DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

(**Convenience translation of consolidated financial statements originally issued in Turkish)**

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(Convenience translation of consolidated financial statements originally issued in Turkish)

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 30 September 2026	Prior Year Audited 31 December 2025
ASSETS			
Current Assets		**18.206.430.263**	**20.668.895.299**
Cash and cash equivalents	4	1.407.677.057	2.963.076.790
Financial investments	5	330.195.694	1.503.169.288
Trade receivables		8.132.516.542	8.806.661.340
Due from related parties	*7*	*153.640.390*	*384.639.352*
Due from third parties	*8*	*7.978.876.152*	*8.422.021.988*
Other receivables	9	2.191.117	16.813.926
Inventories	10	7.535.646.611	6.745.069.230
Prepaid expenses	11	754.764.895	588.768.574
Assets relating to current tax	12	34.854.991	32.909.678
Other current assets	21	8.583.356	12.426.473
Non-Current Assets		**26.868.410.313**	**26.107.299.867**
Financial investments	*5*	1.358.365.616	292.188.826
Property, plant and equipment	13	13.230.123.058	13.583.669.631
Right of use assets	14	1.362.374.499	1.393.435.355
Intangible assets		10.320.162.953	10.206.053.630
Goodwill	*16*	*50.219.802*	*50.219.802*
Other intangible assets	*15*	*10.269.943.151*	*10.155.833.828*
Prepaid expenses	11	597.384.187	597.862.290
Deferred tax assets	30	-	34.090.135
TOTAL ASSETS		**45.074.840.576**	**46.776.195.166**

(Convenience translation of consolidated financial statements originally issued in Turkish)

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 30 September 2026	Prior Year Audited 31 December 2025
LIABILITIES			
Current Liabilities		**7.722.165.826**	**12.522.235.574**
Short term financial liabilities		2.686.124.990	5.388.545.493
Bank borrowings	*6*	*2.686.124.990*	*5.388.545.493*
Current portion of long term financial liabilities		666.294.335	1.204.293.106
Bank borrowings	*6*	*225.147.973*	*46.911.047*
Lease liabilities	*6*	*380.805.872*	*446.485.591*
Debt bond in issue	*6*	*60.340.490*	*710.896.468*
Trade payables		2.041.020.335	3.368.891.142
Due to related parties	*7*	*85.628.909*	*86.532.599*
Due to third parties	*8*	*1.955.391.426*	*3.282.358.543*
Payables relating to the benefits provided to employees	20	223.743.925	210.704.602
Other payables		13.449.909	1.715.578
Other trade payables	*9*	*13.449.909*	*1.715.578*
Government grants and incentives	17	23.083.312	33.042.832
Deferred revenue	11	98.057.904	108.767.410
Current tax payable	30	45.138.908	7.693.414
Short term provisions		1.913.360.033	2.156.080.395
Provisions for benefits provided to employees	*20*	*600.841.071*	*934.885.810*
Other provisions	*18*	*1.312.518.962*	*1.221.194.585*
Other current liabilities	21	11.892.175	42.501.602
Non-Current Liabilities		**3.526.430.420**	**1.533.765.384**
Long term financial liabilities		2.297.947.061	844.541.708
Bank borrowings	*6*	*537.195.516*	*30.911.809*
Lease liabilities	*6*	*339.152.513*	*193.424.737*
Debt bond in issue	*6*	*1.421.599.032*	*620.205.162*
Government grants and incentives	17	243.804.295	340.015.197
Deferred revenue	11	107.736.739	111.687.161
Long term provisions		269.980.200	237.521.318
Provisions for benefits provided to employees	*20*	*269.980.200*	*237.521.318*
Deferred tax liabilities	30	606.962.125	-
EQUITY		**33.826.244.330**	**32.720.194.208**
Equity attributable to equity holders of the parent		**33.826.244.330**	**32.720.194.208**
Paid-in capital	22	200.019.288	200.019.288
Inflation adjustment to share capital	22	6.786.111.362	6.786.111.362
Treasury shares (-)	22	(28.847)	(28.847)
Premium in excess of par	22	91.534.619	91.534.619
Other capital reserves		(20.002.749)	(20.002.749)
Other comprehensive expense not to be reclassified to profit or loss		18.133.662	22.543.249
Actuarial loss arising from defined benefit plans		*18.133.662*	*22.543.249*
Other comprehensive expense to be reclassified to profit or loss		181.209.834	114.477.991
Currency translation reserve		*181.209.834*	*114.477.991*
Restricted reserves appropriated from profit	22	2.457.774.688	2.457.774.688
Purchase of shares of entities under common control		*(172.517)*	*(182.126)*
Accumulated profit	22	23.067.946.733	24.071.172.353
Profit / (Loss) for the period		1.043.718.257	(1.003.225.620)
TOTAL LIABILITIES AND EQUITY		**45.074.840.576**	**46.776.195.166**

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

(Convenience translation of consolidated financial statements originally issued in Turkish)

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 1 January – 30 September 2026	Prior Year Unaudited 1 January – 30 September 2025	Current Year Unaudited 1 July – 30 September 2026	Prior Year Unaudited 1 July – 30 September 2025
Revenue	23	19.155.807.339	17.844.004.711	6.137.459.861	5.804.636.479
Cost of revenue (-)	23	(10.884.299.800)	(11.807.860.574)	(3.571.863.214)	(3.922.199.971)
GROSS PROFIT		**8.271.507.539**	**6.036.144.137**	**2.565.596.647**	**1.882.436.508**
Marketing, sales and distribution expenses (-)	24	(2.875.177.351)	(2.603.745.841)	(879.718.862)	(784.970.057)
General administration expenses (-)	24	(2.258.305.347)	(2.396.639.950)	(793.138.221)	(899.824.333)
Research and development expenses (-)	24	(1.078.194.742)	(1.073.168.720)	(188.822.846)	(342.862.127)
Other operating income	26	507.848.465	911.479.578	102.236.544	370.772.798
Other operating expenses (-)	26	(42.489.496)	(76.232.017)	6.346.210	(9.004.679)
OPERATING PROFIT		**2.525.189.068**	**797.837.187**	**812.499.472**	**216.548.110**
Investment income	27	337.047.474	464.910.519	113.213.069	(33.125.411)
Investment expenses (-)	27	(1.027.528)	(14.218.059)	57.230	1.066.977
PROFIT BEFORE FINANCE EXPENSES		**2.861.209.014**	**1.248.529.647**	**925.769.771**	**184.489.676**
Finance expenses (-)	28	(1.888.156.942)	(2.723.991.008)	(583.615.817)	(813.853.778)
Monetary gain / (loss)	29	768.747.842	1.797.429.524	224.756.754	451.197.131
PROFIT / (LOSS) BEFORE TAXATION		**1.741.799.914**	**321.968.163**	**566.910.708**	**(178.166.971)**
Tax (expense) / income		**(698.081.657)**	**374.758.184**	**(68.755.281)**	**151.164.767**
Current tax income / (expense)	30	(51.482.941)	(9.774.711)	(41.609.772)	(7.280.150)
Deferred tax income / (expense)	30	(646.598.716)	384.532.895	(27.145.509)	158.444.917
Net profit / (loss) for the period		**1.043.718.257**	**696.726.347**	**498.155.427**	**(27.002.204)**
Distribution of profit for the period					
Equity holders of the parent		1.043.718.257	696.726.347	498.155.427	(27.002.204)
		1.043.718.257	**696.726.347**	**498.155.427**	**(27.002.204)**
(Loss) / gain per share	**31**	**0,0522**	**0,0348**	**0,0249**	**(0,0013)**

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

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 1 January – 30 September 2026	Prior Year Unaudited 1 January – 30 September 2025	Current Year Unaudited 1 July – 30 September 2026	Prior Year Unaudited 1 July – 30 September 2025
Net profit / (loss) for the period		**1.043.718.257**	**696.726.347**	**498.155.427**	**(27.002.204)**
OTHER COMPREHENSIVE INCOME					
Items not to be reclassified subsequently to profit or loss		**(4.409.587)**	**804.030**	**(1.009.983)**	**237.272**
Actuarial (gain) arising from defined benefit plans	20	(5.174.646)	1.072.040	(1.185.215)	316.363
Tax effect other comprehensive income not to be reclassified to profit or loss	30	765.059	(268.010)	175.232	(79.091)
Items that may be reclassified subsequently to profit or loss		**66.731.843**	**(204.429.476)**	**43.065.100**	**(155.727.719)**
Change in foreign currency translation reserve		66.731.843	(204.429.476)	43.065.100	(155.727.719)
OTHER COMPREHENSIVE (LOSS) / INCOME		**62.322.256**	**(203.625.446)**	**42.055.117**	**(155.490.447)**
TOTAL COMPREHENSIVE EXPENSE		**1.106.040.513**	**493.100.901**	**540.210.544**	**(182.492.651)**
Total comprehensive loss attributable to:		**1.106.040.513**	**493.100.901**	**540.210.544**	**(182.492.651)**
Equity holders of the parent		1.106.040.513	493.100.901	540.210.544	(182.492.651)

(Convenience translation of consolidated financial statements originally issued in Turkish)

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

							Other comprehensive income/(expense) not to be reclassified to profit or loss	Other comprehensive income/(expense) to be reclassified to profit or loss			Accumulated profit			
	Notes	Paid in capital	Inflation adjustment to share capital	Treasury shares (-)	Premium in excess of par	Other capital reserves	Actuarial loss arising from defined benefit plans	Currency translation reserve	Restricted reserves appropriated from profit	Purchase of shares of entities under common control	Accumulated profit	Net Profit / (Loss) for the period	Total equity attributable to equity holders of the parent	Total shareholder's equity
Balance as of 1 January 2025	22	200.019.288	6.786.111.362	(28.847)	91.534.619	(20.002.749)	(3.965.821)	281.965.515	2.457.774.688	(238.389)	23.958.211.519	112.960.827	33.864.342.012	33.864.342.012
Other capital reserves increase		-	-	-	-	-	-	-	-	(183.948)	-	-	(183.948)	(183.948)
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	112.960.827	(112.960.827)	-	-
Profit shares (*)		-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	804.030	(204.429.476)	-	-	-	696.726.347	493.100.901	493.100.901
Actuarial gain arising from defined benefit plans		-	-	-	-	-	*804.030*	-	-	-	-	-	804.030	*804.030*
Currency translation reserve		-	-	-	-	-	-	*(204.429.476)*	-	-	-	-	*(204.429.476)*	*(204.429.476)*
Profit for the period		-	-	-	-	-	-	-	-	-	-	*696.726.347*	*696.726.347*	*696.726.347*
Balance as of 30 September 2025	22	200.019.288	6.786.111.362	(28.847)	91.534.619	(20.002.749)	(3.161.791)	77.536.039	2.457.774.688	(422.337)	24.071.172.346	696.726.347	34.357.258.965	34.357.258.965
Balance as of 1 January 2026	22	200.019.288	6.786.111.362	(28.847)	91.534.619	(20.002.749)	22.543.249	114.477.991	2.457.774.688	(182.126)	24.071.172.353	(1.003.225.620)	32.720.194.208	32.720.194.208
Other capital reserves increase		-	-	-	-	-	-	-	-	9.609	-	-	9.609	9.609
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	(1.003.225.620)	1.003.225.620	-	-
Total comprehensive income		-	-	-	-	-	(4.409.587)	66.731.843	-	-	-	1.043.718.257	1.106.040.513	1.106.040.513
Actuarial gain arising from defined benefit plans		-	-	-	-	-	*(4.409.587)*	-	-	-	-	-	*(4.409.587)*	*(4.409.587)*
Currency translation reserve		-	-	-	-	-	-	*66.731.843*	-	-	-	-	*66.731.843*	*66.731.843*
Profit for the period		-	-	-	-	-	-	-	-	-	-	1.043.718.257	1.043.718.257	*1.043.718.257*
Balance as of 30 September 2026	22	200.019.288	6.786.111.362	(28.847)	91.534.619	(20.002.749)	18.133.662	181.209.834	2.457.774.688	(172.517)	23.067.946.733	1.043.718.257	33.826.244.330	33.826.244.330

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

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 1 January – 30 September 2026	Prior Year Unaudited 1 January – 30 September 2025
CASH FLOWS FROM OPERATING ACTIVITIES		**3.789.061.977**	**10.380.791.145**
Profit / (loss) for the period		1.043.718.257	696.726.347
Adjustments to Reconcile Profit (Loss)		**5.620.350.566**	**8.685.886.184**
Adjustments for depreciation and amortisation expense	13,14,15, 23,25	1.494.125.417	1.446.430.567
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**1.447.509.406**	**1.348.723.846**
Adjustments for Impairement Loss (Reversal of Impairment Loss) of Receivables	8	2.107.509	17.615.680
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	10	(10.151.111)	(66.986.507)
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Other Intangible Assets	15	1.455.553.008	1.398.094.673
Adjustments for Provisions		**1.617.843.816**	**1.272.174.820**
Adjustments for (Reversal of) Provisions Related with Employee Benefits	20	681.773.031	326.219.235
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions	18	131.238.320	90.586.918
Adjustments for (Reversal of) Other Provisions	18	804.832.465	855.368.667
Adjustments for Interest (Income) Expenses		**1.752.704.474**	**2.445.284.324**
Adjustments for interest income	26	(95.314.189)	(241.866.574)
Adjustments for interest expense	28	1.848.018.663	2.687.150.898
Adjustments for Fair Value (Income) Expenses:		**(84.365.818)**	**(107.394.214)**
Adjustments for Fair Value (Gains) Losses of Financial Investments	27	(84.365.818)	(111.968.622)
Increase (Decrease) in Derivatives	33	-	4.574.408
Adjustments for Tax (Income) Expenses	30	**698.081.657**	**(374.758.184)**
Other Adjustments for Non-Cash Items	18	**(238.072.979)**	**(205.187.188)**
Adjustments for Losses (Gains) on Disposal of Non-Current Assets		**(61.409.322)**	**(60.388.691)**
Adjustments for Losses (Gains) Arised From Sale of Tangible Assets	27	(61.409.322)	(60.388.691)
Other adjustments for Which Cash Effects are Investing or Financing Cash Flow	6	**33.670.513**	**(4.306.994)**
Other Adjustments to Reconcile Profit (Loss)		(39.400.022)	(10.593.514)
Monetary loss / (gain)		(1.000.336.576)	2.935.901.412
Changes in Working Capital		(1.888.835.045)	1.224.729.960
Adjustments for Decrease (Increase) in Trade Accounts Receivable		**(1.044.398.546)**	**326.508.715**
Increase in Trade Accounts Receivables from Related Parties	7	155.761.125	254.250.596
Increase in Trade Accounts Receivables from Other Parties		(1.200.159.671)	72.258.119
Adjustments for Increase in Other Receivables Related with Operations		**11.333.901**	**24.815.897**
Increase in Other Third Party Receivables Related with Operations	9	11.333.901	24.815.897
Adjustments for Increase in Inventories		**(187.414.066)**	**678.779.976**
Decrease in Prepaid Expenses	11	**(165.996.321)**	**67.542.522**
Adjustments for Increase in Trade Accounts Payable		**(668.894.857)**	**199.586.423**
Increase in Trade Accounts Payables to Related Parties	8	16.022.622	(11.969.971)
Increase in Trade Accounts Payables to Unrelated Parties	8	(684.917.479)	211.556.394
Increase in Employee Benefit Liabilities	20	**13.039.323**	**(10.404.958)**
Adjustments for Increase (Decrease) in Other Operating Payables		**11.734.331**	**30.614.725**
Increase (Decrease) in Other Operating Payables to Other Parties	9	11.734.331	30.614.725
Increase in Deferred Income	11	(14.659.928)	34.337.360
Other Adjustments for Other Increase (Decrease) in Working Capital		**156.421.118**	**(127.050.700)**
Decrease (Increase) in Other Assets Related with Operations	12,21	(532.891)	(9.376.219)
Increase (Decrease) in Other Payables Related with Operations		156.954.009	(117.674.481)
Cash Flows from (used in) Operations		**4.775.233.778**	**10.607.342.491**
Interest received	4,26	100.874.983	240.230.525
Payments Related with Provisions for Employee Benefits	20	(742.240.803)	(177.292.347)
Payments Related with Other Provisions	18	(344.805.981)	(289.489.524)

DEVA HOLDİNG A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026
(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 30 September 2026, unless otherwise indicated.)

