Smart
SOLAR TECHNOLOGIES

2025 Integrated Annual Report

Smart

SOLAR TECHNOLOGIES

Contents

About the Report

This report, which comprehensively evaluates the financial, governance, and sustainability performance of Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim San. ve Tic. A.Ş. ("Smart Solar Technologies" or "the Company") and its subsidiaries, serves as the Company's first Integrated Annual Report.

Prepared in accordance with the GRI Standards per the Integrated Reporting (<IR>) Framework, this report covers the period from January 1, 2025, to December 31, 2025. It embodies a holistic approach to address the environmental, social, and governance (ESG) impacts of the Company's operations, its strategic approach, and the value created.

The "GRI Content Index" within the Appendix section indicates which sections of the report contain ESG indicators.

The value created by the company was mapped out based on the six capital elements defined by the International Integrated Reporting Council (IIRC): financial, manufactured, intellectual, human, social and relational, and natural capital. To align the Value Creation Model included in the report with the global sustainability agenda, contributions to the United Nations Sustainable Development Goals (SDGs) were considered, and reference was made to the 10 principles of the United Nations Global Compact (UNGC), of which the company is a signatory.

The content of this report has been prepared in accordance with the relevant provisions of the Turkish Commercial Code (TCC) and the Capital Markets Board (CMB) regarding annual reporting. The financial information contained in this report has been audited by Eren Independent Audit Corp. The independent auditor's statements are included on pages 194 - 261 of this report.

This reporting is conducted annually and aims to facilitate regular, comparable, and transparent information sharing with our stakeholders.

You may submit any questions, comments, or suggestions regarding the report to Smart Solar Technologies via ***sustainability@smartsolar.com.tr.***

We are pleased to present Smart Solar Technologies' *first Integrated Annual Report to our valued stakeholders, and we would like to thank all our executives, employees, and business partners for their contributions to the reporting process.*

The Chairperson's Message

HALİL DEMİRDAĞ
CHAIRPERSON OF THE BOARD

Dear Stakeholders,

In 2025, as the process of rebalancing in the global economy became more pronounced, geopolitical risks, protectionist trends in trade policies, and accelerating investments in the energy transition shaped the business community's agenda. The gradual easing of inflationary pressures and the relative normalization of financing conditions supported the investment environment, rendering competition, efficiency, and technological transformation more critical than ever. Our company has strengthened its operational excellence by adapting to changing global dynamics with an agile strategy, reinforced by investments in vertical integration. The steps we have taken in line with our Value Engineering vision have further solidified our corporate resilience and sustainable growth capabilities as we move toward our long-term goals.

The Global Economy Enters the Age of Electricity

Global energy balances are rapidly shifting toward electrification. The International Energy Agency's "Electricity 2026" report points to a fundamental change in the global energy system: Electricity demand is expected to enter a period of strong and structural growth between 2026 and 2030. The annual increase in demand over the next five years will be approximately 50 percent higher than the average of the past decade. Global electricity consumption is now growing 2.5 times faster than total energy demand.

This momentum is driven by the industrial expansion, electrical vehicles, an increased need for electrified cooling, and in particular, data centers. More importantly, the dynamics of the relationship between the demand for electricity and economic growth are shifting. In the past, electricity consumption closely followed economic growth. Nowadays, it shows growth at a rate higher than that of the economy, on a global scale.

Solar Will Continue to Lead the Way in Green Energy Transition

Developing countries continue to be the main drivers of rising demand. However, electricity demand in developed countries is also on the rise after a 15-year stagnation. Artificial intelligence, digitalization, and the transformation described as the "electrification of everything" are making electricity one of the most critical inputs in the global economy. This outlook makes it all the more important that the rapidly growing demand for electricity is met through clean energy sources such as solar power, in line with global net-zero targets. In parallel, global installed renewable energy capacity is projected to double by 2030, increasing by 4,600 GW. Solar power is expected to account for nearly 80% of this increase.

Domestic Demand for Solar Energy

Our country is experiencing a rise in energy demand and a steady transition to green energy, in line with global trends. In the past decade, our domestic electricity demand rose from 264 billion kWh to over 354 billion kWh. On the other hand, in 2015, 84 billion kWh of our electricity production came from renewable energy, whereas this figure reached 146 billion kWh in 2025.

Looking back at the past ten years, we can see that solar power became a key player, essentially starting from point zero. As of the end of 2025, solar power makes up 21% of our installed capacity with 25,109 MW, and over a quarter of our domestic renewable energy with 37,5 billion kWh.

Just as is the case worldwide, demand for electricity is growing rapidly in our country. According to Türkiye National Energy Plan, the country's electricity demand is projected to reach 511 billion kWh by 2035. Meeting this growing demand with domestic and clean energy sources that do not contribute to the current account deficit holds strategic importance for both our country's economy and its 2053 net-zero targets. As part of our country's vision for energy independence, our installed solar capacity is expected to more than double by 2035, reaching approximately 53,000 MW.

Sustainable Growth with Integrated Production Capabilities

Up to speed with the accelerating global and national green energy transition, we as Smart Solar Technologies are steadfastly continuing our investments in accordance with our "Value Engineering" vision, transforming our company into a more value-added and integrated production structure.

Following the successful launch of our domestic cell production in 2024, we began commercially producing wafers in 2025. We commissioned our domestic wafer production line with an annual capacity of 1,500 MW, which is a critical component of our vertical integration strategy. By 2026, we aim to increase our domestic solar cell production capacity from 800 MW to 2,200 MW. This 2.5-fold increase represents not only a scaling-up of operations but also a strengthening of our technological capabilities and supply chain resilience.

The vertical integration investments we have implemented have begun to yield tangible results. In 2025, we announced new business partnerships exceeding 500 million USD. The majority of these agreements involve our high-efficiency solar panels, which are manufactured using domestic cell technology at our Aliağa Integrated Production Facility. These developments demonstrate that our integrated production model is resonating in the market and that our company has gained strong momentum on its journey toward sustainable growth.

We Began Commercial Production at Niğde Bor Solar Power Plant with 130 MWm Capacity

In 2025, we commenced commercial operations at our Niğde Bor Solar Power Plant project. With a total installed capacity of 130 MWm, it represents our company's largest solar energy investment to date. The Niğde Bor Solar Power Plant will strengthen our company's cash flow through its ability to generate steady revenue, all the while making a strategic contribution to our sustainable growth objectives by diversifying our energy sources.

A Strategic Production and Investment Move in Europe

Our investment process in Bulgaria is on schedule, aligning with our vision for globalization. "Solar Panel and Solar Cell Production Plant" project was another turning point. The project was previously approved by the Council of Ministers of the Republic of Bulgaria and granted our company "priority investor" status.

In December 2025, the title deed transfer for the 123,270 m² plot of land of project site was completed. With this development, the investment became eligible for financing and appraisal stage.

As part of the planned investment in an integrated production facility in Stara Zagora, valued at approximately 122 million euros, 34 million euros in grant-based support is anticipated for the 2026–2029 period. To this end, financing discussions with the Bulgarian Development Bank will be initiated to secure long-term investment loans.

This investment move in Europe aims to elevate our company's value-added production capabilities to a higher level on a global scale.

Strong Financial Growth

We've generated 10.58 billion TL In revenue and 2.20 billion TL in EBITDA in 2025. As our total assets reached 25.35 billion TL, we have obtained 4.62 billion TL in equity, affirming our strong financial structure. Over the past 3 years, our total assets increased by 326% in USD terms, rising to $592 million.

On the other hand, per our financial sustainability goals, we have taken measures towards reshaping our debt-structured into a more balanced and long-term one. As part of this effort, we secured a total of $54 million in five-year financing, $24 million of which was acquired in Q4 2025, and the remaining $30 million at the beginning of 2026. Thus, our short-term liabilities were converted into a long-term, foreign-currency-denominated structure.

Strategic Focus Areas of Our Growth Targets

As Smart Solar Technologies, we are proud to announce that by 2026, we have largely completed our period of intensive investment in our production infrastructure. This strategic milestone signifies a transition to a phase of value-driven growth that will further enhance our company's operational capabilities.

In the upcoming period, we aim to steadily expand our turnkey project (EPC) capabilities and our own energy portfolio, with a focus on our domestic production capacity and value engineering approach. Additionally, we will further deepen our export-oriented growth strategy by increasing our cell sales to the U.S. market and our EPC activities in Europe.

With its strong production infrastructure, engineering expertise, and integrated business model, Smart Solar Technologies remains committed to reinforcing its sustainable growth on an international scale and creating long-term value for its stakeholders.

We are Building a Sustainable Future with Our Stakeholders

We will continue our investments with a stable and long-term perspective, aiming to leave a cleaner and more livable world for future generations. Sustainability is positioned not merely as a principle but at the core of all our operational and strategic decisions, and so we remain a competitive, innovative, and high-value-adding player in the global green transition contributing to Türkiye energy independence. With our technology-driven production capacity, export capabilities, and qualified workforce, we are committed to growing both environmental and economic value together. I would like to thank our valued shareholders, stakeholders, and all our dedicated team members for the trust you have placed in us and for our strong collaboration on this journey.

Kind regards,

HALİL DEMİRDAĞ
CHAIRPERSON OF THE BOARD

"In parallel with the green energy transition gaining momentum on a global and national scale, we at Smart Solar Technologies are steadfastly continuing our investments in line with our "Value Engineering" vision."

HÜLYA KURT
THE SUSTAINABILITY COMMITTEE CHAIR

The Sustainability Committee Chair's Message

Dear Stakeholders,

2025 was marked by the impact of global crises on businesses and the search for balance in global economy. Wars, geopolitical tensions, and the effects of climate change brought about a more cautious and fragile environment worldwide. Economic fluctuations and structural transformations in energy markets made their presence felt simultaneously. During this process, energy supply security became a critical factor for all stakeholders in the economy, while the provision of energy from renewable sources, particularly from the sun, gained greater importance.

Climate Regulations and Sustainable Finance

The anticipated launch of the national emissions trading system and green taxonomy (in other words, the classification of green assets and investments) in 2026, along with the Climate Law that was implemented in our country in 2025 clearly demonstrates how climate change will trigger a structural change in the business world.

These developments make it imperative for all the stakeholders in the economy to adapt to these changes in their business planning. Per the circular issued by the Banking Regulation and Supervision Agency (BDDK) in 2025 regarding the calculation of banks' green asset ratios, the share of environmentally sustainable economic activities in financing must now be regularly measured and reported. All these developments signal the dawn of a new era in which climate and nature-based risks will have binding consequences in financial processes.

Our Key Steps in the Realm of Sustainability

As Smart Solar Technologies, we leveraged the Smart Integrated Sustainability Management System we launched in 2022 to establish a structure that encompasses our headquarters and all of our production facilities. In light of the 2023-2027 Sustainability Strategy document we published in 2023, we began restructuring both our governance structure and all of the related business processes.

We published our first sustainability report in 2022 and our first integrated report in 2024. We are now presenting this integrated annual report, detailing the results of 2025, to our valued stakeholders. Four active working groups continue their endeavors in the field of sustainability: Sustainable Supply Chain, Carbon Management, Sustainable Finance and Risk Management, and Circular Economy. We plan to revise our sustainability strategy in 2026 to reflect new developments and regulations in this area.

Integrated Production Structure and Our Carbon Pathway

Smart Solar Technologies operates under a vertically integrated model that encompasses wafer, cell, and solar panel production, enabling it to manage nearly the entire value chain end-to-end. With a 2,400 MW solar panel, 1,500 MW wafer and 800 MW solar cell production capacity, the company offers significant advantages in terms of scale, quality, and supply security.

The commissioning of Niğde Bor Solar Power Plant, with a production capacity of 130MWm, in 2025 was one of the most tangible indicators of this approach. As a result of this investment, we have derived a significant portion of our electricity consumption within our production processes from renewable energy sources, making progress towards offsetting our carbon footprint. This model simultaneously renders our energy cost structure more predictable, supporting our financial resilience. As part of our net zero emissions target for 2040, we steadfastly maintain our transition programs geared at reducing the carbon intensity of our operations and our value chain. Energy efficiency, renewable energy usage, and the supply chain transition remain as key focus areas of this process.

Climate Change and the COP31 Process

Climate change necessitates not only emission reduction but also a holistic understanding that creates positive value in the value chain and jointly handles economic and social development.

In 2025, we commissioned the 130 MWm-capacity Niğde Bor Solar Power Plant, which allows us to meet a significant portion of the electricity used in our production processes from renewable sources, marking a major step toward offsetting our carbon footprint.

