financial Statements

To facilitate the identification of financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period.

As of June 30, 2025, the Group has prepared the consolidated statement of financial position in comparison with the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, cash flow statement, and statement of changes in equity in comparison with the consolidated financial statements for the period ended June 30, 2024. The Group has identified and retrospectively corrected the adjustments and classifications in the prior period financial statements. The effects on the financial statements as of June 30, 2025, are as follows:

The revenue financing component amounting to TRY 50,984,704, classified under other income from main operations in the statement of profit or loss for the period January 1 - June 30, 2024, has been reclassified under the revenue item in the statement of profit or loss to ensure consistency with the financial statements prepared as of June 30, 2025.

The derivative fair value difference income amounting to TRY 42,802,119, classified under finance income in the statement of profit or loss for the period January 1 - June 30, 2024, has been reclassified under other income from main operations in the statement of profit or loss to ensure consistency with the financial statements prepared as of June 30, 2025.

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Comparative Information and Restatement of Prior Period Financial Statements (Continued)

The rediscount expense amounting to TL 22,962,097, which had been classified under other income from operating activities in the statement of profit or loss for the accounting period of January 1–March 31, 2024, has been accounted for under finance expenses in the statement of profit or loss in order to ensure consistency with the financial statements prepared as of June 30, 2025.

2.4 Going Concern

The Group has prepared its consolidated financial statements on a going concern basis. As of June 30, 2025, the Group has an unused cash credit limit of TL 15,667,049,558, which can be utilized to meet liquidity and operational cash flow needs, if required. The Group management has assessed the going concern assumption and concluded that there are no matters that would give rise to significant doubt regarding its ability to continue its operations.

3. SHARES IN OTHER ENTITIES

a) Financial Investments

Financial Assets at Fair Value Through Other Comprehensive Income	30 June 2025	31 December 2024
Traded on a stock exchange	69	73,605,427
Not actively traded	946,113	946,113
Total	946,182	74,551,540

The details of financial assets traded on the stock exchange are as follows:

	30 June 2025	31 December 2024
Akçansa Çimento Sanayi Ticaret A.Ş.	62	8,857,608
Bagfaş Bandırma Gübre Sanayi A.Ş.	7	1,553,484
Sumaş Suni Tahta ve Mobilya Sanayi A.Ş.	-	36,869,895
Şişe Cam A.Ş.	-	26,324,440
Total	69	73,605,427

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

3. SHARES IN OTHER ENTITIES (Continued)

a) Financial Investments (Continued)

Movements of long-term financial investments during the period are as follows:

	2025	2024
1 January	74,551,540	87,825,152
Change in fair value	-	14,568,101
Disposals	(73,605,358)	-
30 June	946,182	102,393,253

It is anticipated that the carrying amounts of financial assets measured at fair value through other comprehensive income, which do not have an active market, are approximately equal to their fair values.

b) Investments accounted for using the equity method

Investments accounted for using the equity methods during the period are as follows

	2025	2024
1 January	25,365,076	22,518,667
Shares of profit/loss of investments accounted for using the equity method	(2,165,024)	4,462,294
Shares of other comprehensive income/(expenses) of Investments measured using the equity method	84,284	-
30 June	23,284,336	26,980,961

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

3. SHARES IN OTHER ENTITIES (Continued)

b) Investments accounted for using the equity method (Continued)

The movements of investments accounted for using the equity method during the period are as follows:

	30 June 2025		
	Total Assets	Total Liabilities	Effective shareholding and voting rights (%)
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi ve Ticaret A.Ş.	196,671,615	135,531,146	38
Kale İda Sağlık ve Turizm Hizmetleri A.Ş.	498,868	244,080	20
Total	197,170,483	135,775,226	

1 January - 30 June 2025	Revenue	Profit or loss	Other comprehensive income/expense shares
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi ve Tic. A.Ş.	209,611,936	(5,656,774)	221,800
Kale İda Sağlık ve Turizm Hizmetleri A.Ş.	-	(77,248)	-
Total	209,611,936	(5,734,022)	221,800

	31 December 2024		
	Total assets	Total Liabilities	Effective shareholding and voting rights (%)
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi ve Ticaret A.Ş.	182,273,891	115,727,587	38
Kale İda Sağlık ve Turizm Hizmetleri A.Ş.	563,516	176,115	20
Total	182,837,407	115,903,702	

1 January – 30 June 2024	Revenue	Profit or loss	Other comprehensive income/expense shares
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi ve Tic.	129,196,750	1,742,183	-
Kale İda Sağlık ve Turizm Hizmetleri A.Ş.	-	(25,249)	-
Total	129,196,750	1,716,934	-

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

4. SEGMENT REPORTING

The Executive Committee is the decision-making authority of the Group. Management has determined the operating segments based on the reports reviewed by the Executive Committee for the purpose of making decisions about the allocation of resources to the segments and assessing their performance.