	Footnote References	Current Year Unaudited 1 January – 30 September 2026	Prior Year Unaudited 1 January – 30 September 2025
CASH FLOWS FROM INVESTING ACTIVITIES		**(2.262.034.503)**	**(4.543.552.635)**
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		**63.683.400**	**60.388.691**
Proceeds from Sales of Property, Plant and Equipment	13,27	63.683.400	60.388.691
Purchase of Property, Plant, Equipment and Intangible Assets		**(2.517.358.628)**	**(2.801.741.139)**
Purchase of Property, Plant and Equipment	13	(550.471.909)	(721.072.343)
Purchase of Intangible Assets	6,14,15	(1.966.886.719)	(2.080.668.796)
Cash Inflows / Outflows Arising From Debt Instruments	5,27	191.162.622	(1.669.171.433)
Cash Advances and Loans Made		**478.103**	**(145.502.304)**
Other Cash Advances and Loans Made to Other Parties	11	478.103	(145.502.304)
Proceeds from Government Grants	17	-	12.473.550
CASH FLOWS FROM FINANCING ACTIVITIES		**(2.565.116.264)**	**(4.637.178.122)**
Proceeds from Loans		**13.037.549.742**	**13.720.957.552**
Proceeds from Borrowings	6	12.040.578.121	13.720.957.552
Other debts	6	996.971.621	-
Debt Repayments		**(13.562.389.202)**	**(14.718.413.249)**
Cash outflows regarding repayments of borrowings	6	(12.969.595.265)	(14.718.413.249)
Cash outflows regarding payments of bonds issued	6	(592.793.937)	-
Cash outflows related with payments of lease liabilities	**6**	**(295.890.323)**	**(296.499.434)**
Interest paid	**6,28**	**(1.744.386.481)**	**(3.343.222.991)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**(1.038.088.790)**	**1.200.060.388**
Effect of exchange rate changes on cash and cash equivalents		66.731.843	(204.429.476)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(971.356.947)**	**995.630.912**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD INFLATION EFFECT		**(578.481.992)**	**(309.102.141)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	**2.957.380.855**	**1.568.937.661**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**1.407.541.916**	**2.255.466.432**

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Deva Holding A.Ş. ("the Company") is operating in İstanbul, Turkey. The Company was incorporated on 22 September 1958. The Company's principal activity is manufacturing and marketing of human pharmaceuticals. The registered office address and its principal place of business are as follows:

Deva Holding A.Ş. Halkalı Merkez Mahallesi Basın Ekspres Caddesi No: 1 K.Çekmece / İstanbul.

The average number of employees working in the Group for the period ended 30 September 2026 is 3.079 (31 December 2025: 3.023).

Eastpharma S.A.R.L. is the main shareholder of the Company. Eastpharma S.A.R.L. was founded in Luxembourg in 2006 and is fully owned by Eastpharma Ltd., which was incorporated in Bermuda in 2006. Eastpharma S.A.R.L. acquired 52,6% of the Company's shares on 27 November 2006. Subsequent to that date EP SARL increased its shareholdings and as of 30 September 2026, it owns 82,2% of the shares of Deva (31 December 2025: 82,2%).

The shares of the Company have been traded on Borsa Istanbul since 24 March 1986.

As of 30 September 2026, the Company's share capital consists of 20.001.928.778 shares with an amount of TRY 0,01 for each (31 December 2025: 20.001.928.778). The Company's nominal capital structure is as follows (Note 22):

Name	(%)	30 September 2026	(%)	31 December 2025
Eastpharma S.A.R.L.	82,2	164.424.760	82,2	164.424.760
Shares held by public	17,8	35.594.528	17,8	35.594.528
Nominal capital	100,0	200.019.288	100,0	200.019.288
Restricted reserves allocated from profit (*)		6.786.111.362		6.786.111.362
Treasury shares (-)		(28.847)		(28.847)
Adjusted share capital		6.986.101.803		6.986.101.803

(*) Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards. Adjustment to share capital has no use other than being transferred to paid-in share capital.

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

Subsidiaries

As of 30 September 2026 and 31 December 2025, the details of the subsidiaries ("the Group") in terms of ownership and principal business activities are as follows:

	Effective Ownership (%)		
Company	30 September 2026	31 December 2025	Line of activity
Devatis Ltd	100	100	Distribution and sale of human and veterinary pharmaceuticals in New Zealand and Australia
Devatis Inc	100	100	Distribution and sale of human and veterinary pharmaceuticals in USA
Devatis GmbH	100	100	Distribution and sale of human and veterinary pharmaceuticals in Germany
Devatis PTY Ltd (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Australia
Devatis A.G (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Switzerland
Devatis de Mexico (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Mexico
Devatis Canada Inc. (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Canada
Devatis d.o.o Beograde (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Serbia
Devatis B.V. (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Holland
Devatis LLC (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in Azerbaijan
Devatis UK (*)	100	100	Distribution and sale of human and veterinary pharmaceuticals in England

(*) The companies do not have material effect on the consolidated financial statements. Therefore, they are not included in the consolidation.

The Group's subsidiaries operate outside Turkey.

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

Subsidiaries (cont'd)

The Company and its subsidiaries operate in the pharmaceutical industry and are one of the branded generic players in the market. The Group has a wide range product portfolio and a country-wide organized sales force. The Group has 4 production facilities in 4 different locations.

The Group has 229 pharmaceutical molecules in 444 pharmaceutical forms. Of these 7 molecules (in 8 presentation forms) are manufactured and marketed by using license rights.

As of 30 September 2026 the business segments are production and sale of human pharmaceuticals, veterinary and agricultural products and other.

The human pharmaceuticals segment derives the majority of its revenues from the sale of branded generic and licensed products. Branded generic products are finished pharmaceutical products that Deva produces and sells under its trademark rather than the chemical name of the active pharmaceutical compound. Licensed products are finished pharmaceutical products that the Company produces and sells under licenses from other pharmaceutical companies that hold the rights to the pharmaceutical compound. The business encompasses a wide range of medicines combating diseases in the musculoskeletal, alimentary, metabolism and cardiovascular system and infections. Corporate expenses and assets are included in the human pharmaceuticals segment.

The human pharmaceuticals segment also contains "API", which mainly derives its revenues from the manufacturing and sale of antibiotic active ingredients to local producers including the Company as well as to foreign pharmaceutical companies. In addition to its manufacturing activities, the Company conducts, at its microbiology laboratories, tests and research on the adaptation of raw materials, selection of micro-organisms, formulation of culture mediums, and executes various test and research fermentations on pilot fermentators.

The income of veterinarians and animal breeders segment is achieved by the sales of 109 pharmaceutical molecules in 158 pharmaceutical forms.

The operations in the other segment include production and sale of cologne products.

Further segment information on the Group operations is presented in Note 3.

Approval of the financial statements

The accompanying financial statements have been approved by the Board of Directors and are authorized for issue on 6 November 2026.

Going Concern

The Group prepared consolidated financial statements in accordance with the going concern assumption.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Accounting Standards

The Group maintain their books of accounts and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation. Subsidiaries operating in foreign countries maintain their books of accounts in the currency of the country in which they operate and prepare their statutory financial statements in accordance with the legislation effective in these countries.

The attached consolidated financial statements are prepared in accordance with the decree Series II No: 14.1 "Principals Relating to the Financial Reporting Standards in Capital Markets" ("Decree") issued by Capital Markets Board ("CMB") on 13 June 2013 and published in the Official Gazette numbered 28676 and are based on the Turkish Accounting Standards/ Turkish Financial Reporting Standards and relating interpretations which became effective with the 5th Article of the Decree in consideration by ("CMB") and Public Oversight Accounting and Auditing Standards Authority.

Additionaly, financial statements are presented in the "Announcement on TFRS Taxonomy" published by ("KGK") 4 July 2024 and in accordance with the formats specified in the Financial Statement Examples and User Guide published by the ("SPK").

The group companies maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with rules and principles published by POA, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. These consolidated financial statements have been prepared in Turkish Lira under the historical cost convention.

Presentation and Functional Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira, which is the functional and presentation currency of the Group. Financial statements of subsidiary operating in foreign country (Functional currency of Devatis Ltd is New Zealand Dollar and functional currency of Devatis Inc is U.S. Dollar) translated into presentation currency with the exchange rate prevailing at balance sheet date for balance sheet items except equity. Historical rates are used for the conversion of equity items and average rate for income statement items.

2026 and 2025, the details for the year end and average US dollar, Euro and New Zealand dollar are as follows:

	Period ended		Average	
	30 September 2026	31 December 2025	30 September 2026	31 December 2025
USD/TRY	48,9303	42,8457	45,5977	39,4592
EUR/TRY	55,5567	50,2859	52,9319	44,6948
NZD/TRY	27,6509	24,7400	26,6898	22,9833

Preparation of Financial Statements in Hyperinflationary Periods

The financial statements and the corresponding figures for previous periods are restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. When a hyperinflation in an economy exists,TAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy is stated in terms of the measuring unit current at the end of the reporting period.

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

Preparation of Financial Statements in Hyperinflationary Periods (con'd)

As of the reporting date, since the cumulative change in the general purchasing power of the last three years has been over 100% according to the Consumer Price Index ("CPI") number, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in High Inflation Economies" for reporting periods ending on or after 31 December 2023.

In accordance with the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 23 November 2023 titled *"Announcement on the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit"*, entities applying Turkish Financial Reporting Standards ("TFRS") are required to present their financial statements for annual reporting periods ending on or after 31 December 2023 adjusted for the effects of inflation in accordance with the relevant accounting principles set out in IAS 29.

Furthermore, pursuant to the Capital Markets Board ("CMB") resolution dated 28 December 2023 and numbered 81/1820, entities and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to implement inflation accounting in accordance with IAS 29 starting from their annual financial reports for the fiscal periods ending 31 December 2023.

In this context, the financial statements dated 30 September 2026 were presented by adjusting the accounting tables specified in TMS 29 according to comprehensive inflation.

Following table shows inflation rates for related years calculated considering the Consumer Price Indexes published by the Turkish Statistical Institute:

Date	Index	Adjustment Coefficent	Three years compound inflation rates
30.09.2026	137,23	1,00000	158%
31.12.2025	110,39	1,24317	211%
30.09.2025	105,78	1,29732	222%

The outlines of TAS 29 indexing operations are as follows:

• As of the reporting date, all items except those expressed in terms of current purchasing power are indexed using the relevant adjustment coefficients. Amounts from prior years are also indexed in the same way.

• Monetary assets and liabilities are not indexed since they are expressed in terms of current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.

• Fixed assets, associates and similar assets are indexed over their historical costs, not exceeding their market values. Depreciations are similarly adjusted. The amounts included in the shareholders' equity have been restated as a result of the application of the general price indices in the periods when these amounts are included in the Company or occurred within the Company.

• Except for income statement items affected by indexing non-monetary items in the statement of financial position that have an impact on the statement of income, all items in the income statement are indexed with the coefficients calculated over the periods in which the income and expense accounts are initially reflected in the financial statements.

•The gain or loss on the net monetary position arising from general inflation is the difference of adjustments made to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in the profit or loss. (Not 29)

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

Preparation of Financial Statements in Hyperinflationary Periods (con'd)

The effect of applying TAS 29 Inflation Accounting is summarized below:

Restatement of Statement of Financial Position

Statement of financial position amounts not already expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated since they are already expressed in terms of the monetary unit current at the end of the reporting period. Non-monetary items are required to be restated unless they are carried at amounts current at the end of the reporting period.

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

Restatement of Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts are restated by applying the changes in the monthly general price index. Cost of inventory sold is restated by using restated inventories balance.Depreciation and amortization expenses is restated by using restated property and equipment, intangible assets and right of use assets balances.

Restatement of Statement of Cash Flows

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

Consolidated financial statements

The financial statements of any subsidiary whose functional currency is the currency of a hyperinflationary economy is restated by applying a general price index before they are included in the consolidated financial statements issued by its parent. Where such a subsidiary is a foreign subsidiary, its restated financial statements are translated at closing rates. If financial statements with different ends of the reporting periods are consolidated, all items, whether non-monetary or monetary, are restated into the measuring unit current at the date of the consolidated financial statements.

Corresponding figures

Corresponding figures for the previous reporting period are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period. Information that is disclosed in respect of earlier periods is also expressed in terms of the measuring unit current at the end of the reporting period.

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

Reclassification of Comparative Amounts

In the current year, the Group had reclassified certain comparative balances in order to conform to current year's presentation. The nature, amount and reasons for each of the reclassifications are described below:

There is no profit or loss effect related to this reclassification.

Basis of Consolidation

The consolidated financial statement incorporate the financial statements of the company and the entities (including structure entities) controlled by Group. Control is achieved when the Group:

- Has power of the investee
- Is exposed, or has rights ,to variable returns from its involvement with the investee and
- Has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting of the rights of an investee, it has power of the investee when the voting rights are sufficient to give it practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including.

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties ;
- Rights arising from other contractual agreements ;and
- Any additional facts and circumstances that indicate that the Group has ,or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the company losses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this result in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

2.1 Changes in the Accounting Estimates and Errors

If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future period, they are applied both in current and future periods. The Group has no significant changes to the accounting estimates in the current period. When a significant accounting error occurs, it is corrected retrospectively and the prior year financial statements are restated.

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

2.2 New and Revised Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at September 30, 2026 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2026. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Amendments that are mandatorily effective from 2026:

Amendments to TFRS 9 and TFRS 7	Classification and Measurement of Financial Instruments
Amendments to TFRS 9 and TFRS 7	Power Purchase Arrangements
Annual Improvements	Annual Improvements to TFRSs – Volume 11

Amendments to TFRS 9 and TFRS 7 Classification and Measurement of Financial Instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 Financial Instruments. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments to TFRS 9 and TFRS 7 Power Purchase Arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Annual Improvements to TFRSs – Volume 11

The pronouncement comprises the following amendments:
- TFRS 1: Hedge accounting by a first-time adopter
- TFRS 7: Gain or loss on derecognition
- TFRS 7: Disclosure of deferred difference between fair value and transaction price
- TFRS 7: Introduction and credit risk disclosures
- TFRS 9: Lessee derecognition of lease liabilities
- TFRS 9: Transaction price
- TFRS 10: Determination of a 'de facto agent'
- TAS 7: Cost method

Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

ii) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*
TFRS 18	*Presentation and Disclosures in Financial Statements*
TFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to TFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to TAS 21	*Translation to a Hyperinflationary Presentation Currency*
Amendments to TAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint*

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

ii) New and revised TFRSs in issue but not yet effective (cont'd)

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2027.

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

TFRS 18 Presentation and Disclosures in Financial Statements

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

Amendments to TFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendments cover new or amended Turkish Financial Reporting Standards that were not considered when TFRS 19 was first issued. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 21 Translation to a Hyperinflationary Presentation Currency

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. Annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 28 Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

The amendments provide clarity about which entities are eligible to measure investments using the fair value option in TAS 28. Annual reporting periods beginning on or after 1 January 2027.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

2.3 Summary of Significant Accounting Policies

a. Revenue

The Group recognizes revenue when the goods or services are transferred to the customer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to the customer.

The Group recognizes revenue based on the following five main principles:

(a) Identification of customer contracts
(b) Identification of performance obligations
(c) Determination of transaction price in the contract
(d) Allocation of price to performance obligations
(e) Recognition of revenue when the performance obligations are fulfilled

Pharmacy warehouses are the customers whose normal operating output is obtained by the Group. Revenues are obtained from product sales to these distribution warehouses. Revenue is recognized on an accrual basis at the fair value of the consideration expected to be received or received as a result of delivery, reliable determination of the amount of revenue and the probable economic benefits to be transferred to the Group. There are no separate contracts with pharmaceutical warehouses that owned by same company and the warehouses are considered as a single group.

The Group, which has a single performance obligation within the scope of the goods and services decomposition, does not make a distinction in terms of individual performance criteria and obligations.

Pharmaceuticals prices are determined in accordance with the Communiqué on the Pricing of Pharmaceuticals for Human Use published by the Ministers. Gross sales; includes sales discounts, sales volume discounts and free product incentives. These variables are deducted from the proceeds at the first registration stage.

Sales discounts are issued instantly with a fixed percentage and the period is deducted from sales revenue. Sales discount percentage varies according to the product sold.

Volume discount is determined by a fixed percentage of sales during the period and total sales made during the period. Volume discount percentages vary according to pharmaceutical warehouses. Estimates of volume discounts are based on a fixed rate of realized invoiced sales in each period and the period is deducted from sales revenue.