The COP31 process, which Türkiye will host in 2026, will generate significant momentum for creating a climate-resilient economy and accelerating the energy transition. This process will present important opportunities for accelerating renewable energy investments, strengthening domestic production capacity, and developing sustainable financing tools. As Smart Solar Technologies, we remain an active participant in this transformation. We view our contributions to Türkiye's energy transition as a strategic responsibility. By leading the localization of solar technologies, a critical milestone in the transition to a low-carbon economy, we continue to support Türkiye's global competitiveness in this field.

Inclusive and Strong Social Structure

With over 1,100 employees, we continue to create value for our industry and the national economy. We do not view sustainability as limited solely to environmental performance. Rather, we position social impact as an integral part of our business model. Women represent approximately 40% of our workforce and 45% of our Board members are women, clearly signaling our commitment in this field. Under the United Nations Global Compact's "Forward Faster" initiative, we aim to achieve 50% female representation at all management levels by 2030. As such, we continue to strengthen an inclusive and equitable work environment. We believe that diversity and inclusion are fundamental elements of sustainable success, and we support this belief with concrete goals and measurable commitments.

Steady Progress Toward Our Goals

We continue to move forward in line with transparency, accountability, and ethical values in all our corporate governance processes. Consequently, we manage our sustainability performance in accordance with international standards. With this first Integrated Annual Report covering our company's 2025 fiscal year, we are introducing an integrated perspective to our sustainability reporting while presenting our financial and non-financial performance to our stakeholders from a holistic viewpoint.

We believe that sustainability-focused business models will be decisive in creating a competitive advantage in the coming period. As Smart Solar Technologies, we will continue to be among the leading actors in this transformation with our integrated production capabilities and long-term vision.

Kind regards,

HÜLYA KURT
THE SUSTAINABILITY COMMITTEE CHAIR

About Smart Solar Technologies

As Smart Solar Technologies (BIST: SMRTG), we remain a key technology supplier for our stakeholders' transition to a low carbon economy with our innovative products and services since our founding in 2014. With our integrated business model, we are involved in every stage of solar technology from wafer, cell, and panel production to turnkey engineering projects. Through our portfolio of solar power plants, energy storage systems, electric vehicle charging infrastructure, and green hydrogen solutions, we contribute to our ecosystem's clean energy transition.

As of the 2025 fiscal year, with over 1,100 employees, approximately 40% of whom are women, we manufacture high-tech wafers, cells, and panels at our facilities in Aliağa and Gebze. Our R&D efforts are aimed at maximizing the value of solar technologies, which are pivotal to Türkiye's renewable energy transition. In doing so, we localize these technologies, contributing to Türkiye's economy and energy independence. With a 1,500 MW wafer, 800 MW cell, and 2,400 MW panel annual production capacity, we supply innovative products to both local and global markets. Through our nine sales offices abroad, we export to over 20 countries across various regions, primarily Europe and the Americas, thereby contributing to our country's current trade balance. Adopting a customer-centric approach, we continue our operations through a nationwide sales and service network comprising over 100 dealers across 66 provinces in Türkiye.

Drawing strength from the trust our stakeholders place in Smart Solar Technologies, we continue our investments with our *Faces To the Sun*, carrying on our journey with the motto, ***The Sun Is in Our Every Cell.*** As a key player in the just transition, we are moving steadily toward our goals, motivated to create sustainable value for our stakeholders.

Our Vision

To invest in renewable energy by producing "value" based on advanced technology with a green future goal and a high-quality approach, and to create impact and difference in sustainable development by considering the values of our stakeholders.

Our Mission

To become the company of the future by creating value through the innovative renewable energy and technology solutions we offer.

Our Values

With the philosophy that

Each of Our Cells Holds Value,

we aim to make the principles we have adopted an integral part of our corporate culture and ensure they are internalized by all our employees.

Guided by the perspective of delivering the best to our stakeholders, we have adopted nine core values aligned with our goal of creating sustainable value for our industry and our country.

- **Innovation**
- **Continuous Improvement**
- **Solution-Oriented Approach**
- **Passion**
- **Social Responsibility**
- **Collective Wisdom**
- **Commitment to Quality**
- **Agility**
- **Sustainability**

Milestones

2014

- In 2014, we entered the Turkish market as Smart Solar Technologies with the installation of Türkiye's first solar power plant.
- We also launched our first rooftop project in Romania.
- Smart Solar Technologies was officially established.

2016

- In 2016, we began construction of a factory on a 23,500-square-meter site in Gebze, and the 300 solar power plant projects we completed received approval from TEDAŞ.

2017

- In 2017, our solar panel factory in Gebze began production, and we completed the installation of the world's second-largest glass-glass solar panel project.

2018

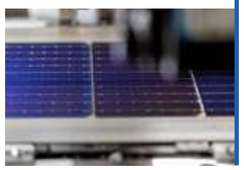
- In 2018, we increased our photovoltaic panel production capacity to 800 MW.

2019

- We have been operating as a holding company since 2019.
- We have opened offices in Germany and Ukraine.

2020

- In 2020, we increased our photovoltaic panel production capacity to 1,200 MW.



2021

- In 2021, we made the Union of Chambers and Commodity Exchanges of Türkiye's (TOBB) list of Türkiye's 100 fastest-growing companies.
- We opened our office in Switzerland. We received the Deloitte Technology Fast 50 award.

2022

- In 2022, we began trading on the Borsa Istanbul Stock Exchange under the ticker SMRTG.

2023

- In 2023, our first Sustainability Report was published. The UN Global Compact was signed (the company became a signatory to the UN Global Compact).
- The 2040 Net Zero target was announced. The Aliağa Integrated Production Facility began panel production.

2024

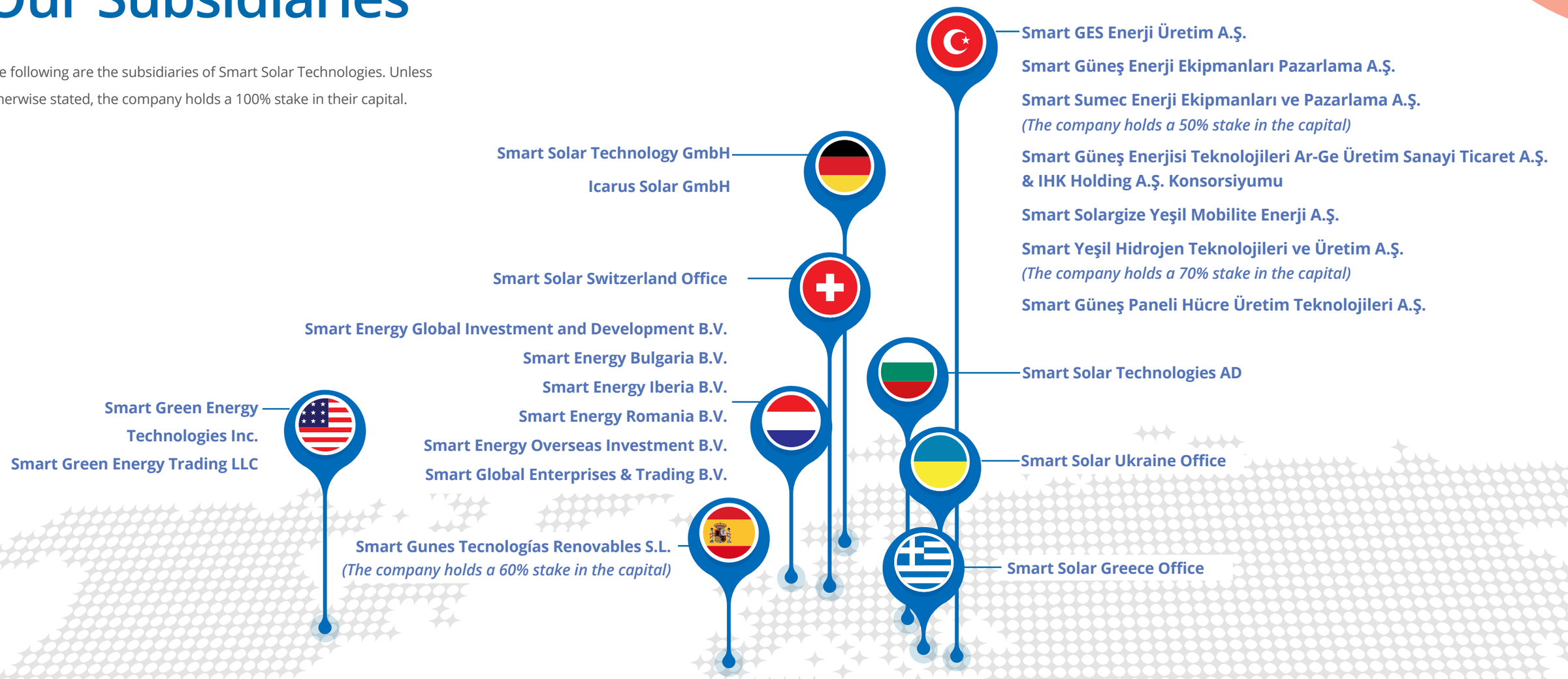
- In 2024, we were ranked among Türkiye's Top 500 Industrial Companies.
- We began domestic solar cell production at our Aliağa facility with a capacity of 800 MW.
- We were included in the BIST Sustainability Index.
- In our first participation in the Carbon Disclosure Project (CDP) Climate Change Program, we received a B rating.

2025

- In 2025, we have launched a greenfield investment project in Bulgaria for an integrated power generation facility with a capacity of 1,500 MW.
- We have commenced domestic wafer production in Aliağa with a capacity of 1,500 MW.
- We have commissioned the Niğde YEKA-4 BOR-1 Solar Power Plant with a capacity of 130 MWm.

Our Subsidiaries

The following are the subsidiaries of Smart Solar Technologies. Unless otherwise stated, the company holds a 100% stake in their capital.



Smart Solar Technologies by the Numbers

+ 1,100
Employees

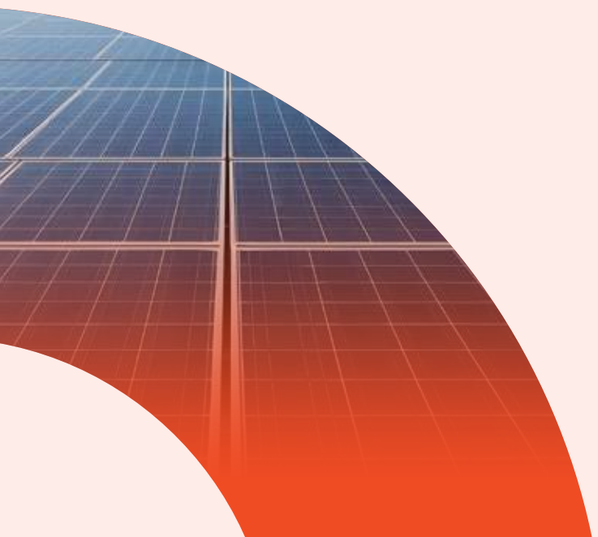
+20
Countries Exported

40% Women
Workforce

+100
Dealerships

+9 countries
with offices

+110
E-Charging Stations



In Aliağa

50,000 m²
Production Area

1,200 MW
Solar Panel Production Capacity

800 MW
Solar Cell Production Capacity

1,500 MW
Wafer Production Capacity

In Gebze

19,363 m²
Production Area

1,200 MW
Solar Panel Production Capacity

In Total:

2,400 MW
Solar Panel Production Capacity

+2,200 MW
Medium-Term Project Portfolio

1,500 MW
Wafer Production Capacity

+1,500 MW
Engineering, Procurement & Construction (EPC)

800 MW
Solar Cell Production Capacity

+300 MW
Solar Power Plant Investment

Highlights of 2025

In January, our Aliağa Integrated Solar Cell and Solar Panel Production Facility launch was held in the presence of Mr. Mehmet Fatih KACIR, Minister of Industry and Technology of the Republic of Türkiye, and Mr. Alparslan BAYRAKTAR, Minister of Energy and Natural Resources of the Republic of Türkiye.

In February 2025, we held talks with the Prime Minister of Côte d'Ivoire, Mr. Robert Beugré Mambé, and the Minister of Mines, Oil, and Energy, Mr. Mamadou Sangafowa-Coulibaly, to support Africa's green transition.

In February 2025, we signed a "Distribution System Connection Agreement" and moved into the project development phase, following the processes initiated by our application to Akdeniz Electricity Distribution Inc. in 2022 to meet the electricity needs of our Gebze production facility through solar energy. Within the following year, the energy generated by the 4,000 kWe solar power plant to be established in Pazarcık, Kahramanmaraş, will meet the electricity needs of our Gebze facility's production operations.