Since the Group's main activity is singular, there are no reportable segments other than the geographical segment. Management monitors performance geographically in Turkey and Iraq, Italy. The Executive Committee evaluates the performance of the geographical segments based on profit before tax.

a) Revenue

1 January - 30 June 2025			
	Total segment revenue	Inter-segment revenue	Revenue from non-group customers
Türkiye	5,991,971,991	-	5,991,971,991
Iraq	90,447,161	-	90,447,161
Total	6,082,419,152	-	6,082,419,152

1 January - 30 June 2024			
	Total segment revenue	Inter-segment revenue	Revenue from non-group customers
Türkiye	6,234,934,593	-	6,234,934,593
Iraq	11,668,779	-	11,668,779
Total	6,246,603,372	-	6,246,603,372

b) Other income and expense explanations

1 January - 30 June 2025	Türkiye	Iraq	Other	Total
Depreciation and amortization expense	(518,384,335)	(24,296,067)	-	(542,680,402)
Net Interest Income/(Expense)	(637,604,439)	-	-	(637,604,439)
Tax Income/(Expense)	27,494,741	-	-	27,494,741
Shares of profits/(losses) of investments accounted for using the equity method	(2,165,024)	-	-	(2,165,024)

1 January - 30 June 2024	Türkiye	Iraq	Other	Total
Depreciation and amortization expense	(463,347,425)	(6,440,592)	-	(469,788,017)
Net Interest Income/(Expense)	(284,387,473)	-	-	(284,387,473)
Tax Income/(Expense)	(304,676,457)	-	-	(304,676,457)
Shares of profits/(losses) of investments accounted for using the equity method	4,462,294	-	-	4,462,294

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

5. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash	3,764,081	3,024,730
Banks	1,182,108,026	1,684,083,478
- Demand deposit	109,137,588	45,661,221
- Time deposit	1,072,970,438	1,638,422,257
Other (*)	13,037,719	14,242,902
Total	1,198,909,826	1,701,351,110
Interest Accrual	(31,075,002)	(44,724,886)
Cash and cash equivalents in the statement of cash flows	1,167,834,824	1,656,626,224

(*) As of June 30, 2025, and December 31, 2024, other cash and cash equivalents consist of credit card receivables with maturities of less than three months.

The Group has no restricted deposits as of June 30, 2025, and December 31, 2024.

Maturity	Interest rate (%)	Currency	Currency Balance	TRY balance	Accrued interest in original currency	Interest Accrual (TRY)	30 June 2025
1 July 2025	2.25	USD	1,000,000	39,742,400	62	2,449	39,744,849
1 July 2025	46.50	TRY	204,100,000	204,100,000	260,018	260,018	204,360,018
1 July 2025	47.50	TRY	98,053,036	98,053,036	127,603	127,603	98,180,639
1 July 2025	50.00	TRY	700,000,000	700,000,000	30,684,932	30,684,932	730,684,932
				1,041,895,436		31,075,002	1,072,970,438

Maturity	Interest rate (%)	Currency	Currency Balance	TRY balance	Accrued interest in original currency	Interest Accrual (TRY)	30 December 2024
2 January 2025	1,5	USD	200,000	8,219,282	8	336	8,219,618
2 January 2025	1	EUR	20,000	857,388	1	24	857,412
2 January 2025	48.75	TRY	45,736,181	45,736,181	61,003	61,003	45,797,184
2 January 2025	49	TRY	359,597	359,597	481	481	360,078
2 January 2025	48,5	TRY	138,437,758	138,437,758	185,148	185,148	138,622,906
15 January 2025	50,5	TRY	1,400,087,165	1,400,087,165	44,477,893	44,477,894	1,444,565,059
				1,593,697,371		44,724,886	1,638,422,257

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

6. RELATED PARTY DISCLOSURES

a) Trade receivables from related parties

	30 June 2025	31 December 2024
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi A.Ş.	51,295,571	-
Kalemeden Endüstriyel Hammaddeler Sanayi ve Ticaret	-	14,437,894
Other	1,302,546	282,614
Total	52,598,117	14,720,508

b) Trade payables from related parties

	30 June 2025	31 December 2024
Kalenakliyat Seyahat ve Turizm Sanayi ve Ticaret A.Ş.	218,395,368	110,892,405
Kale Holding A.Ş.	61,776,246	29,918,626
Kalemeden Endüstriyel Hammaddeler Sanayi ve Ticaret A.Ş.	51,667,907	28,471,069
Kalekim Kimyevi Maddeler Sanayi ve Ticaret A.Ş.	11,158,175	9,446,183
Kaleseramik Özel Organize Sanayi Bölgesi	6,700,679	5,659,449
Seramik Araştırma Merkezi A.Ş.	250,224	98,916
Other	5,210,961	593,104
Total	355,159,560	185,079,752

c) Sales of goods and services to related parties

	1 January - 30 June 2025	1 April- 30 June 2025	1 January - 30 June 2024	1 April- 30 June 2024
Kalefrit Silikat Mamulleri Sir ve Boya Sanayi ve Ticaret A.Ş. (*)	183,636,005	96,975,524	219,795,784	102,103,301
Kalemeden Endüstriyel Hammaddeler Sanayi ve Ticaret A.Ş.	6,165,587	3,166,178	5,682,695	2,668,489
Kalenakliyat Seyahat ve Turizm A.Ş.	4,622,760	2,193,994	4,086,682	1,787,138
Kalekim Kimyevi Maddeler Sanayi ve Ticaret A.Ş.	1,678,639	1,053,288	955,315	547,217
Kale Holding A.Ş.	1,496,917	1,050,831	1,090,300	614,088
Bodur Gayrimenkul Geliştirme A.Ş.	30,724	24,342	24,199	21,469
Other	449,967	(61,643)	2,464,897	2,010,296
Total	198,080,599	104,402,514	234,099,872	109,751,998