There is no application in the form of a refund with the pharmaceutical warehouses for the recovery of the products that have short expiry dates. At the end of the period, if such products are available and possible, they are sent to the pharmaceutical warehouse via free product incentive instead of refund implementation.

In addition, the Group provides incentives in the form of free products to pharmaceutical warehouses. The free product incentives provide the distribution of the products provided by the pharmaceutical warehouses to the customers free of charge. At the end of each period, pharmaceutical warehouses shall inform the Group of the total amount of free products they provide to their customers. The discount amount (the amount to be deducted from the debt of the pharmaceutical store) is estimated and deducted from the income according to the amount of free products given within the period.

The Group recognizes revenue from its customers only when all of the following criteria are met:

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

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

2.3 Summary of Significant Accounting Policies (cont'd)

a. Revenue (cont'd)

Cost of sales - free of charge goods

Free goods provided to distributors are estimated based on the actual number of free products given by the distributors to its customers during the period and the cost of the free goods are included as part of cost of sales.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

b. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with being valued on standard costing basis. At the end of the each reporting period, the standard costs are updated based on the actual costs. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. The Group exterminates the products in its inventory that have been expired and cannot be reused based on R&D and quality evaluations, and allocates provision in the inventory accounts for the related products in the financial statements. As of 30 September 2026, the total amount of extermination and diminishing value of these provisions is TRY 400.751.687 (31 December 2025: TRY 410.902.800) (Note 10).

c. Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated amortization and any impairment loss. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences by straight-line method when assets are ready for their intended use, as their useful lifes explained in Note 13.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in net income or loss as investment income or expense, but not classified as revenue, when the item is derecognised (unless TAS 16 requires otherwise on a sale and leaseback).

If an entity recognises in the carrying amount of an item of property, plant and equipment the cost of a replacement for part of the item, then it derecognises the carrying amount of the replaced part regardless of whether the replaced part had been depreciated separately. If it is not practicable for an entity to determine the carrying amount of the replaced part, it may use the cost of the replacement as an indication of what the cost of the replaced part was at the time it was acquired or constructed. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

d. Intangible Assets

Intangible assets acquired separately

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

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

2.3 Summary of Significant Accounting Policies (cont'd)

d. Intangible Assets (cont'd)

Internally-generated intangible assets – research and development costs

Research costs are recognised as expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

The Group has development activities related to licenses of new medicines. The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development cost is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are recognized at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.
Impairment losses related to these are recognised in the "Research and Development Expenses" account in the statement profit or loss.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

e. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

a) the amount of lease liabilities recognised,
b) lease payments made at or before the commencement date less any lease incentives received,
c) initial direct costs incurred.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment assessment.

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

2.3 Summary of Significant Accounting Policies (cont'd)

f. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

At the commencement date of the lease, the measurement of the lease liabilities includes:
The lease payments include
(a) fixed payments (including in-substance fixed payments) less any lease incentives receivable,
(b) The variable lease payments that depend on an index,
(c) The amounts expected to be paid under residual value guarantees,
(d) The exercise price of a purchase option reasonably certain to be exercised by the Group,
(e) Payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

g. Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

h. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recorded in the income statement in the period in which they are incurred. Assets that necessarily take a substantial period of time to get ready for intended use or sale of the Group are license development costs. Transformation of these costs to be ready for sale state may take more than one financial year. Borrowing costs incurred for development costs are added to cost of the related asset until it is ready for sale.

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

2.3 Summary of Significant Accounting Policies (cont'd)

i. Financial Instruments

(i) Financial assets

Classification

The Group classifies its financial assets in three categories; through amortization, through fair value difference reflected in other comprehensive income and through financial assets at fair value through profit and loss. The classification is based on the business model used by the entity for the management of financial assets and the characteristics of the contractual cash flows of the financial assets. The Group classifies its assets at the date of the purchase. Financial assets are not reclassified after initial recognition unless the business model that the Group uses in the management of financial assets change, and in case of a change in business model, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

Financial assets measured at amortised cost is a non-derivative financial asset that is held as part of a business model that aims to collect contractual cash flows and that have cash flows that include interest payments on principal dates and principal balances on certain dates under contractual terms. The Group's financial assets which are recognized at amortised cost include, "cash and cash equivalents", "trade receivables", "trade payables", "other receivables", "financial investments. The aforementioned assets are measured at their fair values in the initial recognition of financial assets and discounted values by using the effective interest rate method in the subsequent accounting. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortised cost are recognized in the consolidated statement of profit and loss.

"Financial assets whose fair value difference is reflected in other comprehensive income", is a non-derivative financial asset that includes cash flows that are held only on principal dates and interest on certain dates under contractual terms and that are held within a business model aimed at collecting contractual cash flows and selling the financial assets. Gains or losses arising from the aforementioned financial assets are recognized in other comprehensive income with the exception of impairment gain or loss and foreign exchange gain or loss. For investments in equity-based financial assets, the Group may irrevocably choose the method of reflecting the subsequent changes in the fair value of other comprehensive income in the financial statements for the first time. In the event that such preference is made, dividends received from related investments are recognized in the consolidated statement of profit and loss. Financial assets at fair value through profit and loss are comprised of financial assets measured at amortized cost except for the financial assets at fair value through profit and loss. Gains and losses arising from the valuation of the aforementioned assets are recognized in the consolidated income statement.

Derecognition of Financial Assets and Liabilities

The Group derecognizes a financial asset when the Group discontinues its rights to cash flows in accordance with the contract for financial assets or, when the related rights are transferred by a trading transaction to the ownership of all risks and rewards of the financial asset. Any rights created or held by the Group in respect of the financial assets transferred by the Group are recognized as a separate asset or liability.

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

2.3 Summary of Significant Accounting Policies (cont'd)

i. Financial Instruments (cont'd)

***(i) Financial assets* (cont'd)**

Impairment

Impairment on financial assets and contractual assets is calculated by using a method called Expected Loan Loss (ECL). This impairment model is applied to amortised cost financial assets and contractual assets.

Loss provisions were measured on the following basis;

12 month ECL; is the ECL of the possible default events within 12 months of the reporting date.
Lifetime ECL; is the expected loss of loans resulting from all possible default events during the expected life of a financial instruments.

The expected lifetime loan loss measurement is applied when the credit risk associated with a financial asset is significantly increased at the reporting date. In all other cases where the related increase has not occurred, 12-Month ECL calculation has been applied. The Group may determine that the credit risk of the financial asset does not increase significantly if the credit risk of the financial asset has a low credit risk at the reporting date. Nevertheless, the ECL measurement (with a simplified approach) is always applicable to trade receivables and contract assets without a significant financing element.

Recognition and Measurement

Financial assets that are purchased and sold normally are recorded at the date of sale. The date of the purchase is the date is the date which the Group commits to purchase or sell the asset. Financial assets except for financial assets at fair value through profit and loss are initially recognized at fair value plus transaction costs. When the cash flow purchase rights arising from financial assets expire or are transferred and the Group transfers all the risks and rewards, the financial assets are excluded from the balance sheet. Financial assets that are available for sale are subsequently accounted for at their fair values. Loans and receivables are carried at amortised cost using the effective interest method.

(ii) Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. The Group does not have any financial asset at fair value through profit or loss as of balance sheet date.

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

2.3 Summary of Significant Accounting Policies (cont'd)

i. Financial Instruments (cont'd)

(ii) Financial liabilities (cont'd)

Bonds issued

Bonds issued, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period (Note 6).

Derivative financial instruments

Derivative financial instruments are initially recognised at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements. The fair value changes for these derivatives are recognised in the consolidated income statement.

j. Business Combinations

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

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

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

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

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

2.3 Summary of Significant Accounting Policies (cont'd)

j. Business Combinations (cont'd)

Non-controlling interests that represent the shareholder shares and give the owners the right to exercise a certain share of the net assets of the enterprise in the event of liquidation are first measured at their fair values or at the amount of the identifiable net assets of the acquired entity that are accounted for in the non-controlling interests. The measurement basis is determined by each process. Other types of non-controlling interests are measured at fair value, or, where applicable, in accordance with the procedures specified in another TFRS standard. Where the price transferred by the Group in a business combination also includes the contingent consideration, the contingent consideration is measured at its fair value on the acquisition date and included in the consideration transferred in the business combination. If adjustments are required to be made in the fair value of the contingent consideration as a result of additional information generated during the measurement period, this correction is corrected retrospectively from goodwill. The measurement period is the period after which the acquirer can correct the temporary amounts recognized by the acquirer in the business combination. This period cannot be more than 1 year from the date of purchase.

The subsequent recognition of changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments shall vary according to the classification for the contingent consideration.

Contingent consideration that is classified as equity is not remeasured and the subsequent payment is recognized in equity. If the contingent consideration classified as an asset or a liability is a financial instrument and is within the scope of TAS 39 Financial Instruments: Recognition and Measurement, the contingent consideration is measured at fair value and the gain or loss arising from the change is recognized in profit or loss or other comprehensive income. Those who are not included in TAS 39 are accounted for in accordance with TAS 37 Provisions, Contingent Liabilities and Assets or other appropriate TFRS.

In a progressive business combination, the Group is re-measured at the date of acquisition (i.e. on the date of control of the Group) to bring the equity share held by the Group at fair value to the fair value and, if any, the gain / loss arising, if any, in profit / loss It accounted for. Amounts arising from the share of the acquired entity recognized prior to the acquisition date in other comprehensive income are transferred to profit / loss under the assumption that such shares are disposed.

Where the acquisition accounting for a business combination cannot be completed at the end of the reporting period at which the merger occurred, the Group reports temporary amounts for items for which the accounting transaction could not be completed. These provisional reported amounts are adjusted in the measurement period or additional assets or liabilities are recognized to reflect the new information that may have an impact on the amounts recognized at the date of acquisition and related to the events and circumstances that occurred at that time.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of TFRS 3.

k. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

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

2.3 Summary of Significant Accounting Policies (cont'd)

l. Treasury Shares

If an entity reacquires its own equity instruments, those instruments ("treasury shares") are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity. Following the Deva-Vetaş merger that realized as of 30 December 2016, Deva's A group shares with nominal value of 0,013-TRY and Deva's B group shares with a nominal value of 0,01-TRY and Deva's C group shares with 28.847-TRY nominal value which are owned by Vetaş have been transferred to Deva.

m. Foreign Currency Transactions

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

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRY using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

n. Earnings per Share

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

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

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

2.3 Summary of Significant Accounting Policies (cont'd)

o. Subsequent Events

Subsequent events comprise events between the balance sheet date and the publication date of the balance sheet even if they emerge after any announcement or declaration related with the financial results or other selected financial information. The Group adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

p. Provisions, Contingent Liabilities, Contingent Assets

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

r. Related Parties

A party is related to the Company if:

(a) Directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
(ii) has an interest in the entity that gives it significant influence over the entity; or
(iii) has joint control over the entity;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venturer;

(d) the party is a member of the key management personnel of the entity or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

In the accompanying consolidated financial statements, EastPharma Ltd., EastPharma S.A.R.L., EastPharma İlaç Üretim Pazarlama A.Ş. and Saba İlaç Sanayi ve Ticaret A.Ş, the key management personnel and Board of Directors, close members of the family of any individual who directly or indirectly controls the Company are considered and referred to as related parties

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

2.3 Summary of Significant Accounting Policies (cont'd)

s. Segment Information

The Group classifies its operations into three business segments: production and sale of human pharmaceuticals, veterinary products and other. These segments are prepared according to the TFRS 8. The Group does not have any significant asset outside Turkey.

t. Share Capital and Dividends

Ordinary and preferred shares are classified as equity. Dividends distributed on ordinary shares and preferred stocks are recognised less any retained earnings in the period in which they are announced.

u. Taxation and Deferred Tax

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

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

2.3 Summary of Significant Accounting Policies (cont'd)

u. Taxation and Deferred Tax (cont'd)

Deferred tax (cont'd)

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

v. Employment Termination Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No: 19 (revised) "Employee Benefits" ("TAS 19"). The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses.

y. Statement of Cash Flows

In statement of cash flow, cash flows are classified as from operating, investment and finance activities. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments.

z. Government Grants and Incentives

Grants from the government are recognized at their fair value by accrual basis, where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment and intangible assets are included current and non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

The Group receives assistance from Scientific and Technological Research Council of Turkey ("TUBITAK"). TUBITAK runs a program to organize and regulate the Republic of Turkey's support to encourage research and technology development activities of the industries in Turkey. Within the framework of this program, a certain portion of the development expenditures of the industrial companies are reimbursed.

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

2.3 Summary of Significant Accounting Policies (cont'd)

aa. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, the Group Management has made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of internally-generated intangible assets

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized only if the technical feasibility and the intention to complete the intangible asset, the ability to use or sell the intangible asset are demonstrated, how the intangible asset will generate probable future economic benefits is determined, adequate technical, financial and other resources to complete the development and to use or sell the intangible asset is available and the expenditure attributable to the intangible asset during its development can be reliably measured. Other development expenditures that do not meet these criteria are recognized as expense when incurred.

During the period, management reconsidered the recoverability of its internally-generated intangible assets. Management believes the projects will continue as expected and based on this analysis management continues to anticipate similar revenues from the projects. Management is confident that the carrying amount of the assets will be recovered in full, even if estimated revenues are reduced. This situation is closely monitored by management, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate. During the period ended 30 September 2026, the Group Management has recognized net book value of TRY 1.455.553.008 and impairment loss, and written-off the impaired amount from capitalized development costs and product licenses and rights (30 September 2025: TRY 1.398.094.671) (Note 15).

Intangible asset recognized on business combination

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. Valuation was conducted to serve as a basis for allocation of the purchase price to the various classes of assets acquired in accordance with TFRS 3 "Business Combinations" and TAS 38 "Intangible Assets". For TFRS 3 and TAS 38 purposes, the standard of value is fair value defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties. In determining the fair value of the intangible assets, the three traditional approaches to valuation were considered: the cost approach, the market approach and the income approach. The cost approach was utilized in the valuation of the Group's customer relationships as well as in valuing the total assembled workforce, which is not considered as a separately identifiable intangible asset for financial reporting purposes. The income approach was utilized in arriving at the value of the acquired product rights, license and supply agreement.

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

2.3 Summary of Significant Accounting Policies (cont'd)

aa. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

Deferred tax assets

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realised. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realise the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilise some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognised. As of 30 September 2026 and 31 December 2025, as a result of the assessment made, the Group has recognized deferred tax assets because it is probable that taxable profit will be available sufficient to recognize deferred tax assets and liabilities.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (CGU) and a suitable discount rate in order to calculate present value. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are the discount rates, growth rates and expected changes to selling prices and direct costs during the period.

The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

As of 30 September 2026, the recoverable amount of the cash-generating units is determined based on the value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 14,2% per annum. Cash flows beyond that five-year period have been extrapolated by using a steady real growth rate of 11,0% which inflation rate forecast between the years 2029-2033 for Turkey. The impairment testing is performed annually.

For the impairment testing the Company considered the higher of the fair value less costs to sell of the cash-generating unit or its value in use. The fair value less costs to sell is determined by using market approach which included guideline company method, guideline transaction method and publicly traded stock of the cash-generating unit. Fair value less cost to sell also incorporated the value in use calculated from the cash flow projections approved by the management. Weighting factors were utilized to conclude on the fair value of the cash-generating unit.

Goodwill for impairment is tested annually at the end of the each year. As at 30 September 2026, there were no indicators of impairment. No impairment loss is recognized in the accompanying consolidated financial statements.

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

2.3 Summary of Significant Accounting Policies (cont'd)

aa. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

Net realizable value

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with being valued on standard costing basis. At the end of the each reporting period, the standard costs are updated based on the actual costs. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

When the net realizable value of inventory is less than its cost, the inventory is written down to the net realizable value and the expense is included in statement of income / (loss) in the period the write-down or loss occurred. According to the calculations based on the management's assumptions, a part of the inventories are written down to their net realizable value since the net realizable value of these inventories is less than their cost.

Provision for litigations

In determining of provision for litigations, the Group considers the probability of legal cases to be resulted against the Group and in case it is resulted against the Group considers its consequences based on the assessments of legal advisor. The Group management makes its best estimates using the available data are provided in Note 18.

Expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The expected credit losses are mentioned in the Note 8.

3. SEGMENT INFORMATION

Group started to apply TFRS 8 as of 1 January 2009 and determined operating segments based on internal reports that are regularly reviewed by the Group's decision-making authority. Group's decision-making authority is Group Management.