With the approval of the Niğde Bor Solar Power Plant project at 121.08 MWp / 93.01 MWe, we commenced renewable energy production.

In April 2025, we signed a partnership agreement with Verde Services, a UK-based engineering firm specializing in renewable solutions, covering product sales, EPC, and investment.

In May 2025, as part of the "Art from Waste Project" we launched at our Gebze Production Facility, 269 of our colleagues transformed their waste into works of art through a total of 29 different projects.

In May 2025, to harmonize our vision for value engineering in solar technologies with the potential of Indonesia, Southeast Asia's largest economy, we held a productive meeting with Mr. Darianto Harsono, Indonesia's Consul General in Istanbul, regarding potential strategic projects.

In July 2025, a domestic wafer production facility with an annual capacity of 1,500 MW was completed in Aliağa, and commercial production began.

In August 2025, we expanded our partnerships with engineering firms focused on the global energy transition by signing a partnership agreement with Smart Solar GmbH & Co KG, a leading German renewable energy solutions company, covering product sales, EPC, and investment.

In October 2025, we signed a green loan agreement with ING Bank N.V. for 20.5 million euros, maturing on July 30, 2030. This amount will be used to finance the procurement of equipment and services for the 130 MWm capacity Niğde Bor Solar Power Plant Project, which our wholly owned subsidiary Smart GES Enerji Üretim A.Ş. has completed in Türkiye.

In December 2025, we took a strategic step in our sustainability transformation by completing Phase 1 of the Responsible® Program. Under this program, supported by the Turkish Ministry of Trade, we analyzed our ESG performance and developed a concrete Sustainability Roadmap aligned with international standards. This has strengthened our vision for green transformation and global competitiveness.

In November 2025, we secured six-year financing for the commissioning of a 1,400 MW production line, which is planned to be delivered and installed at our Aliağa Solar Cell Production Facility, currently operating at a capacity of 800 MW. As a result, by the second quarter of 2026, the capacity of our solar cell production facility will be increased to 2,200 MW, representing a 2.5-fold increase over the current capacity.

In December 2025, Bulgarian authorities granted a land title deed for a net area of 123,270 square meters to our wholly owned subsidiary, Smart Solar Technologies AD, in support of the implementation of a 1,500 MW integrated solar cell and panel production facility project in the city of Stara Zagora. With this title deed, our subsidiary has reached a stage where a valuation can be conducted for the financing of its investment project to establish solar panel and solar cell production facilities.

Our Production, Products, and Services

As Smart Solar Technologies, we are an innovative technology company operating across a broad value chain from the production and supply of photovoltaic wafers, cells, and panels to financing and leasing solutions, from turnkey projects to operation and maintenance services, and from energy storage systems to the installation of electric vehicle charging networks. With the ingot production investment we plan to add to our operations, and for which we are currently conducting feasibility studies, we aim to further localize additional stages of the panel production value chain and strengthen our integrated production infrastructure.

Solar Cell and Wafer Production

By manufacturing the cells and wafers used in the production of our solar panels at our integrated production facility in Aliağa, we are contributing to the climate targets outlined in our country's updated Nationally Determined Contribution (NDC) submitted at COP30. In doing so, we are localizing a key technology for the transition to a low-carbon economy while simultaneously creating skilled jobs.

In 2025, wafer production with a capacity of 1,500 MW was launched at our integrated production facility in Aliağa.

Wafer production constitutes one of the fundamental production stages in the photovoltaic production value chain, which progresses in the sequence: ingot > wafer > cell > panel. In this process, high-purity silicon ingots with a crystalline structure are converted into wafers using precision cutting technologies. On the production line, the ingots are sliced at the micron level using diamond wire sawing technology, and the resulting wafers undergo processes such as surface cleaning, surface preparation, and quality classification to make them suitable for cell production processes.

During the photovoltaic cell production phase, semiconductor manufacturing processes such as surface texturing, dopant diffusion, surface passivation, and metallization performed on wafers result in the creation of photovoltaic cell structures capable of directly converting sunlight into electrical energy. The advanced production technologies used in these processes play a decisive role in terms of cell efficiency, electrical performance, and product reliability.

With wafer production carried out in-house, a critical stage of the photovoltaic production value chain has been integrated into our production infrastructure; this has strengthened technological integration across production processes while contributing to the development of our high-value-added production capacity.

As of 2025, our solar cell production capacity at our Aliağa facility has reached approximately 800 MW. To further advance our technological expertise in cell production, we plan to commission a 1,400 MW TOPCon solar cell production line in 2026.

The primary cell technologies we utilize to develop high-tech industries and use our resources efficiently are as follows:

- PERC Cell Technology: By passivating the rear surface, it captures more light even under low-light conditions, ensuring high efficiency.
- TOPCon Cell Technology offers 0.5–0.8% higher performance compared to PERC and demonstrates excellent compatibility with glass-on-glass structures.
- Half-cut Cells are split in half using a laser, reducing resistance losses by up to 75% and minimizing the shading effect.
- Bifacial panels generate electricity from sunlight reflected off the surface, resulting in higher system efficiency.

Additionally, R&D processes for our new generation of high-efficiency cell designs, developed in collaboration with Fraunhofer ISE (Fraunhofer Institute for Solar Energy Systems) and the Middle East Technical University Solar Energy Application and Research Center (ODTÜ-GÜNAM), are ongoing.

You can find more information on this topic in the Clean Energy Technology R&D and Innovation section of the report.

You can find technical details about our solar panels on our corporate website.

You can find more information about our completed projects and references on our corporate website.

Solar Panel Production

By increasing the number of electrical contact points on the cells we produce using multi-busbar (MBB) technology, we ensure more efficient collection of electrical current. We also enhance light transmission through the use of round ribbon technology. The panel models we offer are divided into two categories: single-sided (monofacial) and double-sided (bifacial).

Monofacial panels generate electricity using only sunlight from the front surface of the panel. They offer high efficiency on non-reflective surfaces such as rooftops and provide simpler installation and system design options. Bifacial panels, on the other hand, capture light from both the front and back surfaces to produce more energy.

Our panels are manufactured with two primary cell configurations, full-cell and half-cut, to meet diverse application needs.

Full-cell panels, featuring a classic cell design, provide a reliable solution for standard system structures. Half-cut panels, in contrast, are produced by splitting solar cells in half using a laser. Thanks to this technology, the electrical current per cell decreases, internal resistance loss is reduced, and thermal effects are minimized. Additionally, production losses are reduced in partial shading conditions, thereby increasing the system's overall efficiency.

Besides this configuration, our panels come with two different back surface designs: glass-on-glass and glass-backsheet. Each cell type and panel design is developed to provide optimal energy production and application compatibility for different climate conditions, mounting surfaces, and system requirements.

To make our operations more systematic in line with our goals, we are continuing our efforts to establish an Energy Management System compliant with the ISO 50001 standard. To this end, our teams have been established and trained, and our energy inventory has been prepared. We plan to complete the certification process next year.

Domestic Dealer Network

We operate through an extensive sales and service network comprising 120 dealers across 66 provinces. Through our dealers, we provide technical consulting, product supply, and installation support for rooftop solar power plant applications, small-scale ground-mounted projects, and the commercial sector.

This structure enables us to support local access, fast service, and customer satisfaction throughout our value chain, from production to the end user. We view our dealer network as a key component of our sustainable growth strategy and continuously enhance it through investments in training, technical support, and brand awareness.

EPC Services (Engineering, Procurement, and Construction)

With over 1,000 MW of installed capacity achieved over the past 10 years and projects that generate value for at least 30 years, we are a trusted partner in the solar energy sector.

We provide end-to-end EPC services across a wide range of applications, from rooftop to ground-mounted systems, and from residential to industrial-scale projects. We support our customers throughout every stage of the process, from project design and engineering to procurement and installation.

Some of the services we provide throughout the process include:

- Project analyses for ground-mounted, rooftop, and facade systems
- Feasibility studies and simulations supported by NASA meteorological data
- Preparation of documents related to structural and electrical designs, technical specifications, and site surveys
- Coordination of product supply, logistics, and field mobilization
- Remote monitoring of systems and performance analysis via SCADA infrastructure
- Installation, testing, commissioning, and grid connection processes

The equipment we select with financial sustainability in mind contributes to creating projects with a low-risk profile in the eyes of banks and leasing institutions.

Project Development

Throughout 2025, Smart Solar Technologies continued its development of solar power plant projects with storage and license-free solar power plant projects as part of its EPC activities. Our company has obtained preliminary licenses for 7 projects in the storage-integrated solar power plant sector, totaling 240.3 MWp/184.35 MWe of solar power capacity and 184.35 MWh of storage capacity across various regions. In addition, it has continued project development activities for its business partners and customers. In this context, 53 projects, including Smart projects, with a total capacity of 1,456.3 MWp/1,250.5 MWe and a storage capacity of 1,250.5 MWh are in the development phase. This project portfolio is expected to contribute positively to the company's financial performance in the coming periods.

Our Corporate Memberships

As Smart Solar Technologies, we engage with national and international organizations to help shape the energy ecosystem of tomorrow, making our voice heard in the industry while laying the groundwork for future global partnerships.

National Memberships	Global Memberships
Foreign Economic Relations Board **(DEİK)**	European Solar Manufacturing Council **(ESMC)**
Electrical Engineers Association **(ETMD)**	Solar Energy Industries Association **(SEIA)**
Electrical Installation Engineers Association **(ETMD)**	Turkish-Ukrainian Businesspeople's Association **(TUİD)**
Energy Industrialists & Business Association **(ENSİA)**	Ultra Low Carbon Solar Alliance
Energy Investors Association **(GÜYAD)**	United Nations Global Compact **(UNGC)**
Turkish Solar Energy Industry Association **(GENSED)**	
Istanbul Mineral and Metals Exporters' Association **(İMMİB)**	
Business World and Sustainable Development association **(SKD Türkiye)**	
Turkish Association of Institutional Investor Managers **(TKYD)**	
Turkish Industry & Business Association **(TÜSİAD)**	
International Solar Energy Society Türkiye **(GÜNDER)**	
Turkish Investor Relations Society **(TÜYİD)**	

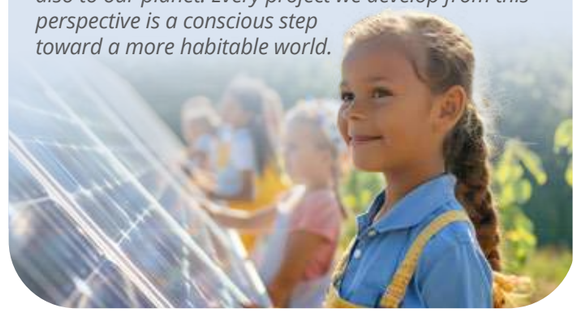
Our Keys to Success: Commitment to Quality and Value Engineering

Value Engineering

To execute all our processes at optimal efficiency, we operate with a value engineering approach from production through installation. With this approach, we demonstrate our value-adding perspective by developing an engineering strategy that optimizes the performance, quality, and cost triangle. We create "value" for the future.

Creating "Value" for the Future and "Goodness" for the Nature

We operate with the understanding that every investment in solar energy benefits both nature and the economy. Through our approach that combines technology and engineering with a commitment to doing good, we add value not only to the industry but also to our planet. Every project we develop from this perspective is a conscious step toward a more habitable world.



Commitment to Quality

We approach quality holistically, ensuring that all our operations, from panel production to shipping, are carried out in accordance with our strict quality standards. As a result of our customer-centric approach, we guarantee that our products and services will consistently meet expectations to the same high standards.

Throughout 2025, Smart Solar Technologies continued its development of solar power plants with storage and license-free solar power plant projects within the scope of its EPC activities. Our company obtained preliminary licenses for 7 projects in the storage-integrated solar power plant sector, totaling 240.3 MWp/184.35 MWe of solar power capacity and 184.35 MWh of storage capacity across various regions. In addition, it continued project development activities for its business partners and customers. In this context, 53 projects, including Smart projects, with a total capacity of 1,456.3 MWp/1,250.5 MWe and a storage capacity of 1,250.5 MWh are in the development phase. This project portfolio is expected to contribute positively to the company's financial performance in the coming periods.

Maintenance and Repair Services

At Smart Solar Technologies, we place great importance on ensuring that installed systems operate efficiently and have a long service life. Our maintenance and repair services help our customers achieve long-term and sustainable returns on their investments.