(*) It consists of the amount from the sale of frit

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

6. RELATED PARTY DISCLOSURES (Continued)

d) Purchase of goods and services to related parties

	1 January - 30 June 2025	1 April- 30 June 2025	1 January - 30 June 2024	1 April- 30 June 2024
Kalenakliyat Seyahat ve Turizm A.Ş. (**)	488,924,060	259,428,165	566,564,955	256,605,228
Kale Holding A.Ş.(***)	159,116,716	77,193,528	203,935,024	96,881,041
Kalemaden Endüstriyel Hammaddeler Sanayi ve Ticaret A.Ş. (****)	122,478,570	63,120,916	629,122,654	122,238,416
Kale Seramik Özel Organize Sanayi Bölgesi	32,386,857	17,980,881	29,772,822	13,862,903
Kalebodur Gayrimenkul Tic. A.Ş.	10,170,038	4,912,217	9,947,345	4,716,772
Kalekim Kimyevi Maddeler Sanayi ve Ticaret A.Ş.	8,765,270	3,733,118	12,738,180	5,259,847
Bodur Gayrimenkul Geliştirme A.Ş.	450,636	215,672	1,745,497	141,478
Other	6,076,723	3,821,234	3,919,533	3,842,207
Total	828,368,870	430,405,731	1,457,746,010	503,547,892

(**) Provides transportation services.

(***) Information technology support, management consultancy, etc. are provided.

(****) Raw materials are purchased.

e) Benefits provided to senior management

Senior management consists of the Board of Directors, the General Manager, and the Deputy General Managers. The fees and similar benefits (seniority) paid to senior management by the Group are as follows:

	1 January - 30 June 2025	1 April- 30 June 2025	1 January - 30 June 2024	1 April- 30 June 2024
Short-term benefits provided to employees	33,881,813	14,566,914	32,937,391	18,629,484
Long-term benefits provided to employees	1,797,666	98,337	1,846,089	(113,629)
Total	35,679,479	14,665,251	34,783,480	18,515,855

7. INVESTMENT PROPERTIES

	30 June 2025	30 June 2024
1 January	370,730,273	412,841,548
Foreign Currency Translation Difference	31,709,862	(6,673,776)
As at the end of the period	402,440,135	406,167,772

The Group has 4 buildings in Istanbul, 9 plots of land in Russia, 3 plots of land in Tekirdağ, 1 plot of land in Istanbul, and 1 plot of land in Çanakkale, totaling 14 plots of land. The fair values of these investment properties have been determined using the comparable sales method, and the measurements are Level 2. There was no rental income or directly expensed cost from investment properties during the year ended June 30, 2025 (December 31, 2024: None).

KALESERAMİK ÇANAKKALE KALEBODUR SERAMİK SANAYİ A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

8. PROPERTY, PLANT AND EQUIPMENT

	1 January 2025	Additions	Disposals	Transfers	Currency translation difference	30 June 2025
Cost value:						
Land and plots	466,529,329	-	-	-	-	466,529,329
Underground and above ground layouts	1,440,492,040	-	-	52,618,607	(3,151,591)	1,489,959,056
Buildings	3,934,318,510	-	-	15,813,950	(6,578,061)	3,943,554,399
Plant, machinery and equipment	16,899,316,881	965,036	-	870,464,462	(43,733,512)	17,727,012,867
Vehicles	41,157,040	1,072,697	-	2,765,003	(1,108,032)	43,886,708
Fixed assets	526,414,505	4,231,854	(217,304)	12,589,198	(3,250,764)	539,767,489
Special costs	231,070,406	-	-	-	-	231,070,406
Ongoing investments	1,162,198,034	709,227,555	-	(982,439,127)	(25,037)	888,961,425
Total	24,701,496,745	715,497,142	(217,304)	(28,187,907)	(57,846,997)	25,330,741,679
Accumulated depreciation:						
Underground and above ground layouts	(1,008,265,142)	(22,200,487)	-	-	91,865	(1,030,373,764)
Buildings	(2,345,516,165)	(46,372,249)	-	-	106,337	(2,391,782,077)
Plant, machinery and equipment	(13,073,869,452)	(329,059,864)	-	-	2,721,386	(13,400,207,930)
Vehicles	(33,464,982)	(1,403,028)	-	-	129,282	(34,738,728)
Fixed assets	(416,487,197)	(19,786,072)	189,322	-	307,799	(435,776,148)
Special costs	(164,604,196)	(13,972,063)	-	-	-	(178,576,259)
Total	(17,042,207,134)	(432,793,763)	189,322	-	3,356,669	(17,471,454,906)
Net book value	7,659,289,611					7,859,286,773

As of June 30, 2024, there are pledges, mortgages, and liens on tangible fixed assets (December 31, 2024: None).