The Group's decision-making authority examines the results and activities on the basis of product types in order to make decisions regarding the resources to be allocated to the departments and to evaluate the performance of the departments. The business segments are production and sale of human pharmaceuticals, veterinary products and other. Other segment includes sale of cologne and other products.

30 September 2026	Human pharma	Veterinary products	Other	Total
External sales	17.980.409.554	1.076.388.491	99.009.294	19.155.807.339
Cost of sales	(10.396.505.090)	(435.194.496)	(52.600.214)	(10.884.299.800)
Operating expenses	(6.039.373.429)	(163.935.724)	(8.368.287)	(6.211.677.440)
Segment results	1.544.531.035	477.258.271	38.040.793	2.059.830.099
Other operating income				507.848.465
Other operating expenses (-)				(42.489.496)
Investment income				337.047.474
Investment expenses (-)				(1.027.528)
Finance expenses (-)				(1.888.156.942)
Tax expense (-)				(698.081.657)
Monetary gain				768.747.842
Profit for the period				**1.043.718.257**

Distribution of the Group's products by the predominately two largest wholesalers in the Turkish market corresponded to approximately 20% and 34% of the revenues of the Human Pharmaceuticals business line derived from Turkey in 2026 (30 September 2025: 22% and 36%).

Group management has emphasised segmental reporting on operational profit, therefore the Group does not allocate its other expenses on segment base.

30 September 2025	Human pharma	Veterinary products	Other	Total
External sales	16.719.860.952	996.601.447	127.542.312	17.844.004.711
Cost of sales	(11.092.898.135)	(615.195.641)	(99.766.798)	(11.807.860.574)
Operating expenses	(5.673.123.853)	(392.201.860)	(8.228.798)	(6.073.554.511)
Segment results	(46.161.036)	(10.796.054)	19.546.716	(37.410.374)
Other operating income				911.479.578
Other operating expenses (-)				(76.232.017)
Investment income				464.910.519
Investment expenses (-)				(14.218.059)
Finance expenses (-)				(2.723.991.008)
Tax income				374.758.184
Monetary gain				1.797.429.524
Profit for the period				**696.726.347**

4. CASH AND CASH EQUIVALENTS

	30 September 2026	31 December 2025
Petty cash	718.912	1.119.871
Cash in banks	1.406.823.004	2.956.260.984
Demand deposits	*1.105.734.931*	*920.891.666*
Time deposits- maturity less than three months	*301.088.073*	*2.035.369.318*
Cash and cash equivalents in cash flow statement	1.407.541.916	2.957.380.855
Interest income accruals	135.141	5.695.935
	1.407.677.057	2.963.076.790

As of 30 September 2026, the Group has Euro, US Dollar and TRY time deposits. The average interest rate for, Euro time deposit is 2,45%, US Dollar time deposit is 2,95% and TRY time deposit is 37,75% (The Group has Euro, US Dollar and TRY time deposit as of 31 December 2025 and it's average interest rate for Euro time deposit is 1,51% US Dollar time deposit is 3,72% and TRY time deposit is 38,47%). Financial investments are long term and short term and have a maturity of one month.

The Group does not have any blocked deposits as of 30 September 2026 and 31 December 2025.

5. FINANCIAL INVESTMENTS

	Short term		Long term	
	30 September 2026	31 December 2025	30 September 2026	31 December 2025
Investments in financial assets classified as FVTPL				
Other securities (*)	44.169.960	442.710.980	-	-
	44.169.960	442.710.980	-	-
Financial assets are measured at amortised cost				
Usdbond (**)	286.025.734	1.060.458.308	1.358.365.616	292.188.826
	286.025.734	1.060.458.308	1.358.365.616	292.188.826
	330.195.694	1.503.169.288	1.358.365.616	292.188.826

(*) Other securities consist of funds taken from banks and investment institutions.

(**) The Group has invested in fixed-income usdbonds issued by the treasuary for the purpose of earning returns, and the annual interest yields of these usdbonds vary between 4,88% and 7,25% with maturities between October 2026 and January 2035.

6. FINANCIAL LIABILITIES

	30 September 2026	31 December 2025
Short term bank loans	2.686.124.990	5.388.545.493
Current portion of long term loans	225.147.973	46.911.047
Current portion of leases	380.805.872	446.485.591
Current portion of bonds issued	60.340.490	710.896.468
Total short term financial liabilities	3.352.419.325	6.592.838.599
Long term portion of bank loans	537.195.516	30.911.809
Long term portion of leases	339.152.513	193.424.737
Bonds issued (*)	1.421.599.032	620.205.162
Total long term financial liabilities	2.297.947.061	844.541.708
Total financial liabilities	5.650.366.386	7.437.380.307

(*) The Group issued 3 corporate bonds amounting to TRY 500.000.000 with two years maturity, quarterly floating interest rate and coupon payments, TRY 400.000.000 with two years maturity, quarterly floating interest rate and coupon payments and TRY 525.000.000 with two years maturity, quarterly floating interest rate and coupon payments The bonds were sold on 11 December 2025, 19 January 2026 and 23 February 2026 only to qualified investors. Annual simple yield of the bond is calculated by adding 125 basis points for TRY 500.000.000 bond for over "BİST TLREF" index, 100 basis points for TRY 400.000.000 bond for over "BİST TLREF" index and 90 basis points for TRY 525.000.000 bond for over "BİST TLREF" index. As of the first coupon payment date, the simple interest rates of the bonds are 40,66%, 41,42% and 42,62% respectively, while the corresponding compound interest rates are 47,30%, 48,32% and 49,94% respectively.

Repayment schedule of bank borrowings is as follows:

	30 September 2026	31 December 2025
Less than 1 year or to be paid on demand	3.352.419.325	6.592.838.600
To be paid between 1-2 years	2.284.732.495	822.637.731
To be paid between 2-3 years	8.809.711	10.951.988
To be paid between 3-4 years	4.404.855	10.951.988
	5.650.366.386	7.437.380.307

6. FINANCIAL LIABILITIES (cont'd)

i) Bank loans

Short term bank loans consist of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	34,12%	2.612.910.615	2.612.910.615	TRY	39,68%	5.165.525.855	5.165.525.855
Accrued interest			73.214.375	Accrued interest			223.019.638
			2.686.124.990				5.388.545.493

The Group has spot loans amounting to TRY 2.612.910.616 (2025: TRY 5.165.525.855), with an average interest of 34,12% and TRY not used to loans with no interest. (31 December 2025: TRY 108.742.019). The principal amount and interest paid on due date.

Short term borrowings consist of spot credits with several banks. As of 30 September 2026 and 31 December 2025, the total available lines of credits are TRY 22.993.781.650 and TRY 18.269.262.400, respectively. The principal and interest is paid on the maturity. The agreements have no expiration date unless there is a breach of contract which would include nonpayment of interest and principal within the maturity.

Short term portion of long term bank loans consists of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	43,52%	194.730.166	194.730.166	TRY	33,10%	33.323.431	33.323.431
Accrued interest			30.417.807	Accrued interest			13.587.616
			225.147.973				46.911.047

6. FINANCIAL LIABILITIES (cont'd)

i) Bank loans (cont'd)

Long term bank loans consist of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	37,05%	537.195.516	537.195.516	TRY	44,06%	30.911.809	30.911.809
			537.195.516				30.911.809

The Group uses its notes receivables as collaterals for its revolving loans. As of 30 September 2026, the amount of the notes receivables given as collateral is TRY 613.000.000 (31 December 2025: TRY 699.508.115).

Loan movement:

	2026	2025
Beginning of the year - 1 January	5.466.368.349	8.736.205.475
Additons	12.040.578.121	13.720.957.552
Repayments of borrowings	(12.969.595.265)	(14.718.413.249)
Changes in interest accruals	(132.975.072)	(656.072.093)
Inflation effect	(955.907.654)	(1.489.552.139)
End of the period - 30 September	**3.448.468.479**	**5.593.125.546**

6. FINANCIAL LIABILITIES (cont'd)

ii) Lease liabilities

Short term portion of long term lease liabilities consists of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	31,69%	298.974.136	298.974.136	TRY	26,99%	368.762.172	368.762.172
Accrued interest			81.831.736	Accrued interest			77.723.419
			380.805.872				446.485.591

Long term lease liabilities consist of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	38,27%	339.152.513	339.152.513	TRY	26,43%	193.424.737	193.424.737
			339.152.513				193.424.737

Lease liabilities movement:

	2026	2025
Beginning of the year - 1 January	639.910.328	347.228.518
Additons	405.373.786	301.269.829
Repayments of borrowings	(295.890.323)	(296.499.434)
Inflation effect	(33.543.723)	(34.490.102)
Changes in interest accruals	4.108.317	25.907.166
End of the period - 30 September	**719.958.385**	**343.415.977**

6. FINANCIAL LIABILITIES (cont'd)

iii) Debt bond in issue

Short term portion of long term debt bonds issued consists of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	-	-	-	TRY	58,36%	680.118.174	680.118.174
Accrued interest			60.340.490	Accrued interest			30.778.294
			60.340.490				710.896.468

Long term debt bonds issued consist of the following:

Currency Type	Weighted Average Effective Interest Rate	Principal	30 September 2026	Currency Type	Weighted Average Effective Interest Rate	Principal	31 December 2025
TRY	48,91%	1.421.599.032	1.421.599.032	TRY	45,73%	620.205.162	620.205.162
			1.421.599.032				620.205.162

Bonds issued movement:

	2026	2025
Beginning of the year - 1 January	1.331.101.630	949.626.926
Additons	996.971.621	-
Repayments of borrowings	(592.793.937)	-
Inflation effect	(282.901.988)	(180.964.851)
Changes in interest accruals	29.562.196	(30.214.160)
End of the period - 30 September	**1.481.939.522**	**738.447.915**

7. RELATED PARTY TRANSACTIONS

	30 September 2026							
	Receivables				Payables			
	Current		Non-current		Current		Non-current	
Balances with related parties	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading
Shareholders								
East Pharma S.A.R.L.	-	-	-	-	82.739.960	-	-	-
Subsidiaries								
Devatis UK Ltd.	64.849	-	-	-	-	-	-	-
Devatis AG	101.586.750	-	-	-	-	-	-	-
Devatis B.V.	1.046.948	-	-	-	-	-	-	-
Devatis de Mexico	27.122.929	-	-	-	-	-	-	-
Devatis d.o.o Beograde	-	-	-	-	2.888.949	-	-	-
Other companies managed by ultimate parent								
Saba İlaç Sanayi ve Ticaret A.Ş.	23.818.914	-	-	-	-	-	-	-
	153.640.390	-	-	-	85.628.909	-	-	-

	1 January - 30 September 2026							
Transactions with related parties	Purchases	Goods/Services Sales	Interest received	Interest given	Rent income	Royalty expenses (*)	Other income (**)	Other expense
Shareholders								
East Pharma S.A.R.L.	53.035.864	-	-	-	-	269.572.067	-	-
Subsidiaries								
Devatis LLC	-	-	-	-	-	-	-	24.301.551
Devatis AG	-	65.697.260	-	-	-	-	-	-
Devatis B.V.	-	-	-	-	-	-	-	15.253.831
Devatis de Mexico	-	18.595.703	-	-	-	-	-	6.271.181
Devatis d.o.o Beograde	-	-	-	-	-	-	-	25.807.382
Devatis UK Ltd.	-	-	-	-	-	-	-	9.958.725
Devatis Canada Inc.	-	-	-	-	-	-	-	1.731.184
Other companies managed by ultimate parent								
Saba İlaç Sanayi ve Ticaret A.Ş.	71.328.635	800.137.300	12.663.482	9.948.096	5.463.282	-	30.565.314	-
	124.364.499	884.430.263	12.663.482	9.948.096	5.463.282	269.572.067	30.565.314	83.323.854

All intra-group transactions, balances, income and expenses are eliminated on consolidation; therefore, they are not disclosed in this note.

(*) Pursuant to the terms of the agreement related to the purchase of Roche product licenses signed between Deva Holding A.Ş. and its main shareholder EastPharma SARL, the Group is liable to pay a royalty amount for the product licenses acquired through Eastpharma SARL calculated over the net sales of the products. The royalty percentages have been arrived at on the basis of a valuation carried out by an independent auditor not related with the Group and one of the accredited independent auditors by Capital Markets Board, with valuation results of DEMPE analysis reports. The valuation method used was profit-sharing economic approach based on discounted cash flow.

(**) Other income consists of commission income and charge out income received from the Group's related parties.

7. RELATED PARTY TRANSACTIONS (cont'd)

	31 December 2025							
	Receivables				Payables			
	Current		Non-current		Current		Non-current	
Balances with related parties	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading
Shareholders								
East Pharma S.A.R.L.	-	-	-	-	76.284.242	-	-	-
Subsidiaries								
Devatis UK Ltd.	71.497	-	-	-	-	-	-	-
Devatis AG	120.763.855	-	-	-	6.997.627	-	-	-
Devatis B.V.	937.941	-	-	-	-	-	-	-
Devatis de Mexico	12.898.872	-	-	-	-	-	-	-
Devatis d.o.o Beograde	-	-	-	-	3.250.730	-	-	-
Other companies managed by ultimate parent								
Saba İlaç Sanayi ve Ticaret A.Ş.	249.967.187	-	-	-	-	-	-	-
	384.639.352	-	-	-	86.532.599	-	-	-

	1 January - 30 September 2025							
		Goods/Services				Royalty expenses	Other income	
Transactions with related parties	Purchases	Sales	Interest received	Interest given	Rent income	(*)	(**)	Other expense
Shareholders								
East Pharma S.A.R.L.	-	-	-	-	-	256.644.148	-	-
Subsidiaries								
Devatis LLC	-		-	-	-	-	-	7.726.161
Devatis AG	-	35.362.326	-	-	-	-	-	14.995.239
Devatis B.V.	-	-	-	-	-	-	-	16.801.038
Devatis de Mexico	-	-	-	-	-	-	6.645.100	21.704.679
Devatis d.o.o Beograde	-	-	-	-	-	-	-	27.161.925
Other companies managed by ultimate parent								
Saba İlaç Sanayi ve Ticaret A.Ş.	8.945.160	714.272.029	8.973.270	26.458.753	5.161.110	-	11.303.544	-
	8.945.160	749.634.355	8.973.270	26.458.753	5.161.110	256.644.148	17.948.644	88.389.042

(*) Pursuant to the terms of the agreement related to the purchase of Roche product licenses signed between Deva Holding A.Ş. and its main shareholder EastPharma SARL, the Group is liable to pay a royalty amount for the product licenses acquired through Eastpharma SARL calculated over the net sales of the products. The royalty percentages have been arrived at on the basis of a valuation carried out by an independent auditor not related with the Group and one of the accredited independent auditors by Capital Markets Board, with valuation results of DEMPE analysis reports. The valuation method used was profit-sharing economic approach based on discounted cash flow.

(**) Other income consists of commission income received from the sale of Saba İlaç products, the Group's related party.

7. RELATED PARTY TRANSACTIONS (cont'd)

Total amount of compensation benefits provided to directors and upper level managers, include the salaries, premiums and retirement pay for the period ended 30 September 2026 and 2025 are stated below:

Compensation of key management personnel	1 January-30 September 2026	1 January-30 September 2025
Salaries and short-term benefits	938.073.895	944.073.757
Long-term benefits	5.548.208	5.633.744
	943.622.103	949.707.501

8. TRADE RECEIVABLES AND PAYABLES

Current trade receivables	30 September 2026	31 December 2025
Trade receivables	4.089.428.958	4.688.441.050
Notes receivable	3.861.073.762	3.700.301.132
Due from related parties (Note 7)	153.640.390	384.639.352
Other trade receivables	6.128.627	502.869
Income accruals (*)	45.991.500	59.226.416
Expected credit losses (-)	(23.746.695)	(26.449.479)
	8.132.516.542	8.806.661.340

As of 30 September 2026 and 31 December 2025, the Group provided provision for uncollectable part of its past due trade and other receivables. The rest of the receivable amount is neither past due nor impaired. During 2026, the average credit period on sales is 123 days (31 December 2025: 105 days).

(*) The Group receives government grants related to development costs. The balance includes the income accrual for the grants received from TUBİTAK. As of 30 September 2026 TUBITAK income accrual amounts to TRY 34.928.522 (31 December 2025: TRY 28.799.477).