These maintenance and repair services include:

- Troubleshooting and on-site intervention
- Rapid spare part procurement
- Preventive and maintenance planning
- Periodic mechanical and electrical inspections
- Solar panel and site cleaning
- Remote monitoring and performance reporting via SCADA infrastructure

Financing Solutions

We offer cost-effective financing solutions to investors seeking to enter the renewable energy ecosystem or expand their existing operations. To this end, we establish low-risk investment profiles with banks and financial institutions. With increased project feasibility, we instill confidence in our investors, who play a key role in the widespread adoption and scaling of solar energy projects. Through the financing solutions we provide, we facilitate the implementation of our clients' investments, contributing strategically to sectoral growth and the national economy.

You can find more information about the projects we've completed and our references on our corporate website.

Electric Vehicle Charging Systems

Via our group company, Solargize Yeşil Mobilite Enerji A.Ş., we are the preferred solution partner for the charging infrastructure required by electric vehicles.

Our electric vehicle charging solutions are compatible with the OCPP Protocol enabling integration with various operators. They prevent unauthorized access to payment and identity information through an RFID card-based authentication system and deliver a secure user experience compliant with IP54/IP65 protection ratings.

Our devices, which are online at all times via their network connection, can be remotely accessed for technical support if needed.

As of 2025, with over 110 e-charging sockets across Türkiye, we are contributing to the electric vehicle ecosystem, a key accelerator in the transition to a low-carbon economy.

Our Investments

By investing in deepening our technology and vertical integration, we are channeling our domestic production capacity into strategic projects and playing an active role in the energy transition.

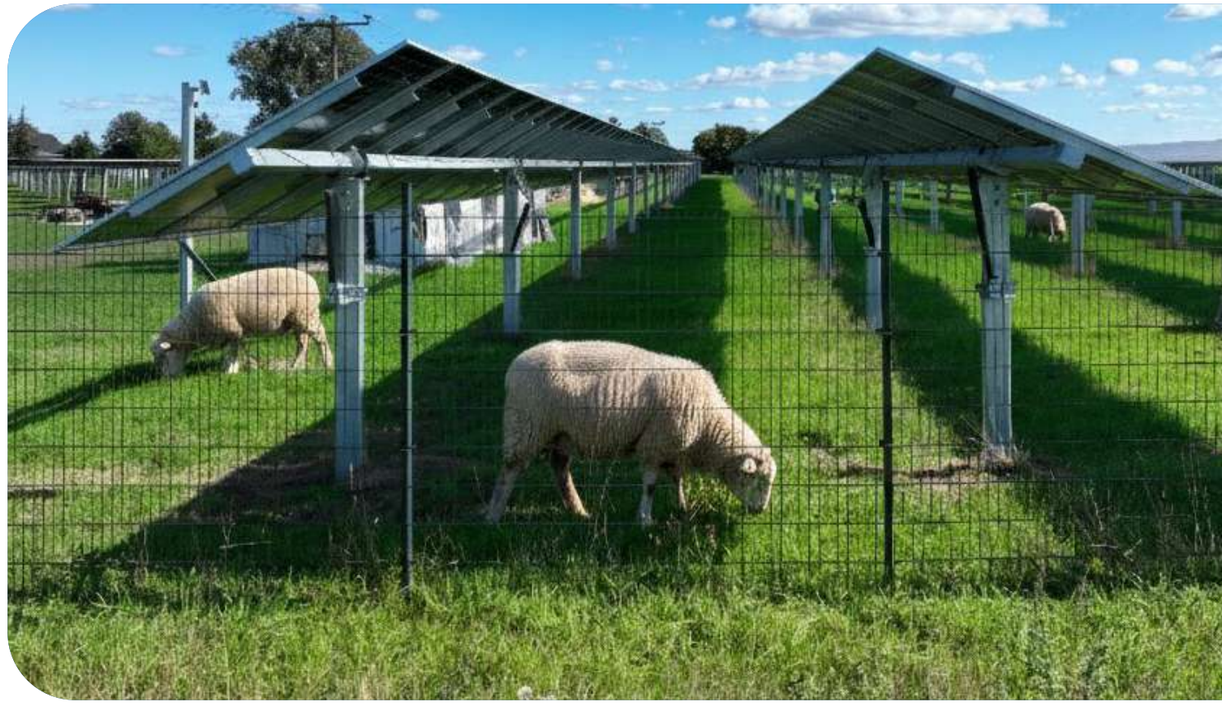
By increasing production capacity in our country's renewable energy sector, we are creating strategic and economic value. We implement our projects in line with new investment opportunities that have emerged with the increase in Renewable Energy Resource Areas (YEKA) tenders by the Ministry of Energy and Natural Resources. In light of this, following the approval of **our Niğde Bor GES-4 YEKA project (developed through Smart GES Enerji Üretim A.Ş., a wholly owned subsidiary of our Company) with a capacity of 121.08 MWp / 93.01 MWe, we have commenced electricity production.** Through our investments in renewable energy sources, we contribute to reducing our country's reliance on foreign energy and support the localization of critical technologies for the energy transition. The predictable revenue structure provided by long-term power purchase agreements facilitates the financing of our large-scale investments and supports their sustainability. Developing alternative energy technologies that will create synergy with our current investments is also among our strategic priorities. in this regard, Smart Yeşil Hidrojen Teknolojileri A.Ş., established with a 30% partnership from Smart Holding, focuses on the development and commercialization of green hydrogen technologies. Through this initiative, which develops innovative and technology-based solutions on the path to a low-carbon economy, we are carrying out significant work toward our strategic goals.

Across our customer portfolio, we have provided operation and maintenance services at 43 sites throughout the year, including both ground-mounted and rooftop installations. These sites, with a total installed capacity of 561.55 MWp, generated 702,076 MWh of electricity in 2025, and the power plants in question prevented 306,807 tons of CO_2e emissions. As part of our project development and Engineering, Procurement, and Construction (EPC) services, **we completed 19 projects during the year, bringing a total capacity of 274.9 MWp.**

As part of our strategy to expand our vertical integration, in addition to the 800 MW cell production capacity we launched in 2024, we have also begun producing wafers, the primary input for these cells. With this new line of business, we can monitor our production processes more transparently and manage our carbon footprint more effectively in line with our sustainability goals. In a period marked by rising taxes and sanctions due to geopolitical uncertainties in global energy markets, producing critical components domestically ensures our operational continuity. In the coming periods, we aim to enhance our vertical integration by introducing ingot production, enabling us to manage production processes spanning from raw materials to the final module. By bringing more links of our value chain in-house, we not only ensure full compliance with environmental and social responsibility standards but also aim to outperform these standards.

To achieve a meaningful and sustainable increase in our digital maturity score, we invested in SAP-based architecture and cybersecurity infrastructure this year. We digitized our financial processes, including credit, reconciliation, and payroll systems, and strengthened traceability and control mechanisms in our production and logistics operations using SAP PM, QM, and Warehouse Management modules. We ensured master data integrity using SAP MDM, and integrated EPC field and project management processes with mobile applications and handheld terminals. By migrating quality management, policy performance and training tracking, and management reporting systems to digital platforms, we accelerated our decision-making and approval processes.

As part of our single-axis solar tracking system development projects, which was launched at our Şanlıurfa facility in 2020 and has since expanded to 20 project sites, we completed critical phases such as design, static load analyses, pilot testing under real-world conditions, and performance monitoring. By continuously refining the design based on the data obtained, we have optimized system performance. In the next stages, we aim to complete compliance testing and certification processes for international markets and move the system into mass production in accordance with the highest quality standards. Upon project completion, we will have developed a tracking system capable of converting sunlight into electricity with up to 20% greater efficiency, simplifying maintenance processes, reducing failure rates by 20%, and ensuring full compatibility with various panel and mounting configurations. These investments are expected to strengthen our product portfolio and create long-term value by enhancing our operational efficiency.



Our Awards and Achievements

In 2025, the value we created for our industry and society was recognized through awards we received from prestigious institutions.

By being included in the Deloitte Technology Fast 50 Türkiye program, we were named one of the fastest-growing technology companies in Türkiye.

In the "Investment from Scratch" category of the Investor of the Year Competition organized by the Bulgarian Investment Agency, our Chairperson of the Board, Mr. Halil Demirdağ, was awarded the Golden Bull Award.

We were honored with the Respect for Human Award by Kariyer.net.

We were honored with the Sumec 10th Anniversary Partnership Award by Sumec Group.

Genç İnciler Derneği presented us with a Recognition Award for the donation we made to students using the proceeds from their New Year's charity sale.

Events Attended by Senior Management in 2025

*This table follows a chronological order.

Name	Title	Activity Name	Scope of Participation	Date*
Havva Köroğlu	Vice Chairperson of the Board	Human Resources Summit hosted by the German-Turkish Chamber of Industry and Commerce (AHK)	Addressed the internal struggles encountered on the journey of self-leadership and the effective management of work-life balance in the session titled, "A Journey to the Self! Self-Leadership and Passion". Shared advice on improving self-leadership.	February 13th, 2025
Dr. Papatya C. Sözbir	Head of Technology Development	Webinar on Energy Storage and Battery Technologies Organized by SKD Türkiye	The discussion focused on storage and battery solutions that drive the sector's transformation.	February 26th, 2025
Havva Köroğlu	Vice Chairperson of the Board	The TurkishWIN Young Women's Career Summit held at Yeditepe University	The "If He Can Do It, So Can You" session featured an inspiring speech for young women on the accessibility of career goals in the business world.	March 10th, 2025
Halil Demirdağ	Chairperson of the Board	The 3rd Burgas Business Forum organized by BULTISAD	A presentation on the energy transition and investment opportunities in the Balkan region was delivered during the session titled "New Horizons in Bulgaria-Türkiye-Romania Economic Relations."	March 14th, 2025
Halil Demirdağ	Chairperson of the Board	The Investor of the Year Competition organized by the Bulgarian	The Greenfield Investment project received the Golden Bull Award, and an acceptance speech was delivered.	April 5th, 2025
Dr. Papatya C. Sözbir	Head of Technology Development	The Life Cycle in Storage Seminar held as part of the SolarEX Fair	A presentation was given on the integration of storage solutions with solar technologies and the strategic role they play in the energy transition and the green energy transition.	April 10th, 2025
Emre Kaya	Finance Director	19th Eduplus Finance Summit	The latest developments in the financial world, professional innovations, and industry perspectives were shared.	May 14th, 2025
Filiz Avşar Aktaş	Board Member	The 4th Poland-Türkiye Economic Forum from an EU Perspective	Green technologies and renewable energy-focused business opportunities in the EU, Poland, and Türkiye were discussed.	May 31th, 2025
Halil Demirdağ	Chairperson of the Board	The 18th SNEC PV+ International Photovoltaic Power Generation and Smart Energy Conference and Exhibition	An award was presented by SUMEC Group, and a thank-you speech was delivered as part of a partnership spanning over a decade.	June 13th, 2025

*This table follows a chronological order.

Name	Title	Activity Name	Scope of Participation	Date*
Halil Demirdağ	Chairperson of the Board	4th Balkan Business Forum	A discussion was held on Türkiye's and the region's green energy transition and current energy landscape.	June 30th, 2025
Halil Demirdağ	Chairperson of the Board	Annual General Meeting	The Annual General Meeting was held. Views on industry developments were shared.	September 26th, 2025
Havva Köroğlu	Smart Holding Head of Internal Audit	29th International Türkiye Internal Audit Conference	During the session titled "Necessity or Luxury? The True Role of Internal Audit," a presentation was given on the transformation of the internal audit function, its contributions to organizational development, and its strategic position.	October 2nd, 2025
Halil Demirdağ	Chairperson of the Board	The GENSED Special Session held at the Energy Congress and Fair	During the session titled "Solar Energy and Storage: From Industry Expectations to Solutions," Türkiye's solar and battery technologies' strategic role in the country's green energy transition was discussed.	October 10th, 2025
Havva Köroğlu	Smart Holding Head of Internal Audit	International Rize Trade, Economy Congress & Summit	"Digital Economy and the Evolving Economic Order" session featured a speech on sustainable solutions for meeting the growing demand for electricity driven by the rise of AI and data centers, the strategic role of solar energy, and the importance of global and national green energy transitions in the new world.	October 22nd, 2025
Halil Demirdağ	Chairperson of the Board	Solar Energy and Energy Storage Seminar Organized by GENSED	A speech was delivered during the session titled "Solar Power + Storage: The Global Driving Force of Energy Transition."	November 28th, 2025
Koray Özçelik	Head of Production Operations & Investments	Solar Energy and Energy Storage Seminar Organized by GENSED	The session discussed the current state and developments of the PV sector in Türkiye and around the world.	November 28th, 2025
Havva Köroğlu	Smart Holding Head of Internal Audit	Deloitte Teknoloji Fast 50 Türkiye	We were recognized as one of Türkiye's fastest-growing technology companies in the Deloitte Technology Fast 50 Türkiye Program and received an award.	December 11th, 2025

Industry Outlook 2025

Thanks to our financial performance, we have secured our place on the Capital 500 and Fortune 500 Türkiye lists as a key player in the solar technology sector, while maintaining our position as Türkiye's 314th-largest industrial company on the ISO 500 list.