Details of the period depreciation for tangible fixed assets are as follows;

	30 June 2025
Cost of sales	394,073,696
Marketing expenses	5,713,605
General and administrative expenses	25,176,109
Research and development expenses	7,830,353
Total	432,793,763

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9. INTANGIBLE ASSETS

	1 January 2025	Additions	Disposals	Transfers	30 June 2025
Cost:					
Computer Software	228,583,726	-	-	28,187,907	256,771,633
Development Costs	1,269,783,293	121,255,725	-	-	1,391,039,018
Total	1,498,367,019	121,255,725	-	28,187,907	1,647,810,651
Accumulated amortization:					
Computer Software	(102,703,449)	(12,167,312)	-	-	(114,870,761)
Development costs	(783,064,830)	(65,357,071)	-	-	(848,421,901)
Total	(885,768,279)	(77,524,383)	-	-	(963,292,662)
Net book value	612,598,740				684,517,989

The details of the amortization for intangible assets for the period are as follows:

	30 June 2025
Cost of sales	2,804,349
Marketing expenses	243,030
General and administrative expenses	5,474,266
Research and development expenses	69,002,738
Total	77,524,383

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10. RIGHT OF USE

	30 June 2025		
	Buildings	Vehicles	Total
Cost Value			
Opening balance as of 1 January 2025	344,813,702	246,752,297	591,565,999
Additions	16,995,677	30,390,489	47,386,166
30 June 2025	361,809,379	277,142,786	638,952,165
Accumulated depreciation:			
Opening balance as of 1 January 2025	(280,921,924)	(198,214,147)	(479,136,071)
Period expense	(10,077,840)	(22,284,416)	(32,362,256)
30 June 2025	(290,999,764)	(220,498,563)	(511,498,327)
Net book value	70,809,615	56,644,223	127,453,838

The details of depreciation of right-of-use assets for the period are as follows

	30 June 2025
Cost of sales	4,891,773
Marketing expenses	17,496,191
General and administrative expenses	9,181,062
Research and development expenses	793,230
Total	32,362,256

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11. BORROWINGS

	30 June 2025		
	Interest Range (%)	Original amount	TRY equivalent
Short-term borrowings:			
TRY credits	23.09 -53.00	3,139,912,206	3,139,912,206
US dollar bank loans	4.68-9.75	46,034,546	1,829,523,326
Total short-term borrowings			4,969,435,532
Short-term portions of total long-term borrowings			
TRY credits	35.00-44.00	173,333,333	173,333,333
US dollar bank loans	8.60-10.18	6,625,064	263,295,951
Euro dollar bank loans	5.68-5.69	1,442,000	67,128,849
TRY liabilities from leasing	43.10	34,214,030	34,214,030
Short-term portions of total long-term borrowings			537,972,163
Long-term borrowings:			
TRY Credits	58.05	49,166,666	49,166,666
Bond	51.95	400,000,000	400,000,000
US dollar bank loans	8.60-10.18	13,447,663	534,442,406
Euro dollar bank loans	5.68-5.69	2,163,000	100,693,274
TRY liabilities from leasing	14.30-43.10	91,316,692	91,316,692
Total long-term borrowings			1,175,619,038
Total borrowings			6,683,026,733
	31 December 2024		
	Interest Range (%)	Original amount	TRY equivalent
Short-term borrowings:			
TRY Credits	26.93-55.00	2,534,460,847	2,534,460,847
Bond	45.88	764,457,265	764,457,265
US dollar bank loans	6.50-7.70	41,332,015	1,698,597,378
Total short-term borrowings			4,997,515,490
Short-term portions of long-term borrowings			
Other short-term borrowings	8,5-58.05	69,029,705	69,029,705
US dollar bank loans	7.13-11.27	3,898,664	160,221,067
Euro dollar bank loans	6.72-6.74	1,687,879	72,358,336
TRY liabilities from leasing	35.12-41.89	35,227,238	35,227,238
Short-term portions of total long-term borrowings			336,836,346
Long-term borrowings:			
TRY Credits	58.05	17,393,696	17,393,696
TRY Bond	51.95	466,695,722	466,695,722
US dollar bank loans	7.13-11.27	7,051,504	289,791,492
Euro dollar bank loans	6.72-6.74	2,771,044	118,792,933
TRY liabilities from leasing	14.30-39.40	77,639,848	77,639,848
Total Long-term borrowings			970,313,691
Total borrowings			6,304,665,527

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

(Unless otherwise stated, amounts are expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

11. BORROWINGS (Continued)

The table of borrowings is as June 30, 2025 and June 30, 2024 is as follows
:

	Credits	Lease Liabilities	Total
1 January 2025	6,191,798,441	112,867,086	6,304,665,527
Cash inflows during the period	3,852,349,463	-	3,852,349,463
Cash outflows during the period	(2,995,209,009)	(41,099,348)	(3,036,308,357)
Additions to lease liabilities	-	47,386,166	47,386,166
Other non-cash transaction	-	-	-
Exchange rate difference	400,237,026	-	400,237,026
Interest accrual	108,458,195	24,252,234	132,710,429
Monetary loss/gain	(1,000,138,105)	(17,875,416)	(1,018,013,521)
30 June 2025	6,557,496,011	125,530,722	6,683,026,733
Cash and cash equivalents			1,198,909,826
Net Debt			5,484,116,907

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

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12. CONTINGENT ASSETS AND LIABILITIES

The Group's received collateral/pledge/mortgage (“CPM”) position is as follows:

	Original currency	30 June 2025		31 December 2024	
		Original amount	TRY equivalent	Original currency	TRY equivalent
CPM Received	TRY	3,249,122,445	3,249,122,445	3,414,658,973	3,414,658,973
Total			3,249,122,445		3,414,658,973

The Group's CPM position is as follows:

	Original currency	30 June 2025	
		Original amount	TRY equivalent
A, Total amount of CPM's given on behalf of its own legal entity	TRY	3,042,669,864	3,042,669,864
	USD	3,729,467	148,217,969
	EUR	6,755,940	314,506,572
B, Total amount of CPM's given in favor of partnerships included in the scope of full consolidation	-	-	-
C, The total amount of CPM's given by other third parties to secure their debts for the purpose of carrying out their ordinary commercial activities	-	-	-
D, Total amount of other CPM's given	-	-	-
i, Total amount of CPM's given in favor of the parent company	-	-	-
ii, Total amount of CPM's given in favor of other group companies not included in the scope of Articles B and C	-	-	-
iii, Total amount of CPM's given in favor of third parties not included in Article C	-	-	-
Total		3,505,394,405	

	Original currency	31 December 2024	
		Original amount	TRY equivalent
A, Total amount of CPM's given on behalf of its own legal entity	TRY	3,033,788,978	3,033,788,978
	USD	6,779,467	278,611,746
	EUR	7,506,940	321,817,905
B, Total amount of CPM's given in favor of partnerships included in the scope of full consolidation	-	-	-
C, The total amount of CPM's given by other third parties to secure their debts for the purpose of carrying out their ordinary commercial activities	-	-	-
D, Total amount of other CPM's given	-	-	-
i, Total amount of CPM's given in favor of the parent company	-	-	-
ii, Total amount of CPM's given in favor of other group companies not included in the scope of Articles B and C	-	-	-
iii, Total amount of CPM's given in favor of third parties not included in Article C	-	-	-
Total		3,634,218,629	

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13. BENEFITS PROVIDED TO EMPLOYEES

Long term provisions for employee benefits

	30 June 2025	31 December 2024
Discount Rate	%27.50	%27.50
Turnover Rate for Estimating Retirement Probability	%95.40	%95.40

Movements in the Provision for Severance Pay During the Period are as Follows:

	2025	2024
1 January	444,420,417	445,093,603
Service cost	25,186,863	28,249,881
Interest cost	51,323,886	44,564,173
Payments made	(18,000,151)	(98,504,987)
Remeasurement losses	83,222,625	150,733,124
Monetary gain(loss)	(69,045,098)	(94,527,836)
30 June	517,108,542	475,607,958

14. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid-in capital and Capital adjustment differences

	30 June 2025	Equity holders (%)	31 December 2024	Equity holders (%)
H. İbrahim Bodur Holding A.Ş.	315,234,189	61.24	315,205,881	61.23
Publicly Held Portion	109,390,465	21.25	109,390,465	21.25
Victory International AG	74,000,000	14.38	74,000,000	14.38
Dr.(H.c.) Hatice Zeynep Bodur Okyay	8,049,677	1.56	8,049,677	1.56
Zehra Sevim Bodur	3,595,307	0,7	3,595,307	0,7
Dr.(H.c) İbrahim Bodur Kaleseramik Eğitim Sağlık ve Sosyal Yardım Vakfı	2,912,683	0.57	2,912,683	0.57
Other Partners	1,596,340	0.31	1,624,648	0.32
Total	514,778,661		514,778,661	
Capital adjustment differences	9,752,415,199		9,752,415,199	
Paid-in capital Totals	10,267,193,860		10,267,193,860	

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

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14. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (Continued)

The details of restricted reserves are as follows:

30 June 2025 (IFRS)	Nominal value	Inflation adjustment effect	Indexed value
Capital	514,778,661	9,752,415,199	10,267,193,860
Share premium	2,639,497,177	3,075,251,730	5,714,748,907
Legal reserves	44,044,061	254,972,389	299,016,450

30 June 2025 (VUK)	Nominal value	Inflation adjustment effect	Indexed value
Capital	514,778,661	3,893,916,074	4,408,694,735
Share premium	2,732,671,160	2,826,007,818	5,558,678,978
Legal reserves	44,044,061	329,207,286	373,251,347

Within the scope of the Group's Articles of Association and profit distribution policy, the Board of Directors decided on May 16, 2024, to distribute a gross cash dividend of TRY 100,000,000 (Indexed Amount 135,048,657) to its shareholders, corresponding to a gross amount of TRY 0.1942582 (net TRY 0.1748323) per share with a nominal value of TRY 1, for the relevant accounting period (payment date: June 25, 2024), in accordance with the principles stipulated in the legislation.