Collaterals held for trade receivables that are neither past nor due as at the balance sheet date, are as follows:

	30 September 2026	31 December 2025
Letter of guarantees received	638.234.223	634.562.971
	638.234.223	634.562.971

The Group's principal financial assets are trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. As of 30 September 2026, two customers represented 12% and 22% of the total trade and other receivables balance, respectively (31 December 2025: 11% and 20%).

Deva Holding is the distributor of the Saba İlaç A.Ş's, a related party, pharmaceutical products, in addition, giving toll manufacturing, finance, administrative and R&D services. Receivable amounting to TRY 23.818.914 (31 December 2025: TRY 249.967.186) in related party transactions note, related to these transactions (Note 7).

8. TRADE RECEIVABLES AND PAYABLES (cont'd)

Trade Receivables (cont'd)

The allowance for trade receivables is provided based on the estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience and current financial structure of customers.

The movement of the allowance for expected credit losses for the period ended 30 September 2026 and 2025 is as follows:

	2026	2025
Balance at 1 January	26.449.479	12.933.763
Charge for the period	2.107.509	17.615.680
Inflation effect	(4.810.293)	(3.515.343)
Balance at 30 September	23.746.695	27.034.100

Current trade payables	30 September 2026	31 December 2025
Trade payables	1.907.055.855	3.264.583.708
Notes payable	81.689	88.925
Due to related parties (Note 7) (*)	85.628.909	86.532.599
Expense accruals (**)	47.731.363	17.261.866
Royalty expense accruals	522.519	424.044
	2.041.020.335	3.368.891.142

(*) As of 30 September 2026, royalty payable to Eastpharma S.A.R.L for the sale of products that Eastpharma S.A.R.L. holds the rights is TRY 82.739.960 (31 December 2025: TRY 50.810.319). Eastpharma S.A.R.L. holds rights of 17 Roche products acquired in 2008. Eastpharma S.A.R.L. As of 30 September 2026, there is no payable amount for Eastpharma S.A.R.L. related with the raw material purchase from F. Hoffman – La Roche Ltd (31 December 2025: TRY 25.473.922). Devatis AG, a subsidiary of the Company, charges its expenses related with products and licenses to Deva Holding. As of 30 September 2026, there is no payable amount related to these expenses (31 December 2025: TRY 6.997.627). Devatis d.o.o. Beograde, a subsidiary of the Company, charges its expenses related with products and licenses to Deva Holding. As of 30 September 2026, the payable amount related to these expenses is TRY 2.888.949 (31 December 2025: TRY 3.250.730).

(**) As of 30 September 2026, expense accruals include turnover premium provision amounts to TRY 23.709.808 (31 December 2025: TRY 2.273.282).

Notes payables consist of cheques given to suppliers with maturities less than 1 year. As of 30 September 2026 and 31 December 2025, the Group has no long term trade payables.

9. OTHER RECEIVABLES AND PAYABLES

Other current receivables	30 September 2026	31 December 2025
Due from personnel	1.400.575	16.051.074
Deposits and guarantees given	790.542	762.852
	2.191.117	16.813.926

Other current payables	30 September 2026	31 December 2025
Other current payables	13.449.909	1.715.578
	13.449.909	1.715.578

10. INVENTORIES

	30 September 2026	31 December 2025
Raw materials	4.083.923.713	3.838.920.051
Work-in-progress	423.089.326	528.761.783
Finished goods	3.178.942.224	2.457.169.006
Trade goods	250.443.035	331.121.188
Allowance for diminution in value of inventories (-)	(400.751.687)	(410.902.798)
	7.535.646.611	6.745.069.230

As of 30 September 2026, insurance coverage on inventory amounts to TRY 6.500.000.000 (31 December 2025: TRY 6.500.000.000).

Allowance for diminution in value of inventories has been recognized as expense in cost of goods sold and the distribution of allowance by inventory item is as follows:

	30 September 2026	31 December 2025
Raw materials	225.860.095	275.958.642
Work-in-progress	3.610.102	3.657.754
Finished goods	171.281.490	131.286.402
	400.751.687	410.902.798

The movement of allowance for diminution in value of inventories is as follows:

	2026	2025
Balance at 1 January	410.902.798	491.533.360
Current year net effect	(10.151.111)	(66.986.507)
Balance at 30 September	400.751.687	424.546.853

11. PREPAID EXPENSES AND DEFERRED REVENUE

Short term prepaid expenses	30 September 2026	31 December 2025
Advances given for inventory	383.250.739	437.971.754
Prepaid expenses	284.794.670	142.438.016
Job advances	86.719.486	8.358.804
	754.764.895	588.768.574

Long term prepaid expenses	30 September 2026	31 December 2025
Advances given for property, plant & equip.	560.248.702	554.022.405
Prepaid expenses	3.115.630	1.854.224
Other	34.019.855	41.985.661
	597.384.187	597.862.290

Short term deferred revenue	30 September 2026	31 December 2025
Advances received	93.345.043	103.338.272
Deferred income	4.712.861	5.429.138
	98.057.904	108.767.410

Long term deferred revenue	30 September 2026	31 December 2025
Deferred income	107.736.739	111.687.161
	107.736.739	111.687.161

12. ASSETS RELATING TO CURRENT TAX

Current assets relating to current tax	30 September 2026	31 December 2025
Prepaid withholding tax	34.854.991	32.909.678
	34.854.991	32.909.678

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Acquisition cost									
Opening balance,1 January 2026	409.693.555	59.075.851	6.554.998.339	18.307.024.968	246.307.600	1.341.301.616	6.618.236	209.457.072	27.134.477.237
Additions	-	-	-	17.039.369	-	-	-	533.432.540	550.471.909
Disposals	-	-	-	(34.426.690)	(8.860.405)	-	-	-	(43.287.095)
Classifications (*)	-	-	-	133.666.795	162.828.842	-	-	-	296.495.637
Transfers from construction in progress	-	-	22.032.836	286.913.413	14.484.840	39.779.828	-	(363.210.917)	-
Closing balance, 30 September 2026	409.693.555	59.075.851	6.577.031.175	18.710.217.855	414.760.877	1.381.081.444	6.618.236	379.678.695	27.938.157.688
Accumulated depreciation									
Opening balance,1 January 2026	-	(31.539.825)	(1.984.033.393)	(10.957.944.148)	(153.291.357)	(417.380.648)	(6.618.236)	-	(13.550.807.607)
Reclassifications (*)	-	-	-	(192.815.390)	(162.828.842)	-	-	-	(355.644.232)
Depreciation charge for the period	-	(1.821.914)	(107.248.593)	(525.602.359)	(31.350.799)	(177.599.671)	-	-	(843.623.336)
Disposals	-	-	-	34.365.177	7.675.368	-	-	-	42.040.545
Closing balance, 30 September 2026	-	(33.361.739)	(2.091.281.986)	(11.641.996.720)	(339.795.630)	(594.980.319)	(6.618.236)	-	(14.708.034.630)
Carrying amount at 30 September 2026	409.693.555	25.714.112	4.485.749.189	7.068.221.135	74.965.247	786.101.125	-	379.678.695	13.230.123.058

(*) TRY 151.044.517, partial depreciation charge of machinery and equipment is directly attributable to development costs related to product licenses and rights. The balance is capitalized in cost value of intangible assets in respect of TAS 16 and TAS 38 (Note 15) as the projects are in progress as at 30 September 2026.

As of 30 September 2026, insurance coverage on property, plant and equipment amounts to TRY 22.104.300.000 (31 December 2025: TRY 22.104.300.000).

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

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Acquisition cost									
Opening balance,1 January 2025	409.693.556	59.075.851	6.540.553.987	17.198.894.460	224.715.487	1.285.096.740	6.618.236	811.056.714	26.535.705.031
Additions	-	-	-	70.834.894	-	1.756.243	-	648.481.206	721.072.343
Disposals	-	-	-	(30.960.447)	-	-	-	-	(30.960.447)
Reclassifications (*)	-	-	-	-	-	-	-	(280.344.953)	(280.344.953)
Transfers from construction in progress	-	-	5.214.758	495.276.024	17.020.394	38.168.927	-	(555.680.103)	-
Closing balance, 30 September 2025	409.693.556	59.075.851	6.545.768.745	17.734.044.931	241.735.881	1.325.021.910	6.618.236	623.512.864	26.945.471.974
Accumulated depreciation									
Opening balance,1 January 2025	-	(29.156.245)	(1.844.566.620)	(10.122.462.286)	(111.113.183)	(149.231.296)	(6.567.756)	-	(12.263.097.386)
Reclassifications (*)	-	-	-	(149.013.152)	-	-	-	-	(149.013.152)
Depreciation charge for the period	-	(1.758.045)	(102.515.657)	(471.202.782)	(31.446.607)	(221.278.590)	(50.480)	-	(828.252.161)
Disposals	-	-	-	30.960.447	-	-	-	-	30.960.447
Closing balance, 30 September 2025	-	(30.914.290)	(1.947.082.277)	(10.711.717.773)	(142.559.790)	(370.509.886)	(6.618.236)	-	(13.209.402.252)
Carrying amount at 30 September 2025	409.693.556	28.161.561	4.598.686.468	7.022.327.158	99.176.091	954.512.024	-	623.512.864	13.736.069.722

(*) TRY 149.013.152, partial depreciation charge of machinery and equipment is directly attributable to development costs related to product licenses and rights. The balance is capitalized in cost value of intangible assets in respect of TAS 16 and TAS 38 (Note 15) as the projects are in progress as at 30 September 2025.

As of 30 September 2025, insurance coverage on property, plant and equipment amounts to TRY 14.277.807.000 (31 December 2024: TRY 14.277.807.000).

The Group's headquarter building and factory and other buildings located in Kocaeli, Kartepe and Tekirdağ Çerkezköy and land in Çerkezköy are pledged against the borrowings used at an amount of TRY 77.925.122, TRY 28.336.408 and TRY 49.588.714 respectively. The mortgages in question were have been discharged on 13 January 2026, respectively (Note 19).

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

Depreciation periods for property, plant and equipment, which approximate the useful lives of such assets, are as follows:

Land improvements	25-50 years
Buildings	25-50 years
Machinery and equipment	4-30 years
Vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	2-3 years

Property, plant and equipment are depreciated principally on a straight-line basis except land and construction in progress. The estimated useful lives, residual values and depreciation method are reviewed at each year end for the possible effects of change in estimates, with the effect of any changes in estimate accounted for on a prospective basis.

14. RIGHT OF USE ASSETS

	Vehicles	Machinery	Total
Acquisition cost			
Opening balance,1 January 2026	1.772.580.401	1.296.355.608	3.068.936.009
Additions	399.532.956	1.346.230	400.879.186
Classifications (*)	(162.828.842)	(133.666.795)	(296.495.637)
Disposals	(582.983)	-	(582.983)
Closing balance, 30 September 2026	2.008.701.532	1.164.035.043	3.172.736.575
Accumulated depreciation			
Opening balance,1 January 2026	(1.374.705.101)	(300.795.553)	(1.675.500.654)
Classifications (*)	162.828.842	41.770.873	204.599.715
Depreciation charge for the period (**)	(259.083.869)	(80.517.279)	(339.601.148)
Disposals	140.011	-	140.011
Closing balance, 30 September 2026	(1.470.820.117)	(339.541.959)	(1.810.362.076)
Carrying amount at 30 September 2026	537.881.415	824.493.084	1.362.374.499

(*) The Group has netted off the right of use asset accounts due to the expiration of the lease contracts. The netting of has no effect on income statement.

(**) Depreciation charge for period is given Note 23 and Note 24.

	Vehicles	Machinery	Total
Acquisition cost			
Opening balance, 1 January 2025	1.535.790.932	1.176.571.777	2.712.362.709
Additions	292.652.948	26.499.916	319.152.864
Classifications (*)	(150.248.095)	-	(150.248.095)
Disposals	(756.313)	-	(756.313)
Closing balance, 30 September 2025	1.677.439.472	1.203.071.693	2.880.511.165
Accumulated depreciation			
Opening balance,1 January 2025	(1.231.227.958)	(192.133.887)	(1.423.361.845)
Classifications (*)	150.248.095	-	150.248.095
Depreciation charge for the period (**)	(268.075.875)	(81.831.742)	(349.907.617)
Disposals	181.638	-	181.638
Closing balance, 30 September 2025	(1.348.874.100)	(273.965.629)	(1.622.839.729)
Carrying amount at 30 September 2025	328.565.372	929.106.064	1.257.671.436

(*) The Group has netted off the right of use asset accounts due to the expiration of the lease contracts. The netting of has no effect on income statement.

(**) Depreciation charge for period is given Note 23 and Note 24.

14. RIGHT OF USE ASSETS (cont'd)

Depreciation periods for right of use assets, which contract period for vehicles, approximate the useful lives of such machineries, are as follows:

Machinery	4-30 years
Vehicles	5 years

15. INTANGIBLE ASSETS

	Product Licenses and Rights	Customer Relationship	Capitalized Development Costs	Total
Acquisition cost				
Opening balance,1 January 2026	7.424.228.224	8.301.915	5.861.032.840	13.293.562.979
Reclassifications (*)	-	-	151.044.517	151.044.517
Additions (**)	-	-	1.966.886.719	1.966.886.719
Transfers from construction in progress	1.310.959.842	-	(1.310.959.842)	-
Disposals	(818.877.581)	-	(1.021.858.270)	(1.840.735.851)
Closing balance, 30 September 2026	7.916.310.485	8.301.915	5.646.145.964	13.570.758.364
Accumulated amortization				
Opening balance, 1 January 2026	(3.068.433.428)	(6.433.954)	(62.861.769)	(3.137.729.151)
Amortization charge for the period	(548.268.905)	-	-	(548.268.905)
Disposals	385.182.843	-	-	385.182.843
Closing balance, 30 September 2026	(3.231.519.490)	(6.433.954)	(62.861.769)	(3.300.815.213)
Carrying amount at 30 September 2026	4.684.790.995	1.867.961	5.583.284.195	10.269.943.151

(*) TRY 151.044.517, partial depreciation charge of machinery and equipment is directly attributable to development costs related to product licenses and rights and is capitalized in cost value of intangible assets in respect of TAS 16 and TAS 38 as the projects are in progress as at 30 September 2026 (Note 13).

(**) Additions mainly consist of own-developed and licensed products.

15. INTANGIBLE ASSETS (cont'd)

	Product Licences and Rights	Customer Relationship	Capitalized Development Costs	Total
Acquisition cost				
Opening balance, 1 January 2025	6.645.698.366	9.646.234	6.020.525.343	12.675.869.943
Reclassifications	-	-	429.358.109	429.358.109
Additions (*)	-	-	1.761.515.932	1.761.515.932
Transfers from construction in progress	1.003.419.602	-	(1.003.419.602)	-
Disposals	(615.803.461)	-	(1.138.030.374)	(1.753.833.835)
Closing balance, 30 September 2025	7.033.314.507	9.646.234	6.069.949.408	13.112.910.149
Accumulated amortization				
Opening balance, 1 January 2025	(3.067.967.774)	(7.475.796)	(61.819.926)	(3.137.263.496)
Amortization charge for the period	(231.598.958)	-	-	(231.598.958)
Disposals	355.739.162	-	-	355.739.162
Closing balance, 30 September 2025	(2.943.827.570)	(7.475.796)	(61.819.926)	(3.013.123.292)
Carrying amount at 30 September 2025	4.089.486.937	2.170.438	6.008.129.482	10.099.786.857

(*) Additions mainly consist of own-developed and unlicensed products.

Depreciation and amortization expense of tangible assets, right of use assets and intangible assets are TRY 812.413.311 (2025: TRY 815.109.270) has been charged to 'cost of goods sold', TRY 681.712.106 (2025: TRY 631.321.297) to 'operating expenses' and TRY 388.412.489 is capitalized on inventory (2025: TRY 112.341.320).

Amortization periods for intangible assets, which approximate the useful lives of such assets, are as follows:

Licenses and rights	3-15 years
Customer relationship	20 years

16. GOODWILL

	30 September 2026	31 December 2025
Goodwill	50.219.802	50.219.802

On 14 March 2008, the Company's parent Eastpharma S.A.R.L signed a definitive Asset Purchase Agreement with F. Hoffmann-La Roche Ltd ("Roche") relating to the purchase of all rights, liabilities and registrations for eight Roche products registered in Turkey.

In addition, on 16 May 2008, the Eastpharma S.A.R.L signed a License and Supply Agreement allowing Eastpharma S.A.R.L to license an additional eight Roche products on an exclusive basis for Turkey. Company is a party to the agreements signed by its ultimate parent company, Eastpharma S.A.R.L.