Global Demand for Growth and Renewable Energy Commitments

While global electricity demand is expected to grow by over 3% in 2025 and nearly 4% in 2026, solar energy's share of global electricity generation is projected to nearly double over the next five years. The installation of 65.1 GW of new solar energy capacity in the European Union by 2025 signals the continuity of regional demand.

In particular, corporate actors' commitments to 100% renewable energy not only drive demand for solar energy beyond mere capacity expansion but also necessitate low-carbon and traceable production processes. In line with Türkiye's goal of increasing its renewable energy capacity by approximately fourfold by 2035, the plan to bring additional capacity online each year is positioning the sector on a strategic growth trajectory.

Circular Economy and Regulation-Driven Transformation

In many markets, particularly the European Union, the circular economy approach is becoming increasingly binding for solar technology manufacturers in terms of both legislation and the associated financial and reputational risks. The safe disposal of waste, improving energy and raw material efficiency in production processes, and the recycling of solar panels at the end of their useful life have become key criteria for competitiveness in the sector. Similarly, Türkiye's Climate Law, which came into effect in 2025, establishes a strong regulatory framework focused on production efficiency, pollution prevention, and the circular use of resources.

Supply Chain Security and Carbon Transparency

China holds a dominant position in the global solar energy value chain. Given the abundance of silicon (the raw material for semiconductor technologies), economies of scale, and aggressive investments, it controls a large portion of global photovoltaic panel production.

While module prices are falling in global markets in the short term, the medium term brings the risk of supply chain disruptions for other countries due to external dependency. Even though excess capacity and intense price competition in China reduce installation costs for project developers, they create margin pressure, investment delays, and the risk of market withdrawal for manufacturers outside China. The concentration of production capacity in specific countries within the photovoltaic technology value chain has made risks related to supply security and carbon footprint more apparent. An import-dependent supply structure brings not only the risk of disruptions linked to environmental and geopolitical crises but also social risks. Particularly in certain production regions, risks related to human rights violations, such as forced labor, modern slavery, and child labor are coming to the fore as companies strive to maintain low costs. Monitoring and effectively auditing these risks, which can emerge as early as the raw material procurement stage of the production chain, can be challenging due to geographical distance and limited transparency. This trend makes emissions management and traceability across the entire supply chain, as much as the production location itself, increasingly critical. Domestic production is becoming an all the more strategic edge for companies by providing end-to-end traceability and contributing to effective management of social and environmental risks.

The growing demands for carbon transparency and trade policies in the U.S. and European markets have transformed local and low-carbon production models into a strategic advantage. Over the past 10 years, total solar energy capacity in the European Union has increased more than fourfold, from 97 GW to 406 GW. The five largest markets in this region are Germany, Spain, Italy, the Netherlands, and France. As Smart Solar Technologies, we are actively operating in these markets through our subsidiaries and sales offices in Germany, Spain, and the Netherlands.

Digitalization and AI-Enabled Manufacturing

Artificial intelligence and Internet of Things (IoT) solutions have become one of the primary drivers of increased efficiency in the solar energy sector. Real-time monitoring of production lines via IoT technologies, quality control systems automated with the help of artificial intelligence, and the early detection of panel maintenance and repair needs through machine learning reduce costs while preventing production downtime. The use of artificial intelligence and cloud visualization to analyze meteorological data more accurately enables higher efficiency from solar energy by improving grid management. All these applications make the supply more consistent.

Next-Generation Cell Technologies

Following PERC technology, next-generation photovoltaic technologies such as TOPCon, HJT (Heterojunction), back-contact cell architectures, and tandem structures contribute to reducing the Levelized Cost of Electricity (LCOE) by increasing cell and module efficiencies. These technologies form a crucial roadmap for improving efficiency and production performance in the photovoltaic sector. These cell architectures offer significant differentiation potential, particularly for rooftop applications with space constraints, distributed generation systems, and market segments focused on high efficiency. However, factors such as industrial scalability, production costs, supply chain compatibility, and long-term performance reliability emerge as critical evaluation areas in the widespread adoption of next-generation cell technologies.

When making technology selection and investment decisions in the photovoltaic industry, parameters such as mass production compatibility, process integration, module performance, and long-term degradation behavior play a decisive role, not just laboratory efficiency values. Consequently, the industrial adoption of next-generation cell technologies is progressing gradually, depending on the maturity level of production processes and their economic feasibility.

Water Stress and Resource Management

Increasing water stress, driven by the effects of climate change, is emerging as an indirect operational risk in solar energy production. Due to panel cleaning, cooling systems, and chemical processes, water management has become a strategic priority, particularly for producers operating in regions with high water stress. Circular water use, wastewater recovery, and water-saving technologies are among the practices gaining widespread adoption in the sector.

Floating Solar Energy Systems/Power Plants

Increased drought and evaporation losses due to climate change pose a risk of undermining supply security in energy systems reliant on hydroelectric power. As water levels in reservoir dams decline, they simultaneously offer vast surface areas with high solar radiation potential. This situation has been recognized as an opportunity for energy production, leading to the growing adoption of floating solar energy systems.

These hybrid production models, installed on reservoir lakes, irrigation canals, and drinking water basins, can be commissioned within a reasonable timeframe using existing transmission infrastructure. Additionally, the natural cooling effect of water enables higher-efficiency electricity generation within these systems.

In regions where the technology is implemented, the use of bifacial panels to harness light reflected from the water surface holds the potential to increase total energy production. Research into the technology's impact on biodiversity is ongoing. Long-term monitoring studies are needed to assess the effects of the panels shading the water surface on algae growth and, consequently, on the food chain and oxygen balance.

Financing and Green Capital Flows

Access to green financing instruments is essential for scaling up the sector. Green bonds, sustainability-linked loans, and financing mechanisms from multilateral development banks stand out as the primary tools supporting low-carbon investments. Türkiye's vision for green growth and its net-zero targets is expanding the opportunities for the sector in terms of international capital flows.

Türkiye aims to quadruple its renewable energy capacity from 30 GW to 120 GW by 2035. Public authorities and relevant government agencies have planned $80 billion in renewable energy investments and $30 billion in energy infrastructure development investments to finance the annual capacity increase of 7,500 MW required to meet this target. As Smart Solar Technologies, we closely monitor national and international green credit and grant opportunities, and by leveraging these resources through our investments, we are accelerating the global green transition.

Our Governance Structure

Our Governance Structure

The Board of Directors, which serves as the highest governing body of Smart Solar Technologies, is responsible for setting the Company's strategic goals, overseeing governance processes, and ensuring the creation of sustainable value. Our corporate strategy and business model, which guide the governance of our Company, reflect an integrated approach to sustainability that goes beyond the goal of economic success to aim for environmental and social impact.

Our Board of Directors addresses sustainability issues not as a separate item in strategic goal-setting processes, but as an integral part of the entire decision-making process. In line with this approach, the concept of sustainability, which is integrated into all decision-making stages of the Board from new investment decisions to production planning, and from procurement processes to human resources policies, is a key element of the Company's governance structure. Reducing our carbon footprint across all production processes, certifying our low-carbon production with I-REC certificates, localizing input sources, creating local employment, and contributing to corporate social responsibility projects are among the core action items on our value creation agenda.

Our Board of Directors consists of senior executives with diverse professional expertise and experience, including business leaders, lawyers, engineers, and finance professionals. The Chairperson of the Board and the Company's Head of Production Operations & Investments are separate individuals.

Of the members of the Board of Directors, five are elected at the General Assembly from among candidates nominated by a majority of Group (A) shareholders. All members to be nominated by Group (A) shareholders consist of members other than independent members. Board members may be elected for a term of up to three years, and members whose terms have expired may be re-elected. All Board members were re-elected for a three-year term at the Annual General Meeting held on May 30, 2024.

There are four independent members serving on the Board of Directors, and written declarations regarding the independence of each of these members are included in the relevant section of this report. None of the independent members lost their independence during the relevant reporting period. The members of the Board of Directors consist of individuals who possess a high level of knowledge and expertise, are competent in financial matters, are qualified, and have a certain level of experience and background, in accordance with the criteria set forth in the CMB Corporate Governance Principles. The necessary approvals regarding our Company's independent Board of Directors members have been obtained from the Capital Markets Board.

At present, Board of Directors members do not engage in any transactions that would give rise to a conflict of interest with the Company, nor do they engage in any activities aimed at competing in the same business areas.

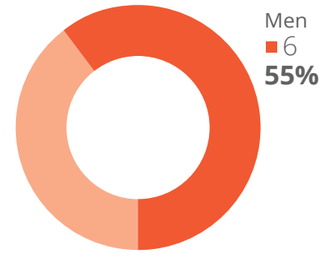
Our Board of Directors convened 10 times in 2025. Attendance at Board of Directors meetings was 90%.

Board of Directors

Name	Position	Occupation	Service Term	Positions Held Outside the Company
Halil Demirdağ	Chairperson of the Board*	Businessperson	May 30, 2024 – May 30, 2027	Chairperson of the Board of Directors at Smart Holding and other Group companies
Hakan Akkoç	Vice Chairperson of the Board*	Businessperson	May 30, 2024 – May 30, 2027	Smart Holding Board Member
Borga Karagülle	Vice Chairperson of the Board*	Senior Executive**	May 30, 2024 – May 30, 2027	Smart Holding Board Member
Havva Köroğlu	Vice Chairperson of the Board*	Senior Executive**	May 30, 2024 – May 30, 2027	Smart Holding Board Member
İhsan Şafak Balta	Board Member*	Lawyer	May 30, 2024 – May 30, 2027	Smart Holding Board Member
Filiz Avşar Aktaş	Board Member*	Senior Executive**	May 30, 2024 – May 30, 2027	Smart Solargize Yeşil Mobilite Enerji A.Ş. Board Member
Cem Nuri Tezel	Board Member*	Finance Professional**	May 30, 2024 – May 30, 2027	Smart Holding Board Member
Prof. Dr. Mustafa Kemal Yılmaz	Independent Board Member	Finance Professional**	May 30, 2024 – May 30, 2027	TUZLUCA SPV Board Member and Faculty Member
Hülya Kurt	Independent Board Member	Engineer**	May 30, 2024 – May 30, 2027	Consultant
Meliha Seyhan	Independent Board Member	Finance Professional**	May 30, 2024 – May 30, 2027	Consultant
Bilgün Gürkan	Independent Board Member	Finance Professional**	May 30, 2024 – May 30, 2027	Country Manager, Bank of Bahrain and Kuwait (BBK) Türkiye Representative Office

**These are the Board members responsible for executive duties. Of the 11 Board members, five are involved in executive duties: one woman and four men.*
***These are members with at least five years of professional experience in auditing, accounting, and/or finance.*

*Our Board of Directors, chaired by Halil Demirdağ, consists of **11 members**, **45%** of whom are women.*



Board Members	Men	Women	Ratio (%)
Ages 30-50	0	2	**18**
50 and Older	6	3	**82**
Foreign Nationals	1	0	**9**
Executive Members	4	1	**45**
Non-Executive Members	2	4	**65**
Independent Members	1	3	**36**

Board of Directors

Halil Demirdağ
Chairperson of the Board of Directors

Halil Demirdağ, who graduated from the Department of Industrial Engineering at Boğaziçi University in 1996, began his entrepreneurial career during his university years through international trade activities. After graduation, he served as the founder and CEO of the family-owned Everest Group from 1996 to 2006, leading significant commercial projects during this period.

In 2009, he made an ambitious entry into the renewable energy sector by founding Smart Solar Technologies Energy Investment Company in Sofia, Bulgaria. Having spearheaded numerous international projects in the solar energy sector, Demirdağ has established a prominent position in the industry both as an investor and through his turnkey solar power plant (SPP) installation services.

He started domestic photovoltaic solar panel production in Türkiye at Smart Solar Technologies and transformed the company into a manufacturing powerhouse, a visionary move that strengthened the company's presence both in Türkiye and in other countries, including Bulgaria, Romania, Greece, Germany, Switzerland, and Ukraine

Currently, Halil Demirdağ, serving as Chairperson of the Board of Directors at Smart Solar Technologies, continues to lead pioneering projects in the fields of renewable energy, technology, and digital transformation. He is fluent in English and Bulgarian.