15. REVENUE

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Domestic sales	5,190,459,513	2,596,821,868	5,193,820,308	2,235,462,957
Export sales	1,226,194,447	642,329,124	1,353,131,312	681,403,943
Sales returns and sales discounts	(334,234,808)	(161,126,048)	(300,348,248)	(133,670,504)
Revenue, net (*)	6,082,419,152	3,078,024,944	6,246,603,372	2,783,196,396

(*) All sales consist of instant sales.

16. OPERATING EXPENSES

a) Other Income from Main Activities

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Exchange difference income	251,632,737	122,134,586	191,006,026	36,201,125
Rediscount interest income	55,551,484	28,523,529	167,130,341	(23,025,114)
Non-group service revenues	6,445,060	2,184,015	18,376,857	16,299,737
Derivative fair value difference	-	-	134,547,045	29,782,384
Other	12,834,254	7,678,497	1,536,632	383,001
Total	326,463,535	160,520,627	512,596,901	59,641,133

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16. OPERATING EXPENSES (Continued)

b) Other expenses from main activities

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Exchange difference expense	(253,018,647)	(141,026,136)	(115,291,657)	(15,481,801)
Rediscount interest income	(172,777,806)	(98,046,823)	(351,955,128)	(190,559,718)
Provisions for lawsuit	(14,980,441)	(4,086,732)	-	-
Donation and aid expenses	(6,509,861)	(3,525,876)	(13,766,587)	(10,260,676)
Derivative fair value difference	-	-	(12,521,536)	16,597,300
Other	(9,750,297)	(4,834,865)	(7,320,988)	(2,241,604)
Total	(457,037,052)	(251,520,432)	(500,855,896)	(201,946,499)

17. INCOME AND EXPENSE FROM INVESTMENT ACTIVITIES

a) Income from investments activities

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Rent income	1,944,470	931,769	1,676,718	802,751
Treasury bill sales profits	561,022	108,260	1,348,021	989,378
Property, plant and equipment sales profit	18,859	11,370	5,996,371	2,966,321
Total	2,524,351	1,051,399	9,021,110	4,758,450

b) Expenses from investment activities

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Loss on Sale of Tangible Fixed Assets	(22,516)	(22,516)	(15,756,755)	(13,351,266)
Total	(22,516)	(22,516)	(15,756,755)	(13,351,266)

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18. FINANCIAL INCOME AND EXPENSES

a) Financing income

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Interest income	313,607,472	144,831,961	798,604,546	375,085,707
Total	313,607,472	144,831,961	798,604,546	375,085,707

b) Financing Expense

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Interest expense	(951,211,911)	(496,320,210)	(1,082,992,019)	(527,595,481)
Exchange rate difference expense	(400,237,027)	(204,445,649)	(147,153,658)	(35,778,026)
Bank commission expense	(188,839,060)	(105,404,100)	(216,018,594)	(89,004,309)
Total	(1,540,287,998)	(806,169,959)	(1,446,164,271)	(652,377,816)

19. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSSES)

	1 January- 30 June 2025
Financial statement items	476,915,646
Inventories	501,726,232
Prepaid expenses	22,009,743
Tangible fixed assets and intangible fixed assets	325,500,533
Deferred tax assets	285,021,492
Advances received	(878,684)
Paid-in capital	(85,833,836)
Other accumulated comprehensive income and expenses not to be reclassified to profit or loss r	65,260,633
Share premiums	(491,709,874)
Restricted reserves set aside from profit	(7,343,876)
Retained earnings	(136,836,717)
Profit or loss statement items	268,192,747
Revenue	(341,919,930)
Cost of sales	480,203,310
Research and development expenses	2,622,084
Marketing expenses	50,278,855
General and administrative expenses	19,702,522
Other income/expenses from operating activities	(6,575,486)
Income/expenses from investing activities	(1,290)
Financing income/expenses	63,882,682
Net Monetary Position Gains/(Losses)	745,108,393

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20. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

Tax income and expenses included in the profit or loss statements for the periods 1 January - 30 June 2025 and 2024 are as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Current period corporate tax income/(expense)	-	-
Deferred tax (expense)/income	27,494,741	(304,676,457)
Total tax (expense)/income	27,494,741	(304,676,457)

a) Corporate Tax

	30 June 2025	31 December 2024
Current period tax income/(expense)	-	-
Provisional tax and withholding to be deducted	104,668,808	75,878,198
Current tax related assets	104,668,808	75,878,198

Turkish tax legislation does not allow the parent company to file a tax return based on the consolidated financial statements of its subsidiaries and affiliates. For this reason, the tax provisions reflected in these consolidated financial statements are calculated separately for all companies included in the scope of full consolidation.