There is no termination date for the Asset Purchase Agreement. The License and Supply Agreement will remain in force for five years as of effective date. At the expiry date, the Company has used the right to extend the agreement for additional three plus three years.

The necessary regulatory approvals of the Turkish Competition Board were obtained on 16 May 2008 and the agreement has become effective as of 19 September 2008. The Company's parent Eastpharma S.A.R.L transferred the rights and registration of 16 pharmaceuticals products in Turkey to Deva Holding A.Ş. within the scope of Asset Purchase and License and Supply Agreement.

The purchase price was funded through cash of TRY 18.897.646 net of cash received for the past termination rights of the personnel transferred to the Company. Based on the goodwill impairment test performed, there is no indication of impairment as of 30 September 2026 (Note 2).

Goodwill arising from the business combination is allocated to human pharma segment and there is no allocation to other segments as of 30 September 2026.

Sensitivity to changes in assumptions used in the goodwill impairment test

In the calculation of the present value of future cash flows, long term growth rate and discount rates are taken into account. Originally, the long term growth rate is assumed to be 11,0%. Had the rate been assumed to be 10,0%, the recoverable amount would have been above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for. Originally, the discount rate is assumed to be 14,2%. Had the rate been assumed to be 15,2%, the recoverable amount would have been above the goodwill included book value of cash generating unit and resulting no impairment provision would have been provided for.

17. GOVERNMENT INCENTIVES AND GRANTS

	30 September 2026	31 December 2025
Short term government grants and incentives (*)	23.083.312	33.042.832
	23.083.312	33.042.832

	30 September 2026	31 December 2025
Long term government grants and incentives (*)	243.804.295	340.015.197
	243.804.295	340.015.197

(*) The Group receives government grants related to development costs. The balance consists of the income accrual for the short/long term grants received from TUBITAK. As the grant related to the assets is capitalized as development cost, consideration received or receivable is recorded as deferred revenue. Deferred revenue is amortized over useful life of the asset to match the related expense in the income statement.

During the period ended 30 September 2026, the Group hasn't received grant related with its development costs (30 September 2025: TRY 7.564.878).

Total incentive research and development expenses incurred in 2026 related with these projects amounted to TRY 1.269.266.979.

In May 2010, the Group obtained the license of Research and Development Center within the scope of the Support of Research and Development Document numbered 5746. This license permits expenses related to TÜBİTAK and research and development center projects to be partially funded and exempt from tax. The cash based payments to be made to Deva are identified by TÜBİTAK within the context of each project based on the period expense. 60% of the total amount of approved expenses incurred in 2016 has been paid in cash.

Total expenses related with project number 501317 that has been obtained at 30 October 2018 for Deva Kartepe facility for the year 2026 amount to TRY 0.

Total expenses related with project number 525422 that has been obtained at 26 May 2021 for Deva Çerkezköy facility for the year 2026 amount to TRY 506.978.

Total expenses related with project number 602024 that has been obtained at 17 December 2025 for Deva Kartepe facility for the year 2026 amount to TRY 163.614.647.

Total expenses related with project number 603413 that has been obtained at 29 January 2026 for Deva Çerkezköy facility for the year 2026 amount to TRY 197.716.305.

The expenses within the scope of research incentive are exempt from value added tax and custom tax, and have different advantages in scope of other tax.

18. PROVISIONS

Short term provisions	30 September 2026	31 December 2025
Accrued sales discounts	56.536.953	43.484.023
Provision for legal claims	149.922.699	133.414.743
Campaign discount provisions	1.088.181.453	1.034.474.044
Other	17.877.857	9.821.775
	1.312.518.962	1.221.194.585

	Accrued sales discounts	Provision for legal claims (*)	Campaign discount provisions	Total
Opening balance, 1 January 2026	43.484.023	133.414.743	1.034.474.044	1.211.372.810
Charge for the period	520.796.389	131.238.320	275.979.994	928.014.703
Payments made during the period	(271.893.790)	(72.912.191)	-	(344.805.981)
Reversal of provision	(225.666.506)	(12.406.473)	-	(238.072.979)
Inflation effect	(10.183.163)	(29.411.700)	(222.272.585)	(261.867.448)
Closing balance, 30 September 2026	56.536.953	149.922.699	1.088.181.453	1.294.641.105
Opening balance, 1 January 2025	23.928.814	89.668.988	632.318.560	745.916.362
Charge for the period	495.168.086	90.586.918	359.761.356	945.516.360
Payments made during the period	(250.076.946)	(39.412.578)	-	(289.489.524)
Reversal of provision	(199.828.226)	(5.358.962)	-	(205.187.188)
Inflation effect	(8.669.141)	(31.894.414)	(128.196.231)	(168.759.786)
Closing balance, 30 September 2025	60.522.587	103.589.952	863.883.685	1.027.996.224

(*) Provisions include amounts related to labor and tax cases against the Group. Labor cases are related to re-employment, debt related to labor contracts and damage related to labor contract. Tax cases are related with value added taxes, corporate tax, stamp duty and the related tax penalties.

The Group has been a party to multiple lawsuits as a defendant and plaintiff within the scope of its ordinary activities during the period. In this context, as of 30 September 2026, the Group Management considers the probability of a loss is low in line with the opinions received from independent legal advisors regarding the lawsuits other than the provision for the 403 legal cases amounting to TRY 149.922.699 (30 September 2025: TRY 103.589.952).

19. COMMITMENTS AND CONTINGENT LIABILITIES

As of 30 September 2026 and 31 December 2025, the Group's Guarantees/Pledge/Mortgages ("GPM") are as follows:

Guarentees/Pledge/Mortgages given by the Group (GPM)	30 September 2026			
	TRY Equivalent	US Dollar	EUR	TRY
A. GPM given on behalf of its own legal entity				
-Guarantee	106.525.650	181.778	-	97.631.198
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
	106.525.650	181.778	-	97.631.198
B. GPM given on behalf of subsidiaries that are included in full consolidation				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
	-	-	-	-
C. GPM's given on behalf of third parties for ordinary course of the business	707.041.495	-	-	707.041.495
D. Other GPM	-	-	-	-
Total	**813.567.145**	**181.778**	**-**	**804.672.693**

	31 December 2025			
	TRY Equivalent	US Dollar	EUR	TRY
A. GPM given on behalf of its own legal entity				
-Guarantee	112.280.560	231.445	-	102.364.133
-Pledge	-	-	-	-
-Mortgage	150.953.000	-	-	150.953.000
	263.233.560	231.445	-	253.317.133
B. GPM given on behalf of subsidiaries that are included in full consolidation				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
	-	-	-	-
C. GPM's given on behalf of third parties for ordinary course of the business	480.304.999	-	-	480.304.999
D. Other GPM	-	-	-	-
Total	**743.538.559**	**231.445**	**-**	**733.622.132**

As of 30 September 2026, the Company's Other GPM / Equity ratio is 0% (31 December 2025: 0%).

20. EMPLOYMENT BENEFITS

Payables for benefits provided to employees	30 September 2026	31 December 2025
Due to personnel	8.325.780	10.548.250
Taxes and funds payables	94.281.102	97.693.008
Social security premiums payable	121.137.043	102.463.344
	223.743.925	210.704.602

Provisions for benefits provided to employees	30 September 2026	31 December 2025
Accrued vacation pay liability	98.704.139	98.386.925
Bonus given to sales personnel	90.800.805	122.501.908
Other accruals and payables	411.336.127	713.996.977
	600.841.071	934.885.810

Premium Accrual Movement	2026	2025
Opening balance, 1 January	558.263.866	453.668.098
Accruals for the period	337.968.413	408.569.539
Payments made during the period	(484.004.393)	(364.034.204)
Inflation effect	(98.657.494)	(61.271.262)
Closing balance, 30 September	313.570.392	436.932.171

The Group has recognized provision for vacation pay liability, due to the tendency to be used within one year, as short term provisions in Group financial statements.

	Accrued vacation pay liability	Bonus given to personnel	Total
Provision at 1 January	98.386.925	122.501.908	220.888.833
Charge for the period	57.839.505	197.100.473	254.939.978
Payments during the period	(38.277.199)	(204.839.445)	(243.116.644)
Inflation effect	(19.245.092)	(23.962.131)	(43.207.223)
Provision at 30 September 2026	98.704.139	90.800.805	189.504.944
Provision at 1 January	97.550.879	91.468.502	189.019.381
Charge for the period	48.755.342	189.808.647	238.563.989
Payments during the period	(33.802.273)	(161.313.118)	(195.115.391)
Inflation effect	(19.777.458)	(18.544.319)	(38.321.777)
Provision at 30 September 2025	92.726.490	101.419.712	194.146.202

20. EMPLOYMENT BENEFITS (cont'd)

Provision for employment termination benefits

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such payment. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions in accordance with the provisions set out in law no: 2422 issued at 6 March 1981, law no: 4447 issued at 25 August 1999 and the amended Article 60 of the existing Social Insurance Law No: 506. Some transitional provisions related to the pre-retirement service term were excluded from the law since the related law was amended as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 73.729,87 for each period of service at 30 September 2026 (31 December 2025: TRY 53.919,68).

The provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 ("Employment Benefits"), requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with the inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 30 September 2026, the provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates are calculated assuming an annual inflation rate of 23,80% and an interest rate of 29,50%, resulting in a real discount rate of approximately 4,60% (31 December 2025: 4,60%). The anticipated rate of retirement is considered as 85,15% (2025: 84,02%). As the maximum liability is revised semiannually, the maximum amount of TRY 73.729,87 effective from 1 July 2026 is taken into consideration in the calculation of provision from employment termination benefits (1 January 2026: TRY 64.948,77).

Below is the movement of employment termination provision:

	2026	2025
Provision at 1 January	237.521.318	240.679.752
Service cost	84.373.735	75.725.277
Interest cost	4.490.905	4.452.017
Termination benefits paid	(15.119.766)	(15.979.229)
Inflation effect	(46.460.638)	(48.795.398)
Actuarial loss / (gain)	5.174.646	(1.072.041)
Provision at 30 September	269.980.200	255.010.378

21. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets	30 September 2026	31 December 2025
Other VAT	8.583.356	12.426.473
	8.583.356	12.426.473

Other current liabilities	30 September 2026	31 December 2025
Taxes and funds payables	10.969.289	41.268.997
Other VAT	922.886	1.232.605
	11.892.175	42.501.602

22. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Capital

Name	(%)	30 September 2026	(%)	31 December 2025
Eastpharma S.A.R.L.	82,2	164.424.760	82,2	164.424.760
Shares held by public	17,8	35.594.528	17,8	35.594.528
Nominal capital	100,0	200.019.288	100,0	200.019.288
Restricted reserves allocated from profit (*)		6.786.111.362		6.786.111.362
Treasury shares (-)		(28.847)		(28.847)
Adjusted share capital		6.986.101.803		6.986.101.803

(*) Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards. Adjustment to share capital has no use other than being transferred to paid-in share capital.

Common shares

Each common share has one voting right. Dividend distribution is based on the approval of the decision taken by the Board of Directors, by the General Assembly within the rules of Turkish Commercial Code, Capital Markets Board (CMB) regulations and the Company's main agreement.

Preferred shares

Each one of the type A and B preferred share certificates have a voting right 10 times that of the common shares. Pursuant to the Articles of Association of the Company, 10% of the amount calculated after deducting the 5% of first legal reserves, statutory tax payments and 6% of the paid-in capital is distributed to holders of Type A shares. The remaining profit amount, in full or partial, is allocated equally to each ordinary share.

A and B type shares do not have liquidation preferences. Liquidation is carried out based on the terms of the Turkish Commercial Code. In the general assembly meeting dated 27 April 2007, nominal value of shares has been changed to TRY 0,01. As a result, the number of preferred shares decreased to 10 from 100 in respect of 5274 numbered law.

22. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (cont'd)

Capital (cont'd)

As of 30 September 2026 and 31 December 2025, the details of capital and other balances disclosed under equity are as follows:

	30 September 2026	31 December 2025
Capital	200.019.288	200.019.288
Premium discounts in excess of par	91.534.619	91.534.619
Restricted reserves assorted from profit	2.457.774.688	2.457.774.688
Treasury shares (-)	(28.847)	(28.847)
	2.749.299.748	2.749.299.748

Restricted reserves appropriated from profit

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

In accordance with the CMB's requirements which were effective until 1 January 2008, the amount generated from the first-time application of inflation adjustments on financial statements, and followed under the "accumulated loss" item was taken into consideration as a reduction in the calculation of profit distribution based on the inflation adjusted financial statements within the scope of the CMB's regulation issued on profit distribution. The related amount that was followed under the "accumulated loss" item could also be offset against the profit for the period (if any) and undistributed retained earnings and the remaining loss amount could be offset against capital reserves arising from the restatement of extraordinary reserves, legal reserves and equity items, respectively.

In addition, in accordance with the CMB's requirements which were effective until 1 January 2008, at the first-time application of inflation adjustments on financial statements, equity items, namely "Capital issue premiums", "Legal reserves", "Statutory reserves", "Special reserves" and "Extraordinary reserves" were carried at nominal value in the balance sheet and restatement differences of such items were presented in equity under the "Shareholders' equity inflation restatement differences" line item in aggregate. "Shareholders' equity inflation restatement differences" related to all equity items could only be subject to the capital increase by bonus issue or loss deduction, while the carrying value of extraordinary reserves could be subject to the capital increase by bonus issue; cash profit distribution or loss deduction.

Currency translation reserve

Financial statements of subsidiaries published by POA, operating in countries other than Turkey, are adjusted to TAS for the purpose of fair presentation. Subsidiaries' assets and liabilities are translated into TRY from the foreign exchange rate at the balance sheet date and income and expenses are translated into TRY at the average foreign exchange rate. Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are included in the "currency translation difference" under the shareholders' equity.

Retained earnings

The Group's accumulated profit as of 30 September 2026 and 31 December 2025 amounts to TRY 23.067.946.733 and TRY 24.071.172.353, respectively. The accumulated profit balance also includes TRY 26.410.082 of extraordinary reserves as of 30 September 2026 (31 December 2025: TRY 26.410.082).

23. REVENUE AND COST OF SALES

Revenue (net)	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Human pharma revenue	17.980.409.554	16.719.860.952	5.791.047.061	5.537.808.049
Veterinary products revenue	1.076.388.491	996.601.447	342.938.644	265.573.490
Other revenue	99.009.294	127.542.312	3.474.156	1.254.940
	19.155.807.339	17.844.004.711	6.137.459.861	5.804.636.479

Cost of revenue	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Raw and other materials used	(6.164.014.127)	(7.150.827.706)	(1.476.311.594)	(2.050.702.819)
Direct labor cost	(580.668.000)	(580.645.579)	(216.422.876)	(157.671.652)
Production overheads	(3.374.317.903)	(3.085.909.200)	(1.214.470.276)	(1.001.095.053)
Depreciation expenses (Note 13,14,15)	(812.413.311)	(815.109.270)	(278.136.298)	(290.219.959)
Change in work in process(*)	(2.243.381)	272.739.926	(106.441.924)	64.306.934
Change in finished goods(*)	984.379.157	271.925.160	64.770.806	(272.786.590)
	(9.949.277.565)	(11.087.826.669)	(3.227.012.162)	(3.708.169.139)
Cost of merchandise and service sold (**)	(935.022.235)	(720.033.905)	(344.851.052)	(214.030.832)
	(10.884.299.800)	(11.807.860.574)	(3.571.863.214)	(3.922.199.971)

(*) Depreciation and amortization expense of TRY 388.412.489 (2025: TRY 112.341.320) has been capitalized on inventories.

(**) Cost of merchandise and service sold consists of cost of contract manufacturing products and services given by the Group. Cost of mechandise and and service sold includes production of Saba İlaç products and cost of contract manufacturing services to Saba İlaç is TRY 541.192.137 as of 30 September 2026 (30 September 2025: TRY 450.975.935).

24. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Marketing, sales and distribution expenses (-)	(2.875.177.351)	(2.603.745.841)	(879.718.862)	(784.970.057)
General administration expenses (-)	(2.258.305.347)	(2.396.639.950)	(793.138.221)	(899.824.333)
Research and development expenses (-)	(1.078.194.742)	(1.073.168.720)	(188.822.846)	(342.862.127)
	(6.211.677.440)	(6.073.554.511)	(1.861.679.929)	(2.027.656.517)

24. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES (cont'd)

i)Research and development expenses

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Employee benefits expenses	(487.234.016)	(558.048.244)	(138.650.611)	(135.196.162)
Cancelled projects	(1.074.835.036)	(1.068.133.399)	(187.469.542)	(341.283.135)
	(1.562.069.052)	(1.626.181.643)	(326.120.153)	(476.479.297)
Capitalized personnel expenses	483.874.310	553.012.923	137.297.307	133.617.170
	(1.078.194.742)	(1.073.168.720)	(188.822.846)	(342.862.127)

As of 30 September 2026, the Group realized research and development expenses of TRY 215.363.905 for tangible assets and TRY 1.258.208.370 for intangible assets with the total amount TRY 1.473.572.274 (30 September 2025: TRY 2.736.090.940). As of balance sheet date TRY 1.269.266.979 TL'si of the amount is for the government grants and incentives (30 September 2025: TRY 1.797.968.574). Of this total amount TRY 482.002.722 was capitalized on development costs, of which TRY 1.464.070.653 consists of employee related expenses. TRY 1.074.835.036 cancelled projects are occurred.

ii)Marketing, sales and distribution expenses

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Employee benefits expenses	(1.540.981.724)	(1.407.359.091)	(452.466.140)	(400.525.550)
Depreciation and amortization expenses (Note 13,14,15)	(261.286.980)	(261.676.614)	(85.689.456)	(90.935.718)
Royalty expenses	(269.572.067)	(262.073.951)	(81.230.200)	(92.698.449)
Rent expenses	(22.262.669)	(22.556.549)	(13.677.954)	(13.519.209)
Travel, transportation and accommodation expenses	(111.793.136)	(102.964.202)	(40.678.417)	(34.438.426)
Consultancy expenses	(132.592.695)	(105.266.325)	(46.365.908)	(33.952.898)
Promotional goods and advertising expenses	(291.954.039)	(222.421.369)	(82.294.800)	(52.186.811)
Energy expenses	(25.174.502)	(25.912.937)	(8.524.593)	(8.001.436)
Customs expenses	(57.288.881)	(54.255.782)	(22.814.616)	(19.005.317)
Export commissions	(1.480.248)	(5.295.290)	(644.461)	(653.996)
Material usage expenses	(16.555.431)	(17.411.484)	(6.669.401)	(5.324.757)
Other expenses	(144.234.979)	(116.552.247)	(38.662.916)	(33.727.490)
	(2.875.177.351)	(2.603.745.841)	(879.718.862)	(784.970.057)

24. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES (cont'd)

iii)General administration expenses

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Employee benefits expenses	(1.445.290.763)	(1.371.750.784)	(561.758.038)	(437.054.273)
Depreciation and amortization expenses (Note 13,14,15)	(420.425.126)	(369.644.683)	(141.338.264)	(119.524.072)
Rent expenses	(9.989.968)	(5.921.910)	(5.792.314)	(1.371.385)
Travel, transportation and accommodation expenses	(65.396.759)	(70.599.988)	(8.006.100)	(21.387.600)
Consultancy expenses	(232.419.515)	(304.185.446)	(64.128.511)	(134.714.319)
Promotional goods and advertising expenses	(5.772.749)	(5.400.162)	(2.603.171)	(694.134)
Other expenses	(159.118.770)	(358.834.728)	(35.290.818)	(211.412.905)
	(2.338.413.650)	(2.486.337.701)	(818.917.216)	(926.158.688)
Capitalized personnel expenses	80.108.303	89.697.751	25.778.995	26.334.355
	(2.258.305.347)	(2.396.639.950)	(793.138.221)	(899.824.333)

25. EXPENSES BY NATURE

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Employee benefits expenses	(3.473.506.503)	(3.337.158.119)	(1.152.874.789)	(972.775.985)
Depreciation and amortization expenses (Note 13,14,15)	(681.712.106)	(631.321.297)	(227.027.720)	(210.459.790)
Royalty expenses (*)	(269.572.067)	(262.073.951)	(81.230.200)	(92.698.449)
Rent expenses	(32.252.637)	(28.478.459)	(19.470.268)	(14.890.594)
Promotional goods and advertising expenses	(297.726.788)	(227.821.531)	(84.897.971)	(52.880.945)
Travel, transportation and accommodation expenses	(177.189.895)	(173.564.190)	(48.684.517)	(55.826.026)
Consultancy expenses	(365.012.210)	(409.451.771)	(110.494.419)	(168.667.217)
Energy expenses	(25.174.502)	(25.912.937)	(8.524.593)	(8.001.436)
Customs expenses	(57.288.881)	(54.255.782)	(22.814.616)	(19.005.317)
Export commissions	(1.480.248)	(5.295.290)	(644.461)	(653.996)
Material usage expenses	(16.555.431)	(17.411.484)	(6.669.401)	(5.324.757)
Cancelled projects	(1.074.835.036)	(1.068.133.399)	(187.469.542)	(341.283.135)
Other expenses	(303.353.749)	(475.386.975)	(73.953.733)	(245.140.395)
	(6.775.660.053)	(6.716.265.185)	(2.024.756.230)	(2.187.608.042)
Capitalized personnel expenses	563.982.613	642.710.674	163.076.301	159.951.525
	(6.211.677.440)	(6.073.554.511)	(1.861.679.929)	(2.027.656.517)

(*) TRY 269.572.067 part of royalty expenses consist of the amount paid to Eastpharma S.A.R.L for the sale of Roche products in the current year. Eastpharma S.A.R.L. holds Turkey rights of 9 of the 17 Roche products acquired in 2008. (Note 7).

26. OTHER OPERATING INCOME / (EXPENSES)

Other operating income	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Foreign exchange gain from operations	267.129.060	473.160.207	100.706.650	232.448.748
Discount interest income	1.188.387	-	(956.475)	-
Commission income (*)	7.686.818	11.303.544	2.613.252	3.294.286
Interest income	95.314.189	241.866.574	33.817.722	75.603.101
Other income and profits	136.530.011	185.149.253	(33.944.605)	59.426.663
	507.848.465	911.479.578	102.236.544	370.772.798

(*) Commission income consists of service consideration to Saba İlaç, the Group's related party TRY 7.482.276 (30 September 2025: TRY 11.167.139) (Note 7).

Other operating expenses	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Foreign exchange loss from operations	2.362.704	(16.631.617)	11.380.286	7.301.785
Other expense	(44.852.200)	(59.600.400)	(5.034.076)	(16.306.464)
	(42.489.496)	(76.232.017)	6.346.210	(9.004.679)

27. INVESTMENT INCOME / (EXPENSES)

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Profit on sale of property, plant and equipment	62.436.850	60.388.691	13.985.293	16.472.573
Net gain arising on financial assets mandatorily measured at FVTPL	-	122.002.702	-	(9.155.548)
Net gain financial assets are measured at amortised cost	21.748.691	26.366.344	5.240.594	(8.542.778)
Net gain on securities	135.595.640	69.920.009	49.277.500	26.442.152
Foreign exchange gain from investing activities	117.266.293	186.232.773	44.709.682	(58.341.810)
	337.047.474	464.910.519	113.213.069	(33.125.411)

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Loss on sale of property, plant and equipment	(1.027.528)	-	57.230	-
Net loss arising on financial assets mandatorily measured at FVTPL	-	(14.218.059)	-	1.066.977
	(1.027.528)	(14.218.059)	57.230	1.066.977

28. FINANCIAL EXPENSES

	1 January – 30 September 2026	1 January – 30 September 2025	1 July – 30 September 2026	1 July – 30 September 2025
Bank loans interest cost	(1.119.321.677)	(2.283.430.455)	(353.910.217)	(694.539.527)
Lease liabilities interest cost	(106.040.214)	(98.368.072)	(32.000.510)	(25.554.706)
Bonds issued interest and expenses	(622.656.772)	(305.352.371)	(189.846.446)	(81.166.514)
Total interest cost	(1.848.018.663)	(2.687.150.898)	(575.757.173)	(801.260.747)
Foreign exchange gain / (loss)	463.123	582.763	1.687.638	(12.593.031)
Other expenses	(40.601.402)	(37.422.873)	(9.546.282)	-
	(1.888.156.942)	(2.723.991.008)	(583.615.817)	(813.853.778)

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

	1 January - 30 September 2026	1 January - 30 September 2025
Statement of Financial Position Items	**(1.120.621.036)**	**(1.422.776.122)**
Inventories	167.694.569	(41.309.239)
Prepaid expenses	13.652.230	19.529.308
Tangible fixed assets	2.659.567.039	2.772.376.099
Intangible fixed assets	2.554.445.515	2.574.614.633
Right-of-use assets	(179.652.036)	(41.827.855)
Deferred tax assets	7.204.963	179.562.216
Paid-in capital	(1.362.813.109)	(1.430.817.371)
Restricted reserves appropriated from profit	(498.646.478)	(498.288.911)
Accumulated profit / (loss)	(4.482.073.729)	(4.956.615.002)
Income Statement Items	**1.889.368.878**	**3.220.205.646**
Revenue	(1.303.294.872)	(1.467.341.428)
Cost of revenue	2.783.271.960	4.156.310.160
Marketing expenses	202.596.929	207.570.224
General administration expenses	122.793.444	159.041.126
Research and development expenses	4.704.985	31.833.241
Other operating income	(39.496.871)	(117.017.291)
Other operating expenses	(940.810)	19.671.582
Investment income / (expense)	(8.313.891)	(3.472.333)
Finance expenses	128.048.004	233.610.365
	768.747.842	1.797.429.524

30. TAX ASSETS AND LIABILITIES

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In such case, the tax is also recognised in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Group operate. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Furthermore, provisional corporate taxes are paid at 25% (will be applied as 25% for 2023 and after periods) over profits declared for interim periods in order to be deducted from the final corporate tax.

As of September 30, 2026 and December 31, 2025, income tax provisions have been accrued in accordance with the prevailing tax legislation.

75% of the income derived by the Company from the sale of participation shares, preferential rights, founders' shares and redeemed shares and 50% of the income derived by the Company from the sale of immovable property which are carried in assets for at least for two years is exempt from corporate tax with the condition that the relevant income should be added to the share capital or kept under a special reserve account under equity for 5 years in accordance with the Corporate Tax Law.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

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

Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and it is legally eligible, they may be offset against one another.

Tax assets and liabilities

Corporation tax

The Group is subject to taxation in accordance with the tax regulation and the legislation effective in Turkey.

The applied corporate tax rate in Turkey is 25% in 2026 (2025: 25%).

Pursuant to Law No. 7582 dated 4 June 2026, the corporate income tax rate applicable to profits earned by entities holding an industrial registry certificate and engaged in actual production activities effective from 1 January 2027 will be reduced from 25% to 12.5%. While this legal regulation does not affect the current period's tax liability, the deferred tax calculations included in the financial statements as of 30 September 2026 reflect the temporary difference based on the expected subsequent period tax rate.

30. TAX ASSETS AND LIABILITIES (cont'd)

Tax assets and liabilities (cont'd)

Corporation tax (cont'd)

Corporate tax rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 25% (2025 – 25%) to be calculated based on earnings generated for each period. Temporary tax is declared by the 17th day of the second month following each period and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of September 30, 2026 and December 31, 2025, current income tax payables have been offset against the prepaid taxes in entity basis but such offset amounts have been classified in gross basis in the consolidated financial statements.

Law No. 7524 was published in the Official Gazette dated August 2, 2024 and became effective as of January 1, 2025.

There is no effect on current tax expense and deferred tax income/expense.

According to the provisional article added to the Tax Procedure Law ("TPL") by Law No. 7571, published in the Official Gazette on 24 December 2025, even if the conditions are met, inflation adjustments based on the Producer Price Index ("PPI") will not be applied to the 2025, 2026, and 2027 accounting periods. Accordingly, inflation adjustment has not been applied in the TPL financial statements that form the basis of the corporate income tax returns for the relevant periods.

Pursuant to the conditions set out in Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law, revaluation increases of real estate and depreciable assets recognized in the statutory (VUK) financial statements have been taken into account in the calculation of deferred taxes in the TFRS financial statements. Since the revaluation surplus fund recorded in equity in the statutory (VUK) amounting to TRY 4.302.830.386 financial statements as of 30 September 2026 due to the revaluation under Article 298/ç amounting to TRY 4.202.792.693 is not expected to reverse in subsequent periods. Therefore, no deferred tax liability has been recognized in the TFRS financial statements except amounting to TRY 100.037.693 are expected to reverse in subsequent periods. TRY 14.790.328 deferred tax liability recorded in TFRS financial statement. The Company will not remove buildings, machinery and equipment, intangible rights, and leasehold improvements from its statutory books even after they have been fully depreciated or amortized in the statutory (VUK) financial statements.

30. TAX ASSETS AND LIABILITIES (cont'd)

Current tax payable	30 September 2026	31 December 2025
Current tax liability	51.482.941	14.815.743
Prepaid taxes and dues	(6.344.033)	(7.122.329)
	45.138.908	7.693.414

Tax income	1 January-30 September 2026	1 January-30 September 2025
Current tax (expense)	(51.482.941)	(9.774.711)
Deferred tax (expense)	(646.598.716)	384.532.895
Total tax (expense)	(698.081.657)	374.758.184

Total charge for the period can be reconciled to the accounting profit as follows:

	1 January-30 September 2026	1 January-30 September 2025
Profit before tax	1.741.799.914	321.968.163
Enacted tax rate	25%	25%
Expected taxation	(435.449.979)	(80.492.041)
Tax effects of:		
- non-deductible expenses	(21.719.634)	(31.928.615)
- r&d incentives deductions	-	625.401.575
- effect of change in tax rate	435.100.322	-
- Tangible-Intangible asset effect	(537.366.526)	-
- Inflation effect	(50.620.572)	(35.824.167)
- other	(88.025.268)	(102.398.568)
Tax (expense) / income recognized in income statement	(698.081.657)	374.758.184

30. TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported in accordance with TFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

The tax rate used in the calculation of deferred tax assets and liabilities is 14,78%.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

In the financial statements of the Group covering the period of 30 September 2026, prepared in accordance with the relevant provisions of the Tax Procedure Law which form the basis for the calculation of the deferred tax base, inflation adjustment was not applied pursuant to Communiqué No. 560 of the Tax Procedure Law. However, in the subsequent periods, these financial statements were subjected to inflation adjustment in accordance with the relevant provisions of the Tax Procedure Law, and deferred tax calculations were made accordingly.

Deferred tax balances in the balance sheet are presented as follows:

Deferred tax assets / (liabilities)	30 September 2026	31 December 2025
Restatement and useful life differences of property, plant and equipment and intangible assets	(796.866.138)	(997.438.460)
Provision for employment termination benefits	39.915.911	59.380.330
R&D deductions	-	564.543.282
Inventories	(34.883.761)	20.652.273
Accrued vacation pay liability	14.593.165	24.596.731
Deferred income	55.813.499	120.695.027
Expected credit losses	26.139.207	35.286.479
Provision for legal cases	26.704.723	33.314.558
Other	61.621.269	173.059.915
	(606.962.125)	34.090.135

The movement of deferred tax assets for the year ended as of 30 September 2026 and 2025 are as follows:

Movements of deferred tax assets / (liabilities)	2026	2025
Balance at 1 January	34.090.135	823.852.500
Deferred tax expense recognized in income statement	(646.598.716)	210.305.826
Tax income recognized in other comprehensive income	765.059	(175.732)
Inflation effect	4.781.397	35.054.307
Closing balance, 30 September	(606.962.125)	1.069.036.901

31. PROFIT PER SHARE

Earning per share	1 January–30 September 2026	1 January–30 September 2025
Profit for the period	1.043.718.257	696.726.347
Weighted-average number of outstanding shares	20.001.928.778	20.001.928.778
Gain per share (TRY)	0,0522	0,0348

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

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

The capital structure of the Group consists of debt, which includes the financial borrowings disclosed in Note 6, cash and cash equivalents disclosed in Note 4 and equity attributable to equity holders of the parent disclosed in Note 22, comprising issued capital, reserves and retained earnings.

As of 30 September 2026 and 31 December 2025, equity/total financial liability rate is as follows:

	30 September 2026	31 December 2025
Financial liability	5.650.366.386	7.437.380.307
Less: Cash and cash equivalents	(1.407.677.057)	(2.963.076.790)
Liability (net)	4.242.689.329	4.474.303.517
Total equity	33.826.244.330	32.720.194.208
Total capital	38.068.933.659	37.194.497.725
Liability (net) / Total capital rate	11%	12%

The Group's management reviews the capital structure on a quarterly basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from prior year.