Hakan Akkoç
Vice Chairperson of the Board of Directors

After completing his education at Istanbul Erkek Lisesi, Hakan Akkoç graduated from Boğaziçi University's Industrial Engineering Department in 1996 and began his career while he was still a student, demonstrating his entrepreneurial instincts. He established commercial ties with Taiwan in the automotive spare parts sector between 1992 and 1994, contributing to the family business.

In 1996, he founded Autodinamik Ltd. in Bulgaria, operating in the spare parts import and distribution sector. He transformed the company from a small retail store into a logistics operation spanning 6,900 m², serving over 3,000 customers with a portfolio of 120,000 products. Leveraging e-commerce infrastructure, he expanded into international markets including Germany, Italy, Spain, Brazil, and China, boosting the company's total revenue beyond 50 million USD.

Turning his focus to energy investments in Bulgaria in 2007, Akkoç began investing in various solar power plant projects with the Smart Solar Technologies Group in 2009. He officially joined Smart Solar Technologies in 2016 and currently serves as the Vice Chairperson of the Board of Directors.

Hakan Akkoç has extensive knowledge in international investment, strategy development, and financial planning, and is fluent in English, German, and Bulgarian.

Havva Köroğlu
Vice Chairperson of the Board of Directors

Graduated from Istanbul Technical University's Geological Engineering Department in 2001, Havva Köroğlu received awards both from ITU and the company she worked for as part of the "Underground Mining Facility Geological Floor Plan Creation Project" she participated in as a university student.

Köroğlu began her professional career in sales and international trade in the same year and has held executive positions in several industries, notably in textiles. At the age of 26, she was appointed Country Manager of the Spanish textile giant Scor Equip S.L. in Türkiye, a significant achievement in international trade. In the following years, she held executive roles across a diverse range of sectors including construction, lighting, paper, and energy.

In 2015, Köroğlu entered the energy sector and founded Seg Elektrik, which became a solution partner to EPC companies in solar power plant (SPP) projects, offering services such as project design mobilization, CCTV systems, low voltage solutions, and construction.

Köroğlu, who joined Smart Holding in 2018, continues to serve as Vice Chair of the Board of Directors at Smart Solar Technologies. She is actively working to increase the employment of women within the holding company.

Köroğlu, who serves as a member of numerous professional, social, and civil society organizations, is fluent in English.

Borga Karagülle
Vice Chairperson of the Board of Directors

Borga Karagülle graduated from L'université Américaine de Paris with a degree in International Business in 2000 and began his career as an Assistant Production Manager at Multimed Group Corporation. Between 2000 and 2004, he served as International Trade Manager within the same group.

After 2004, Karagülle joined Renovatio Group as Business Development Manager and entered the solar energy sector in 2010, assuming business development responsibilities at ET Solutions AG / Mel Solar Energy. In 2015, he joined ReneSola, one of the world's largest solar energy companies listed on the New York Stock Exchange, gaining valuable experience in international markets.

Karagülle joined Smart Solar Technologies Group in 2018 and currently serves as Vice Chairperson of the Board of Directors and as the General Manager of its German subsidiary, Smart Solar Technology GmbH. Karagülle has international experience in the field of renewable energy and is fluent in English and French.

İhsan Şafak Balta
Board Member

İhsan Şafak Balta graduated from the Istanbul University, Faculty of Law in 1989 and completed his legal internship at the Istanbul Bar Association. He currently practices as an independent attorney and is registered with the Istanbul Bar Association.

Between 2002 and 2017, he held executive positions in the legal departments of companies within the banking and finance sector. He has served as Senior Legal Advisor and Board Member at various financial and real sector companies operating both domestically and internationally.

Since 2019, Balta has served both as Legal Advisor and Board Member at Smart Solar Technologies. Balta is actively involved in numerous professional associations, social initiatives, foundations, and NGOs.

Filiz Avşar Aktaş
Board Member

Filiz Avşar Aktaş graduated from Marmara University, Department of Business Administration, and completed her master's degree in Energy Technologies and Management at Sabancı University.

Between 2006 and 2011, she worked as an Operations Manager in the foreign trade and logistics sectors, making notable contributions to the establishment of the first Ro-Ro line between Türkiye and Egypt. From 2012 to 2015, she served as Project Coordinator for clustering projects carried out by the Ministry of Economy. During this time, she provided During this process, she provided strategic guidance to many sectoral exporters' associations, leading strategy development processes to increase Companies' export capacities and overseeing market research and international marketing activities for targeted markets. She was recognized by the Ministry as the "Best Project Manager."

Aktaş joined Smart Solar Technologies in 2019 and served as General Secretary from 2020 to 2022.

Since 2021, she has served as a Board Member and currently also holds the roles of Coordinator of the Chairperson's Office and Chief Sustainability and Corporate Affairs Officer. Aktaş plays an active role in shaping the Company's sustainability-driven strategies and in its international representation and is fluent in English.

Cem Nuri Tezel
Board Member

Cem Nuri Tezel completed his bachelor's degree at Marmara University, Finance Department, followed by a Master of Business Administration (MBA) at the University of Leeds. He began his professional career in 1996 in the Audit Department of Arthur Andersen Istanbul, later serving as Senior Manager at Ernst & Young and as Internal Audit Manager at Sabancı Holding.

Between 2005 and 2007, Tezel served as Finance Director at Enka Pazarlama, and from 2008 to 2021, he held CFO roles at various institutions, including Sabiha Gökçen Airport, Soyak Holding, Assan Alüminyum, and Aksa Enerji—a publicly listed company on Borsa Istanbul.

Tezel is a member of the Istanbul Chamber of Certified Public Accountants (İSMMMO), a founding member of the Enterprise Risk Management Association (KRYD) and served as a member of the DEİK Bahrain Business Council from 2017 to 2018. Tezel was named among Fortune Türkiye's "Top 50 Most Effective CFOs" in 2016, 2018, and 2020, and has been a speaker at numerous international finance conferences. Since 2022, he has served as Vice Chairperson and Board Member responsible for financial affairs at Smart Solar Technologies. Tezel is fluent in English and German

Prof. Dr. Mustafa Kemal Yılmaz
Independent Board Member

Prof. Dr. Mustafa Kemal Yılmaz graduated from Galatasaray High School in 1985 and earned his undergraduate degree in Business Administration from Marmara University in 1990. He completed his Master's program in Finance and Accounting in English in 1993, received his Ph.D. in Banking in 1998, and became an associate professor in Finance and Accounting in 2004.

Yılmaz began his professional career in 1991 as a specialist at the Turkish Treasury and took on various roles at the Istanbul Stock Exchange (ISE) since 1994. Between 1994 and 2005, he worked in the Futures Market; from 2006 to 2007 as a specialist in the Risk Management Department; and from 2007 to 2011, he served as Chief of Staff.

2006, he attended training at the Tehran Metal and Agricultural Exchanges in Iran as a representative of the Islamic Development Bank, and between 2007 and 2013, he served as an advisor to the Capital

Markets Council of the Union of Chambers and Commodity Exchanges of Türkiye (TOBB). He also served as Executive Vice President at Borsa Istanbul from 2012 to 2016, Board Member at Takasbank from 2012 to 2013, Vice Chair of the Board at EPİAŞ from 2015 to 2016, and Board Member at the Central Securities Depository & Trade Repository of Türkiye (MKK) from 2013 to 2016.

Since 2017, he has been serving as a Professor at Ibn Haldun University. He is married and the father of two children.

Hülya Kurt

Independent Board Member

Hülya Kurt graduated from Hacettepe University, Chemical Engineering Department in 1988 and began her career as an R&D and Project Engineer at Eczacıbaşı Vitra. In 1995, she joined the Engineering Department of the Industrial Development Bank of Türkiye (TSKB) as a Senior Project Engineer and assumed various roles before becoming Department Manager in 2008.

From 2006 to 2016, she served as Environmental and Sustainability Coordinator at TSKB and led the founding of Escarus – TSKB Sürdürülebilirlik Danışmanlığı A.Ş. in 2011. Between 2011 and 2015, she served as Vice Chair of the Board and Executive Member at Escarus, and in 2016, she was appointed as General Manager.

A leading figure in the fields of sustainable finance, environmental impact management, and green economy, Kurt chaired the Turkish Banks Association's Working Group on "The Role of the Finance Sector in Sustainable Development" and led the preparation of the Sustainability Guide. She is a member of TÜSİAD's Finance Working Group and the BIST Sustainability Platform. She provided sustainability consultancy for TSKB's Green Bond project and coordinated Sustainable Development Goals (SDG) initiatives under the Ministry of Development.

Hülya Kurt, who completed the Business Certificate Program at Marmara University in 1997 and the Executive MBA Program at Koç University in 2000, is a founding partner of SEF Partners A.Ş. with extensive experience in climate change, energy transition, sustainable development, and finance, and provides consulting services in these areas.

Meliha Seyhan

Independent Board Member

Meliha Seyhan graduated from Yıldız Technical University with a degree in Accounting and from Anadolu University with a degree in Business Administration. She earned her Executive MBA from Sabancı University and also attended the "Leadership and Innovation" certificate program at MIT in the United States. Seyhan began her professional career in 1991 at Gillette A.Ş., serving until 2005 as Financial Analyst, Plant Controller, and Reporting & Cost Accounting Manager for Türkiye, the Balkans, and the Medex Hub regions. She was the regional project leader in Boston for "Renaissance," one of Gillette's largest global financial transformation projects. Following Procter & Gamble's acquisition of Gillette in 2005, she joined P&G, where she held roles including Systems Simplification Manager, Customer Business Development Finance Team Manager, Corporate Accounting Group Manager, and Internal Control & Procure-to-Pay Group Manager. In 2010, she became the first CFO of Lila Group, where she led the restructuring of the finance department, the migration to SAP, and digital transformation programs. In 2017, she also assumed responsibility for Information Technologies, further driving the company's transformation strategies. After completing her 11-year tenure at Lila Group in 2021, she founded ANKA Holistic Management Consulting, providing advisory services. Seyhan is also active in civil society, working with platforms such as TKYD, LEAD Network Türkiye, TÜRKONFED, and the Futurists Association. Additionally, she serves as a Board Member at the Ethical Values Center Association (EDMER), contributing to ethical leadership, and as a founding member and Vice Chair of the Young Pearls Association (Genç İnciler Derneği), supporting youth leadership development. She also mentors women leaders in the retail sector and teaches Financial Ethics courses at universities within the scope of the "Ethical Leaders Academy" program.

Bilgün Gürkan

Independent Board Member

Bilgün Gürkan graduated from the American Collegiate Institute in İzmir, earned her degree in Business Administration from Boğaziçi University, and completed the Executive MBA program at INSEAD in 1998. She began her career in 1991 at the Saudi American Bank (Samba Bank) and in 1994 joined ABN AMRO Bank's Zurich office, later taking charge of the bank's Corporate and Investment Banking operations in Türkiye. She held this position until 2011. From 2011 to 2015, she served as Head of Corporate Marketing at Standard Bank and as Country Manager for Türkiye at Renoir Management Consulting. In 2016, she established and began managing the Türkiye Representative Office of Bank of Bahrain and Kuwait (BBK), playing an active role in facilitating financing from Gulf countries to Türkiye. In 2017, she founded the TÜSİAD Gulf Countries Network, serving as Chair and helping strengthen business relations in the region. Since 2020, she has also served as Chair of the Türkiye–Bahrain Business Council at DEİK. Leveraging her expertise in corporate governance and sustainability, Gürkan serves as an Independent Board Member at Biotrend Enerji and as a Board Member at TEMA Foundation, contributing to nature conservation and environmental awareness initiatives. Gürkan, who also actively participates in organizations that support women's leadership, serves in various non-governmental organizations, including the International Women's Forum, and engages in initiatives aimed at social development and sustainable growth. Bilgün Gürkan is married with two children and is fluent in English

*In line with our commitment under the UN Global Compact Forward Faster Gender Equality initiative in 2024, **we aim to achieve equal gender representation (50%–50%)** across all management levels of Smart Solar Technologies by 2030.*

Board Committees

To ensure that the Board of Directors effectively fulfills its duties and responsibilities, our Company has established a Corporate Governance Committee, an Audit Committee, and an Early Risk Detection Committee in accordance with the Corporate Governance Principles of the Capital Markets Board. The duties of the Nomination Committee and the Compensation Committee, which are required by law under corporate governance principles, are carried out within the Corporate Governance Committee. Additionally, within the framework of our Company's sustainability policy, a Sustainability Committee has been established. All committees are chaired by Independent Board Members. Given the total number of Board members, Independent Board Members also serve on various committees.