With the amendment to the Corporate Tax Law, which came into effect by being published in the Resmi Gazete dated April 22, 2022, and numbered 31462, the corporate tax rate in Turkey is 25% as of March 31, 2025 (December 31, 2024: 25%). According to the provisions added to Article 32 of the Corporate Tax Law by the Law No. 7351 on the Amendment of the Individual Pension Savings and Investment System Law and Some Laws and the Decree Law No. 375, a 1-point reduced corporate tax rate is applied to the profits exclusively obtained from exports by institutions engaged in export activities and to the profits exclusively obtained from production activities by institutions holding an industrial registry certificate and actively engaged in production activities. The corporate tax rates in Italy, Russia, and Iraq are 24%, 20%, and 15%, respectively.

The corporate tax rate is applied to the tax base found by adding expenses that are not deductible according to tax laws to the commercial income of the corporations, and deducting the exemptions (participation income exemptions, investment deduction exemptions, etc.) and deductions (such as R&D deductions) included in the tax laws. If the profit is not distributed, no other tax is paid.

No withholding tax is applied to dividends paid to limited taxpayer corporations that earn income through a workplace or permanent representative in Turkey and to corporation’s resident in Turkey. Dividend payments made to persons and corporations other than these are subject to withholding tax at a rate of 10%. Addition of profit to capital is not considered as profit distribution.

Pursuant to the regulation made by Law No. 6009 published in the Official Gazette dated August 1, 2010, the investment deduction amounts earned can be used without any year limitation. In addition, a 23% corporate tax will be calculated on the profit after the deduction according to the current tax rate. The regulation made by Law No. 6009 entered into force on August 1, 2010, to be applied to 2010 profits.

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20. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (Continued)

a) Corporate tax (Continued)

There is no practice in Turkey such as reaching an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the tax office by the evening of the 25th day of the fourth month following the month in which the accounting period is closed.

The authorities authorized to conduct tax audits may examine accounting records within five years, and if an erroneous transaction is detected, the tax amounts may change due to the tax assessment to be made.

According to Turkish tax legislation, financial losses shown on the return can be deducted from the corporate income for the period provided that they do not exceed 5 years. However, financial losses cannot be offset from previous year profits.

Turkey began implementing the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with the bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations came into effect with Law No. 7524, published in the Official Gazette dated August 2, 2024, and numbered 32620. The implementation in Turkey is largely aligned with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations, and reporting periods. However, the secondary regulation detailing the calculation methods and application procedures has not yet been published. It is expected that specific issues, including Turkey's unique conditions and existing incentives, will be clarified through the relevant Ministry's secondary legislation. These changes have not had a significant impact on the Group's financial position or performance.

Additionally, Article 32/C, titled "Domestic Minimum Corporate Tax," was added to the Corporate Tax Law through Article 36 of Law No. 7524. According to this regulation, the corporate tax calculated under Articles 32 and 32/A cannot be less than 10% of the corporate income before the application of deductions and exemptions. This regulation entered into force on the date of publication and will apply to corporate income for the 2025 taxation period. Furthermore, Corporate Tax General Communiqué No. 23 was published in the Official Gazette dated September 28, 2024, and numbered 32676.

The reconciliation of expected and realized tax income/(expense) for the periods January 1 June 30, 2025, and 2024 is as follows:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Profit before tax	(1,480,570,238)	(818,411,213)	(1,457,750,917)	(892,153,674)
Tax income/(expense) calculated based on applicable tax rates (%23, %23)	340,531,155	188,234,579	335,282,711	205,195,345
Effect of expenses not recognized by law	(225,210,460)	(116,074,284)	(128,096,599)	(84,016,668)
Effect of exclusions and discounts	1,184,185	(71,131)	-	-
Temporary/Permanent differences on which no deferred tax is calculated	263,662,379	92,689,487	285,704,694	8,850,505
Tax rate change effect	-	-	(1,968,931)	(1,968,931)
Monetary Gain/Loss	(359,595,839)	(130,206,242)	(805,851,019)	(249,407,502)
Other	6,923,321	16,260,964	10,252,687	22,915,664
Total	27,494,741	50,833,373	(304,676,457)	(98,431,587)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of June 30, 2025.)

21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Exchange rate risk

The Group is exposed to exchange rate risk arising from foreign currencies, including the US Dollar and Euro. This exchange rate risk is monitored through the analysis of foreign exchange positions.

As of June 30, 2025 the foreign exchange position expressed in Turkish Lira is as follows:

		30 June 2025			
		TRY	USD	EUR	Other
1.	Trade receivables	615,555,953	8,384,472	4,201,777	1,591,208
2a.	Monetary Financial Assets	52,813,620	1,160,879	142,120	1,128
2b.	Non- Monetary Financial Assets	-	-	-	-
3.	Other	99,863,023	594,034	1,630,232	6,662
4.	Current Assets (1+2+3)	768,232,596	10,139,385	5,974,129	1,598,998
5.	Trade receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non- Monetary Financial Assets	-	-	-	-
7.	Other	-	-	-	-
8.	Fixed Assets (5+6+7)	-	-	-	-
9.	Total Assets (4+8)	768,232,596	10,139,385	5,974,129	1,598,998
10.	Trade payables	927,934,503	7,559,766	13,224,079	217,878
11.	Financial liabilities	2,159,948,126	52,659,610	1,442,000	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Short term liabilities (10+11+12)	3,087,882,629	60,219,376	14,666,079	217,878
14.	Trade payables	192,254,479	-	4,129,833	-
15.	Financial liabilities	635,135,680	13,447,663	2,163,000	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Long Term Liabilities (14+15+16)	827,390,159	13,447,663	6,292,833	-
18.	Total Liabilities (13+17)	3,915,272,788	73,667,039	20,958,912	217,878
19.	Off-balance sheet foreign currency derivative instruments asset/(liability) position (19a-19b)	-	-	-	-
19a.	In active off-balance sheet foreign currency	-	-	-	-
19b.	In off-balance sheet foreign currency with a passive character	-	-	-	-
20.	Monetary items net foreign currency assets / (liabilities) position 9-18+19)	(3,147,040,192)	(63,527,654)	(14,984,783)	1,381,120

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21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Sensitivity Analysis Table as of June 30, 2025

	30 June 2025			
	Profit/(loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
If the USD changes by %10 against TRY:				
1. USD net assets/liabilities	(252,474,142)	252,474,142	-	-
2. The portion hedged against USD risk (-)	-	-	-	-
3. USD net effect (1+2)	(252,474,142)	252,474,142	-	-
If the EUR changes by %10 against TRY:				
4. Euro net assets/liabilities	(69,758,061)	69,758,061	-	-
5. The portion hedged against Euro risk (-)	-	-	-	-
6. Euro net effect (4+5)	(69,758,061)	69,758,061	-	-
In the event of a 10% change in other exchange rates against the Turkish Lira:				
7. Net foreign currency assets/liabilities	7,528,184	(7,528,184)	-	-
8. The portion hedged against other currency exchange rate risk (-)	-	-	-	-
9. Net effect of other exchange rates (7+8)	7,528,184	(7,528,184)	-	-
Total (3+6+9)	(314,704,019)	314,704,019	-	-

Interest Rate Risk

The Group is exposed to interest rate risk, which arises from the effect of changes in interest rates on assets and liabilities that have an interest rate. The Group manages this risk by balancing the interest rates of its assets and liabilities or by using financial instruments for hedging purposes.

The interest rates related to borrowings are partly based on the prevailing market interest rates. Therefore, the Group is affected by changes in interest rates in national and international markets. The Group’s exposure to market risk arising from changes in interest rates is primarily associated with its debt obligations.

The interest position table, which shows the Group’s financial instruments sensitive to interest rates, is as follows:

	30 June 2025		
	Fixed interest	Variable Interest Rates	Total
Financial assets:			
Cash and cash equivalents	1,072,970,438	-	1,072,970,438
Financial liabilities:			
Borrowings	(4,365,122,686)	(2,317,904,047)	(6,683,026,733)

The TRY 1,283,968,557 portion (December 31, 2024: TRY 1,368,958,731) of borrowings with variable borrowing rates is in US Dollars, and the TRY 167,822,123 portion (December 31, 2024: TRY 185,452,967) is in Euros.

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21. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Impairment

Expected credit losses are as follows:

	30 June 2025
1 January	163,724,380
Provision for doubtful debts expense	44,744,892
Reversal of provisions	(10,482,022)
Foreign exchange differences	5,765,064
Monetary loss/gain	(25,392,353)
Period End	178,359,961

Price Risk

Price risk arises from financial assets that are ready for sale and traded on the stock exchange. The Group monitors price risk by analyzing the price indices formed in Borsa Istanbul, where the ready-for-sale financial assets are traded.

22. FINANCIAL INSTRUMENTS FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES

The Group classifies fair value measurements, according to the source of inputs for each class of financial instruments, using a three-level hierarchy as follows:

Level 1: Financial assets and liabilities have been valued at exchange prices traded in an active market for identical assets and liabilities.

Level 2: Financial assets and liabilities have been valued using inputs other than those that can be directly or indirectly observed in the market, such as Level 1 quoted exchange prices for the asset or liability.

Level 3: Financial assets and liabilities have been valued using inputs that are not based on observable market data when determining the fair value of the asset or liability.

30 June 2025	Level 1	Level 2	Level 3	Total
Gains on financial assets at fair value through other comprehensive income	69	-	946,113	946,182
Investment properties	-	402,440,135	-	402,440,135
Borrowings	-	(6,779,028,395)	-	(6,779,028,395)
Total	69	(6,376,588,260)	946,113	(6,375,642,078)

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23. EXPLANATIONS ON THE SEASONAL NATURE OF OPERATIONS

The operations of the companies within the scope of consolidation may increase or decrease over periods. Therefore, the results for the interim period ending on 30 June 2025 may not be indicative of the results for the entire year. The construction market in Turkey tends to increase during the spring and summer months when construction demand rises and the construction sector becomes more active.

24. EVENTS AFTER THE REPORTING PERIOD

Based on the resolution of the Board of Directors dated August 8, 2025, the Group has obtained a loan amounting to USD 15,000,000 (TL 609,808,500) with a maturity of 60 months.

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