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors

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

Risk management is carried out by the Board of Directors under policies approved with forward purchase and sale contracts. Policies and risks are regularly reviewed by Audit Committee. As a result of this procedure the Group evaluates the risk performance.

(b.1) Credit risk management

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

Credit quality of undue financial assets evaluated based on to retrospective internal rating consideration is as follows:

Trade Receivables	30 September 2026	31 December 2025
According to internal rating;		
Customers in Group A	6.239.340.047	6.897.834.604
Customers in Group B	961.151.801	616.159.855
Customers in Group C	778.384.304	908.027.529
	7.978.876.152	8.422.021.988

Customers in Group A: Customers of which credit limit defined without an indemnity and approved by CEO after credit committee confirmation.

Customers in Group B: Customers of which credit limit defined with an existing indemnity and approved by CEO after credit committee confirmation.

Customers in Group C: Customers of which credit limit defined with an indemnity directly attributable (Letter of warranty or credit limit of 70% of mortgage amount).

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

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

	Receivables						
	Trade Receivables		Other Receivables				
30 September 2026	**Related Party**	**Other**	**Related Party**	**Other**	**Bank Deposits**	**Derivative Instruments**	**Other(**)**
Maximum credit limits as of balance sheet date (*)	153.640.390	7.978.876.152	-	2.191.117	1.406.958.145	-	1.688.561.310
Secured amount with letter of guarantee	-	638.234.223	-	-	-	-	-
A.Net book value of the not amortized financial assets	153.640.390	7.978.876.152	-	2.191.117	1.406.958.145	-	1.688.561.310
B. Net book value of the financial assets conditions are reset, otherwise impaired	-	-	-	-	-	-	-
C. Net book value of the overdue assets but not impaired	-	-	-	-	-	-	-
Secured amount with letter of guarantee	-	-	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-	-
-Carrying value (due dates passed assets)	-	23.746.695	-	-	-	-	-
-Impairment(-)	-	(23.746.695)	-	-	-	-	-
-Secured amount with letter of guarantee	-	-	-	-	-	-	-
-Carrying value (unexpired assets)	-	-	-	-	-	-	-
-Impairment(-)	-	-	-	-	-	-	-
-Secured amount with letter of guarantee	-	-	-	-	-	-	-
E. Off balance sheet items that have credit risk	-	-	-	-	-	-	-

(*) Components increasing credit safety are not taken into consideration in determination of the amount.
(**) Usdbonds are reported in consolidated credit risk statement under "Other" segment.

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

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

	Receivables						
	Trade Receivables		Other Receivables				
31 December 2025	**Related Party**	**Other**	**Related Party**	**Other**	**Bank Deposits**	**Derivative Instruments**	**Other(**)**
Maximum credit limits as of balance sheet date (*)	384.639.352	8.422.021.988	-	16.813.926	2.961.956.919	-	1.795.358.114
Secured amount with letter of guarantee	-	634.562.971	-	-	-	-	-
A.Net book value of the not amortized financial assets	384.639.352	8.422.021.988	-	16.813.926	2.961.956.919	-	1.795.358.114
B. Net book value of the financial assets conditions are reset, otherwise impaired	-	-	-	-	-	-	-
C. Net book value of the overdue assets but not impaired	-	-	-	-	-	-	-
Secured amount with letter of guarantee	-	-	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-	-
-Carrying value (due dates passed assets)	-	26.449.479	-	-	-	-	-
-Impairment(-)	-	(26.449.479)	-	-	-	-	-
-Secured amount with letter of guarantee	-	-	-	-	-	-	-
-Carrying value (unexpired assets)	-	-	-	-	-	-	-
-Impairment(-)	-	-	-	-	-	-	-
-Secured amount with letter of guarantee	-	-	-	-	-	-	-
E. Off balance sheet items that have credit risk	-	-	-	-	-	-	-

(*) Components increasing credit safety are not taken into consideration in determination of the amount.
(**) Usdbonds and currency protected deposits in financial investments are reported in consolidated credit risk statement under "Other" segment.

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

(b.2) Liquidity risk management

The responsibility of the liquidity risk management belongs to the Board of Directors. The Group's management has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

The Group's liquidity requirements arise primarily from the need to fund working capital due to the research and development investments mainly factory, machinery and equipment investments and pharma licence investments. The Board of Directors has formed appropriate liquidity risk management for the Group management's short, medium and long term funding and liquidity needs.

Liquidity analysis

The following table details the Group's expected maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue to those liabilities except where the Group is entitled and intense to repay the liability before its maturity.

30 September 2026

Due dates according to the agreements	Carrying value	Cashflow according to the agreement	Less than 3 months	Between 3-12 months	1-5 years
Non-derivative financial liabilities					
Bank loans and bonds issued	5.650.366.386	6.233.390.424	2.169.251.130	1.515.025.769	2.549.113.525
Trade payables	2.041.020.335	2.050.684.598	2.049.716.054	968.544	-
Payables relating to the benefits provided to employees	223.743.925	223.743.925	223.743.925	-	-
Total financial liabilities	7.915.130.646	8.507.818.947	4.442.711.109	1.515.994.313	2.549.113.525

31 December 2025

Due dates according to the agreements	Carrying value	Cashflow according to the agreement	Less than 3 months	Between 3-12 months	1-5 years
Non-derivative financial liabilities					
Bank loans and bonds issued	7.437.380.307	7.789.792.280	5.463.904.434	1.439.040.789	886.847.057
Trade payables	3.368.891.142	3.379.645.762	3.277.131.920	102.513.842	-
Payables relating to the benefits provided to employees	210.704.602	210.704.602	210.704.602	-	-
Total financial liabilities	11.016.976.051	11.380.142.644	8.951.740.956	1.541.554.631	886.847.057

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

(b.3) Market Risk Management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see b.2.1) and interest rates (see b.2.2). The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

Market risk exposures are supplemented by sensitivity analysis.

In the current year, there has been no change in the market risk the Group is exposed or in the risk management and assessment policies of the Group.

(b.3.1) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise from future trade transactions and difference between assets and liabilities. Exchange rate exposures are managed within the approved policy parameters utilising forward foreign exchange contracts.

The Group's foreign currency position is as follows:

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

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

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

Foreign Currency Position	**30 September 2026**					
	TRY Equivalent	**USD**	**EUR**	**CHF**	**GBP**	**Other**
1. Trade receivables	487.450.841	5.332.476	2.124.834	1.781.597	1.000	4.080.852
2a. Monetary financial assets	1.561.103.478	14.150.697	12.305.953	5.072	7.439	184.248.044
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	788.195.047	4.939.627	8.864.687	877.153	38.345	148.936
4. CURRENT ASSETS	2.836.749.366	24.422.800	23.295.474	2.663.822	46.784	188.477.832
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	1.358.365.618	14.155.586	11.982.867	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	38.255.808	94.662	601.530	3.500	-	-
8. NON-CURRENT ASSETS	1.396.621.426	14.250.248	12.584.397	3.500	-	-
9. TOTAL ASSETS	4.233.370.792	38.673.048	35.879.871	2.667.322	46.784	188.477.832
10. Trade payables	510.840.220	3.520.553	5.957.400	6.947	74.436	2.371.055
11. Financial liabilities	-	-	-	-	-	-
12a. Other monetary liabilities	-	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. CURRENT LIABILITIES	510.840.220	3.520.553	5.957.400	6.947	74.436	2.371.055
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-	-	-
18. TOTAL LIABILITIES	510.840.220	3.520.553	5.957.400	6.947	74.436	2.371.055
19.Net asset/liability position of off-balance sheet items (19a-19b)	-	-	-	-	-	-
19.a Total asset amount of hedging items	-	-	-	-	-	-
19b. Total liability amount of hedging items	-	-	-	-	-	-
20. Net foreign currency position (9-18)	3.722.530.572	35.152.495	29.922.471	2.660.375	(27.652)	186.106.777
21. Monetary items net foreign curreny position	2.896.079.717	30.118.206	20.456.254	1.779.722	(65.997)	185.957.841
22. Fair value of the financial instruments used in foreign currency hedging	-	-	-	-	-	-
23. Hedged part of foreign currency assets	-	-	-	-	-	-
24. Hedged part of foreign currency liabilities	-	-	-	-	-	-
25. Export	3.273.485.144	51.996.746	15.530.675	1.050.590	-	-
26. Import	3.901.025.177	44.116.661	28.995.997	1.748.518	275.164	11.218.111

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

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

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

Foreign Currency Position	**31 December 2025**					
	TRY Equivalent (*)	**USD**	**EUR**	**CHF**	**GBP**	**Other**
1. Trade receivables	593.583.919	6.094.564	2.311.012	1.802.529	1.000	2.938.846
2a. Monetary financial assets	3.360.281.667	44.993.979	15.180.516	208.022	10.684	154
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	591.150.493	193.846	7.976.556	1.211.716	11.777	125.033
4. CURRENT ASSETS	4.545.016.079	51.282.389	25.468.084	3.222.267	23.461	3.064.033
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	292.188.826	5.485.612	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	3.551.154	11.920	43.542	2.900	-	-
8. NON-CURRENT ASSETS	295.739.980	5.497.532	43.542	2.900	-	-
9. TOTAL ASSETS	4.840.756.059	56.779.921	25.511.626	3.225.167	23.461	3.064.033
10. Trade payables	715.110.669	8.004.324	4.025.432	476.556	72.589	-
11. Financial liabilities		-	-	-	-	-
12a. Other monetary liabilities		-	-	-	-	-
12b. Other non-monetary liabilities		-	-	-	-	-
13. CURRENT LIABILITIES	715.110.669	8.004.324	4.025.432	476.556	72.589	-
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. NON-CURRENT LIABILITIES	-	-	-	-	-	-
18. TOTAL LIABILITIES	715.110.669	8.004.324	4.025.432	476.556	72.589	-
19.Net asset/liability position of off-balance sheet items (19a-19b)	-	-	-	-	-	-
19.a Total asset amount of hedging items	-	-	-	-	-	-
19b. Total liability amount of hedging items türev ürünlerin tutarı	-	-	-	-	-	-
20. Net foreign currency position (9-18)	4.125.645.390	48.775.597	21.486.194	2.748.611	(49.128)	3.064.033
21. Monetary items net foreign currency position (1+2a+5+6a-10-11-12a-14-15-16a)	3.530.943.743	48.569.831	13.466.096	1.533.995	(60.905)	2.939.000
22. Fair value of the financial instruments used in foreign currency hedging	-	-	-	-	-	-
23. Hedged part of foreign currency assets	-	-	-	-	-	-
24. Hedged part of foreign currency liabilities	-	-	-	-	-	-
25. Export	3.894.940.174	52.719.875	20.964.056	1.553.683	-	-
26. Import	4.708.871.957	42.677.540	37.234.833	1.265.902	323.921	-

(*) The TL equivalent amounts in the foreign currency position table have been stated based on purchasing power as of September 30, 2026

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

(b.3) Market Risk Management (cont'd)

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

Foreign currency sensitivity

The functional currency of the Group companies is TRY. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro.

The following table details the Group's sensitivity to a 20% increase and decrease in the TRY against the relevant foreign currencies. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates (31 December 2025: 20%). The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss. There is no equity effect.

	Foreign Currency Sensitivity	**30 September 2026**	
		Profit / (Loss)	
		If foreign currency appreciates	If foreign currency depreciates
	If US Dollar changes 20%		
1-	US Dollar net asset/liability	344.004.422	(344.004.422)
2-	Amount protected from US Dollar risk (-)	-	-
3-	**US Dollar net effect (1+2)**	**344.004.422**	**(344.004.422)**
	If EUR changes 20%		
4-	EUR net asset/liability	332.478.747	(332.478.747)
5-	Amount protected from EUR risk (-)	-	-
6-	**EUR net effect (4+5)**	**332.478.747**	**(332.478.747)**
	If other currencies change 20%		
7-	Other net asset/liability	68.022.941	(68.022.941)
8-	Amount protected from other currency risk (-)	-	-
9-	**Other net effect (7+8)**	**68.022.941**	**(68.022.941)**
	Total (3+6+9)	**744.506.110**	**(744.506.110)**

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

(b.3) Market Risk Management (cont'd)

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

Foreign currency sensitivity (cont'd)

	Foreign Currency Sensitivity	**31 December 2025**	
		Profit / (Loss)	
		If foreign currency appreciates	If foreign currency depreciates
	If US Dollar changes 20%		
1-	US Dollar net asset/liability	519.602.355	(519.602.355)
2-	Amount protected from US Dollar risk (-)	-	-
3-	**US Dollar net effect (1+2)**	**519.602.355**	**(519.602.355)**
	If EUR changes 20%		
4-	EUR net asset/liability	268.637.711	(268.637.711)
5-	Amount protected from EUR risk (-)	-	-
6-	**EUR net effect (4+5)**	**268.637.711**	**(268.637.711)**
	If other currencies change 20%		
7-	Other net asset/liability	36.889.011	(36.889.011)
8-	Amount protected from other currency risk (-)	-	-
9-	**Other net effect (7+8)**	**36.889.011**	**(36.889.011)**
	Total (3+6+9)	**825.129.077**	**(825.129.077)**

(b.3.2) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging strategies are regularly evaluated to be in line with the interest rate expectation and the defined risk. Thus, it is aimed to create an optimal hedging strategy, to review the balance sheet position and to keep interest expenditures under control at different interest rates.

As of 30 September 2026, 48% of total indebtedness was floating rate and denominated in TRY. (31 December 2025: 30%).

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. 50 basis points is the sensitivity rate used when reporting interest rate risk internally to key management personnel.

32. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk factors (cont'd)

(b.3) Market Risk Management (cont'd)

(b.3.2) Interest rate risk management (cont'd)

Interest rate sensitivity (cont'd)

	30 September 2026	31 December 2025
Fixed Rated Instruments		
Financial Assets	1.989.649.383	3.830.727.432
	1.989.649.383	3.830.727.432
Financial Liabilities	2.936.392.798	5.213.493.163
Floating Rated Instruments		
Financial Assets	-	-
Financial Liabilities	2.713.973.588	2.223.887.144
	5.650.366.386	7.437.380.307

If Libor and Euribor had been higher by 50 basis points and all other variables were held constant, profit for the year ended at 30 September 2026 would decrease by TRY 925.738 (31 December 2025: decrease by TRY 3.033.169). The equity effect is nil. If Libor and Euribor had been lower by 50 basis points, the profit of the Group for the period ended would increase with the same absolute amount.

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

30 September 2026	Financial assets are measured at amortised cost	Financial liabilities are measured at amortised cost	Financial assets are measured at fair value through profit or loss	Financial liabilities are measured at fair value through profit or loss	Carrying Value
Financial Assets					
Cash and cash equivalents	1.407.677.057	-	-	-	1.407.677.057
Financial Investments	1.644.391.350	-	44.169.960	-	1.688.561.310
Trade receivables (including related parties)	8.132.516.542	-	-	-	8.132.516.542
Other receivables	2.191.117	-	-	-	2.191.117
Financial Liabilities					
Borrowings	-	5.650.366.386	-	-	5.650.366.386
Trade payables (including related parties)	-	2.041.020.335	-	-	2.041.020.335
Other payables	-	13.449.909	-	-	13.449.909

31 December 2025	Financial assets are measured at amortised cost	Financial liabilities are measured at amortised cost	Financial assets are measured at fair value through profit or loss	Financial liabilities are measured at fair value through profit or loss	Carrying Value
Financial Assets					
Cash and cash equivalents	2.963.076.790	-	-	-	2.963.076.790
Financial Investments	1.352.647.134	-	442.710.980	-	1.795.358.114
Trade receivables (including related parties)	8.806.661.340	-	-	-	8.806.661.340
Other receivables	16.813.926	-	-	-	16.813.926
Financial Liabilities					
Borrowings	-	7.437.380.307	-	-	7.437.380.307
Trade payables (including related parties)	-	3.368.891.142	-	-	3.368.891.142
Other payables	-	1.715.578	-	-	1.715.578

33. FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments (cont'd)

The fair value of the Group's financial assets and liabilities approximate the carrying amount.

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

• Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• Level 2: the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

• Level 3: the fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

As of 30 September 2026, Group has no derivative instruments.

As of 30 September 2026, Group has no forward contract.

34. SUBSEQUENT EVENTS

None.