Audit Committee

The Audit Committee has been established to oversee the operation of the Company's accounting and reporting systems in accordance with applicable laws and regulations, the public disclosure of financial information, and the operation and effectiveness of the independent audit and internal control systems. The Committee, upon obtaining the opinions of the Company's responsible executives and independent auditors regarding the annual and interim financial statements to be disclosed to the public (specifically concerning the Company's accounting principles, their fairness, and accuracy) submits its own assessments in writing to the Board of Directors. The Committee's duties and responsibilities include:

- Conducting research regarding the selection of an independent audit firm and submitting the findings to the Board of Directors following preliminary approval,
- Reviewing the financial statements and notes to be disclosed to the public for compliance with applicable laws and international accounting standards,
- Overseeing the operation and effectiveness of the Company's accounting system, the public disclosure of financial information, the independent audit, and the Company's internal control system,
- Investigating and resolving complaints related to the Company's accounting, internal control system, and independent audit.

The Audit Committee meets at least once every three months at the invitation of the Committee Chair. When necessary, the CEO, internal auditor, and independent auditor are also invited to the meetings to provide their expertise. The Committee may also decide to engage external consulting services. The Board of Directors covers the Committee's expenses.

The Audit Committee may report specific matters to the Company's General Assembly as needed. In 2025, the Audit Committee received information regarding periodic audit activities at six meetings and, when deemed necessary, made decisions regarding the expansion or narrowing of the scope and changes to be made in the annual plan. It also provided support to the Board of Directors during the selection process for the independent audit firm.

The Audit Committee consists of at least two members, all of whom are selected from among the Independent Board Members.

Meliha Seyhan
Chair
(Independent Board Member)

- **Hülya Kurt** — *Member (Independent Board Member)*
- **Bilgün Gürkan** — *Member (Independent Board Member)*
- **Prof. Dr. Mustafa Kemal Yılmaz** — *Member (Independent Board Member)*

As of December 31st, 2025, our Committee Structure is as follows:

Corporate Governance Committee

The Committee was established to:

- Determine whether the Company is adhering to corporate governance principles, and if not, to identify the reasons for non-compliance and any conflicts of interest arising from such non-compliance,
- Provide recommendations to the Board of Directors aimed at improving corporate governance practices,
- Oversee the activities of the Investor Relations Department.

The Committee, which meets as frequently as mandated, monitored the Company's compliance with the Corporate Governance Principles established by the 2025 Communiqué on the Determination and Implementation of Corporate Governance Principles, investigated the reasons for non-compliance with certain principles, identified discrepancies arising from incomplete implementation, and took corrective measures. Furthermore, the Corporate Governance Committee performs the duties of the Nomination Committee and the Compensation Committee. In this context, it has supported the Board of Directors in identifying and evaluating suitable candidates for the Board of Directors and executive positions with managerial responsibilities. Approval was obtained from the Capital Markets Board for our independent board members who were re-elected in 2024. The Committee met four times during the reporting period.

Prof. Dr. Mustafa Kemal Yılmaz
Chair
(Independent Board Meamber)

- **Hülya Kurt** — *Member (Independent Board Member)*
- **Bilgün Gürkan** — *Member (Independent Board Member)*
- **Meliha Seyhan** — *Member (Independent Board Member)*
- **Alper Yücel** — *Member (Head of Investor Relations)*

As of December 31st, 2025, our Committee Structure is as follows:

Early Risk Detection Committee

The department is responsible for the early identification of operational, strategic, financial, and compliance risks that could jeopardize the company's existence, growth, and continuity. It also is tasked to detect opportunities that could facilitate the achievement of company objectives. It maintains open communication with senior executives and, as necessary, holds meetings with senior management, department heads, internal audit, and the independent external audit firm.

The committee defines and regularly monitors the impact and probability of identified factors through risk measurement models and scenario analyses. It reports findings derived from observed changes and uses them to present risk management recommendations aligned with the company's risk appetite and strategy. These recommendations contribute to the establishment of internal control systems regarding risks and opportunities and the development of decision-making mechanisms. Operating proactively, this committee reviews risk management systems at least once a year and confirms that relevant units are implementing them accordingly.

In accordance with the Turkish Commercial Code, the committee met six times during the 2025 fiscal year and submitted status assessment reports to our Board of Directors on a bimonthly basis.

Bilgün Gürkan
Chair
(Independent Board Meamber)

- **Prof. Dr. Mustafa Kemal Yılmaz** — *Member (Independent Board Member)*
- **Hülya Kurt** — *Member (Independent Board Member)*
- **Cem Nuri Tezel** — *Member (Board Member)*

As of December 31st, 2025, our Committee Structure is as follows:

Sustainability Committee

The Sustainability Committee, established pursuant to the relevant circular (II-171.a) of the Capital Markets Board with the approval of the Board of Directors and chaired by an Independent Board Member with expertise in sustainability; is responsible for managing matters such as the identification of ESG-related risks, the execution of sustainability initiatives, and the development, implementation, and monitoring of necessary policies within the Sustainability Principles Compliance Framework, in collaboration with relevant departments.

Additionally, by closely monitoring national and international developments and regulatory changes, the committee identifies priority areas aligned with metrics that contribute to inclusion in indices. In light of these priority areas, it plays an active role in preparing the Company's short-, medium-, and long-term strategies and the roadmap for these strategies.

Moreover, the committee establishes policies and practices to integrate the prepared roadmap into departmental activities and to measure and monitor performance in this regard. To ensure these processes are internalized across the Company, it informs all employees and encourages stakeholder participation. The committee is responsible for deciding on partnerships that will help our company achieve its sustainability goals and for leading the development of projects aimed at combating climate change.

The Committee oversees the finalization of annual reports detailing the progress made toward sustainability goals, the Company's overall sustainability performance, and the ESG activities conducted in accordance with the Sustainable Management System and submits them to the Board of Directors for approval.

The Committee met four times during the 2025 operational period.

Hülya Kurt
Chair
(Independent Board Member)

Prof. Dr. Mustafa Kemal Yılmaz
Member
(Independent Board Member)

Filiz Avşar Aktaş
Member
(Board Member)

As of December 31st, 2025, our Committee Structure is as follows:

Senior Management

Smart Solar Technologies' senior management is the administrative structure responsible for overseeing all of our company's core operations, ranging from human resources to turnkey EPC projects and from R&D to production. Our senior management consists of leaders who stand out for their expertise and professional experience in their respective fields and possess a global perspective.

Directly responsible for developing, implementing, and overseeing strategies and operations in line with our sustainability agenda and goals, our senior management conducts its operations in accordance with the principles of transparency and accountability, grounded in corporate governance principles and the company's values.

*You can access detailed information about **Smart Solar Technologies' senior executives through our website.***

MURAT MERT
Head of EPC

DR. PAPATYA CEYLAN SÖZBİR
Head of Technology Development

NİHAT ÖZDEMİR
Head of Human Resources

AYKUT KORAY ÖZÇELİK
Head of Production Operations and Investments

MUSTAFA EMRE KAYA
Finance Director

TOLGA ÜÇEL
Business Development Director

MUSTAFA YILDIZ
Project Development Director

ALPER UYSALER
Product Development and Marketing Director

OSMAN HİSARCIKLIOĞLU
Yurt İçi Satış Direktörü

M. MUSTAFA BAKKALOĞLU
Construction Works Coordinator

SERDAR SOFUOĞLU
Electrical Works Coordinator

SABİT AŞKAR
Financial Affairs Director

Shareholding Structure

Our company's capital structure as of December 31, 2025, is as follows.

Shareholder's Name/Title	Capital Share (TRY)	Capital Share (%)	Voting Rights (%)
Smart Holding A.Ş.	384,458,798,53	63.45	80.92
Publicly Traded Portion	221,421,201,47	36.55	19.08
TOTAL	605,880,000	100	100

Shares with a total nominal value of 58,000,000 TRY, representing 9.57% of the Company's capital and owned by Smart Holding A.Ş., one of the Company's partners, were sold on December 5, 2025, as part of bulk trading transactions.

On December 9, 2025, it was unanimously decided to increase the Company's issued capital of 605,880,000 TRY to a total of 1,211,760,000 TRY, entirely funded from internal sources, and it was resolved to issue bonus shares to shareholders at a rate of 200%. The issuance of bonus shares was completed on February 2, 2026. The capital structure resulting from the capital increase, which was finalized during the period between the end of the relevant reporting period covered by this Integrated Activity Report and the date of its publication, is as follows.

*You can access the **KAP announcement regarding the capital increase** by clicking here.*

Shareholder's Name/Title	Capital Share (TRY)	Capital Share (%)	Voting Rights (%)
Smart Holding A.Ş.	1,153,376,395,59	63.45	80.92
Publicly Traded Portion	664,263,604,41	36.55	19.08
TOTAL	1.817,640,000	100	100

(*) Following the 200% stock split completed in 2026.

The group information for the company's shares is provided below.

Share Class	Capital Share (TRY)	Capital Share (%)
A Group Registered Shares	415,800,000	22.88
B Group Registered Shares	1,401,840,000	77.12
TOTAL	1,817,640,000	100

(*) Following the 200% stock split completed in 2026.

Business Ethics and Regulatory Compliance

At Smart Solar Technologies, we uphold a stance of honesty, fairness, and transparency, and we expect our stakeholders to internalize our company's code of conduct.

To ensure these expectations are met, we outline the required professional conduct and individual responsibilities in our Code of Professional Ethics. This document details the fundamental principles and guidelines regarding the prevention of conflicts of interest, the fight against bribery and corruption, data privacy and information technology security, environmental protection, occupational health and safety, and the responsible use of company resources. It also clarifies our approach and sanctions regarding transparency in employee-manager relationships, participation as a speaker on any media platform, acceptance of gifts, disciplinary processes, and intellectual property matters.

The Ethics Committee is responsible for clarifying questions regarding our ethical principles and providing guidance on resolving emerging situations. Furthermore, our Internal Audit and Legal departments provide advisory services to our employees on business ethics, legal compliance, and responsibilities, thereby mitigating potential risks.

Beyond our own operations, we place great importance on ensuring that our suppliers, a key stakeholder group in our value chain, adhere to our company's ethical standards. Through the Supplier Code of Conduct, detailed in the Sustainable Supply Chain Management section of our report, we outline the criteria we expect our suppliers to meet.

Through the multi-channel Grievance Redress Mechanisms we have established, we evaluate all reports, whether submitted anonymously or openly, in accordance with our privacy policy. We review reports submitted to the Company regarding ethical issues with diligence and impartiality, ensuring that those who report such issues have no fear of facing any adverse action or retaliation.

We take the necessary actions based on the findings resulting from investigations into these reports, in accordance with our relevant policies and procedures. During the 2025 fiscal year, no reports regarding human rights violations were received through these mechanisms.

*Our relevant rules and procedures are established and updated in compliance with national legislation and international standards, including, foremost among them, ILO conventions, the **United Nations Global Compact (UNGC),** and European Union regulations.*

Risk Management and Internal Control Systems

Corporate Risk Management

At Smart Solar Technologies, we conduct risk management within a systematic and data-driven framework that is compliant with the ISO 31000 standard. We address corporate risks in a way that encompasses not only financial risks but also ESG dimensions. We evaluate uncertainties not only as potential threats but also from the perspective of opportunities. In this context, we jointly analyze the potential impacts of risks and opportunities on the company's business model and value chain.

The risk management activities we conduct in accordance with the Corporate Risk Management Regulation include identifying key risks, evaluating the effectiveness of existing and planned control mechanisms, assuming risks at an appropriate level, and developing action plans to mitigate them to acceptable levels.

Throughout the process, we regularly monitor the likelihood that risks will materialize and the potential impact. Subsequently, we report findings to the relevant management levels and update risk responses when deemed necessary.

Within this framework, we conduct our risk management processes in alignment with our sustainability strategy and long-term corporate goals. We adopt an approach that supports decision-making processes and strengthens corporate resilience. We create a comprehensive risk inventory that includes not only factors that could hinder the company's achievement of its strategic goals but also opportunities that might be overlooked or missed.

Through regular risk workshops, we analyze the root causes of risks, review existing controls, and develop an action plan. We reach consensus with the parties responsible for implementing the plan and put the decisions into practice.

Impact Level Definitions

We assess the impact level on a five-tier scale ranging from very low to critical, considering the financial, operational, reputational, legal/compliance, and political consequences:

- **Critical impact:** If the risk materializes, it could result in significant losses across the company, major deviations from strategic objectives, and outcomes that could lead to bankruptcy. In this context, potential consequences include a loss of 5% or more in revenue, operational disruptions causing prolonged interruptions to business continuity, significant reputational damage, and substantial penalties due to non-compliance with regulations or contracts.
- **High Impact:** While not posing a risk of bankruptcy, situations that significantly negatively impact company performance may arise. Such risks can lead to a 3–5% decline in revenue, a significant reduction in operational capacity, and a decline in stakeholder confidence.
- **Moderate impact:** Disruptions in operations may be manageable but persistent. In this context, a 1–3% decline in revenue, a noticeable slowdown in workflow, and a moderate impact on reputation may be observed.
- **Low impact:** Risks are manageable with additional management effort, potentially resulting in a revenue decrease of 0.5–1.5% and short-term operational disruptions that can be resolved without requiring additional resources. The impact on reputation remains limited, and the company may face only minor non-compliance issues or fines.
- **Very low impact:** Risks are manageable with existing internal controls and may result in a revenue decrease of less than 0.5% and limited impacts confined to deviations in awareness levels that do not affect operational output. At this level, reputational, legal, and political impacts are expected to remain short-term and at a low level.

Risk Probability Score Definitions

Degree	Likelihood	Definition	Probability (%)
5	Very Frequent	An event that is almost certain to occur. More than once a year. (%80-100)	100%
4	Frequent	An event expected to occur with high likelihood. Every year. (%60-80)	80%
3	Likely	An event likely to occur. Once every 2 years. (40-60%)	60%
2	Occasional	An event with a low probability to occur. Once every 3-5 years. (20-40%)	40%
1	Rare	An event that is unlikely but not impossible. Once every 5 years. (1-20%)	20%

We determine our risk appetite based on key business and risk areas, taking into account our risk philosophy, business strategies, overall financial and operational risks, stakeholder expectations, and regulatory requirements. We consider risk appetite across the entire organization. As part of the assessment conducted by the Early Risk Detection Committee, risks with a "Moderate" risk score or lower are deemed acceptable. We regularly monitor and audit the effectiveness of the actions defined based on the risk scores determined through the risk assessment.

In alignment with the corporate risk assessment, we evaluate the impact and probability definitions used in climate risk analysis. In our evaluation, we focus on the potential effects on revenue, balance sheet, and income statement items.

We score financial impacts on a scale ranging from 1 (lowest) to 5 (highest); in calculating potential financial impact amounts, we utilize decision theories such as the Expected Value Approach (EVA) and Value at Risk (VaR).

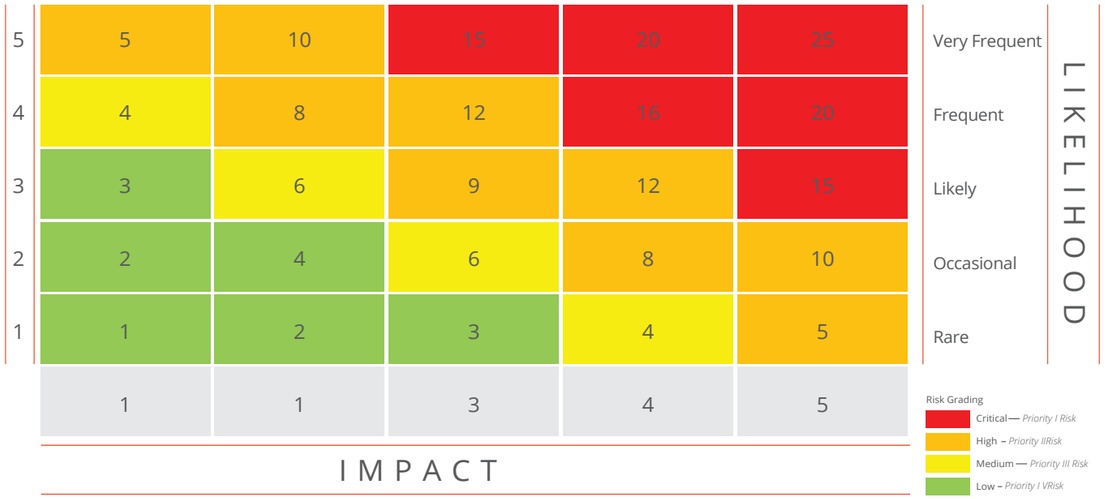
We calculate the risk score for each risk by multiplying the impact and probability values and classify risks into Critical, High, Medium, and Low priority levels based on these scores. With this approach, we ensure that our company's sustainability strategy is managed on a measurable and actionable foundation.

We conduct the risk prioritization process in an integrated manner with stakeholder analysis and

the financial materiality approach. In 2024, we identified 16 priority issues affecting the company's sustainability strategy through stakeholder surveys. We ensured the integration of risks into strategic planning processes by defining action windows covering short-term (1–3 years), medium-term (4–10 years), and long-term (11 years and beyond) horizons for each risk. We assess the likelihood of risks occurring using a time-based approach; we rate them on a scale from 1 (low probability) to 5 (very frequent) based on their occurrence frequency.

You can access detailed information about the risk heatmap in the relevant table.

Risk Heatmap



Monitoring and Oversight of Risks and Opportunities

We conduct risk monitoring and oversight activities under the responsibility of the Early Risk Detection Committee, which was established and authorized by the Board of Directors. We submit the Committee's findings and recommendations to the Board of Directors through reports prepared at intervals specified in the "Early Risk Detection Committee Regulations."

Under the leadership of our Sustainability Committee, we review climate risks at least once a year as part of our risk assessments, and we also monitor issues such as significant regulatory changes and new investments through committee coordination.

We carry out monitoring, assurance, reporting, and continuous improvement activities to maintain and improve the effectiveness of our Enterprise Risk Management (CRM) system. In our ERM processes, each risk is monitored by the relevant risk owner. Through the risk workshops we organize, we address newly emerging risks, or those whose definition or level has changed, by incorporating the views of the Risk Management Department and relevant unit managers in a participatory manner. In cases where there is a significant change in the company's risk inventory or a new risk is identified, we provide the necessary notifications to authorized personnel. We monitor risks until they are completely eliminated or lose their validity. We monitor and reassess accepted risks within the timeframe determined by the Committee.

We periodically report the Key Risk Indicators (KRIs) defined by risk owners as well as the actual data for critical and high-level risks to the Risk Management Department. We submit the data consolidated by the Department to the Early Risk Detection Committee for review every quarter. We review the effectiveness of the ERM system through the Internal Audit Department's audit plan; in accordance with the Turkish Commercial Code, we also subject the Committee's activities to independent audit processes.

Senior management and, when necessary, the Board of Directors are involved in determining action plans for risks affecting multiple projects or regions or involving high-level risks. Risk owners are responsible for implementing actions addressing the identified risks. We monitor the progress of action plans through the risk inventory. In cases where delays are anticipated, we document the reasons, corrective actions taken, and updated completion dates, and submit them for approval by the relevant parties. We report the responses to risks and the actions taken to the Board of Directors through the Early Risk Detection Committee.

You can access the details of the approach regarding the implementation of risk mitigation action plans in the relevant table.

Risk Level	Risk Score	Creating and Implementing the Action Plan
Critical	**15-25**	The risk owner develops and implements the action plan, but the Board of Directors and the Early Risk Detection Committee are involved in the process. The action plan must be in writing.
High	**5-12**	The risk owner develops and implements the action plan, but the Early Risk Detection Committee is involved in the process. A report is submitted to the Board of Directors.
Medium	**4-6**	The action plan is developed and implemented by the risk owner, but unit/department managers are involved in these processes.
Low	**1-4**	It is optional for the action plan to be in writing. The action plan is developed and implemented by the risk owner.

• Risks with a probability or impact value of 5 and a risk score of 5 are classified as high-risk.

• Risks with a probability or impact value of 4 and a risk score of 4 are classified as medium-risk.

Scenario Analysis

At Smart Solar Technologies, we base our analysis of climate risks on the NGFS (Network for Greening the Financial System) scenarios, which are recognized as a global benchmark. Within the scope of NGFS scenarios, we address these scenarios under three main categories: orderly transition, disorderly transition, and the policy-free/hot house world. This framework provides a methodological foundation for addressing the physical and transition risks the company faces, conducting strategic planning processes, and performing resilience tests. Our company's "Almost Net Zero 2030" and "Net Zero 2040" targets, which serve as the key reference points for these scenarios, play a decisive role in shaping our long-term climate strategy.

We consider the scenarios under two main categories, representing positive (low-risk) and adverse (high-risk) future assumptions

Positive Scenario	This scenario is based on the assumption that global climate policies are implemented in a timely and decisive manner, the transition to a low-carbon economy proceeds in a controlled way, and physical risks remain relatively limited. Within this context, RCP2.6, NGFS Below 2°C, IEA Net Zero Emissions (NZE), and SSP2.6 scenarios have been applied.
Adverse Scenario	This scenario represents assumptions under which climate policies are delayed or insufficient, global temperature increases accelerate, and both transition risks and physical risks increase significantly. Accordingly, RCP8.5, NGFS Current Policies, IEA Announced Pledges Scenario (APS), and SSP5 Baseline scenarios have been adopted.

Time Horizon Definitions

The time horizons used in our analyses are defined as follows, in alignment with our strategy

Time Horizon	Duration	Definition
Short-term	**1-3 years**	The short-term period spans one to three years and focuses on immediate and near-term objectives. This timeframe includes strategic initiatives and operational priorities that are closely aligned with the company's corporate strategy. It also supports the decision-making process for strategic decisions.
Medium-term	**4-10 years**	The medium-term period covers a span of four to ten years and is characterized by strategic initiatives and capacity-building efforts. These initiatives are developed in alignment with the company's corporate strategy and guide medium-term strategic planning and resource allocation.
Long-term	**11-30 years**	The long-term period covers a span of eleven to thirty years and addresses transformative goals and systemic evolution. The long-term perspective reflects a visionary planning approach fully integrated with the company's corporate strategy and guides long-term strategic decision-making processes.

As Smart Solar Technologies, we regard climate change not only as a source of risk, but also as a strategic opportunity area in terms of innovation, efficiency, and sustainable growth. In the transition to a low-carbon economy, emerging technologies, incentives for renewable energy investments, carbon markets, green finance instruments, and energy efficiency projects are evaluated as key opportunity areas. We regularly review these opportunities in line with NGFS climate scenarios and national energy policies, and systematically integrate them into our strategic planning and decision-making processes.

Compared to previous reporting periods, we have expanded the scope and depth of our scenario analyses by incorporating assessments related to supply chain exposures and financial impacts. In addition, by integrating climate-related risks into our strategic planning processes, we aimed to establish a more holistic Enterprise Risk Management (ERM) framework. Within this context, the initial studies conducted in 2024 focused on establishing a methodological framework, while in 2025 we advanced our work by applying a comprehensive assessment methodology, thereby further strengthening our approach to climate-related risk and scenario analysis..

Internal Audit

At Smart Solar Technologies, we conduct our internal audit activities in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA/UMUÇ) and the COSO Internal Control and Enterprise Risk Management frameworks. These standards ensure the consistency, effectiveness, and alignment of our internal audit processes with international best practices. To enhance the competence of our audit team, we encourage professional certifications (CIA, CPA, etc.), conduct internal and external training programs, knowledge-sharing initiatives, and continuous professional development activities to support competency development.

We developed our 2025 internal audit plan based on the results of the internal audit risk assessment survey conducted across the organization, as well as the company's strategic objectives and risk priorities. As part of our internal audit activities, we evaluate Smart Solar Technologies' risk management, internal control, and governance processes; and review the reliability of financial and operational information along with reporting systems. While monitoring compliance with policies, procedures, and applicable regulations, we analyze control mechanisms for asset protection as well as the effectiveness and efficiency of resource utilization. Additionally, we regularly assess the alignment of activities and programs with established objectives and the management of fundamental risks arising from legal and regulatory obligations. Within this framework, we conduct audit, assurance, and special review engagements in accordance with the audit plan and at the request of relevant committees. We actively utilize SAP systems in our internal audit activities; we continue our digitalization efforts aimed at defining the scope of audits, tracking findings, and enhancing traceability. Through these efforts, we make internal audit finding follow-up processes more effective, transparent, and traceable.

Throughout the year, we conduct a total of six internal audit engagements on a periodic basis. We share the findings identified through these audits with relevant stakeholders via reports prepared after the audits. In addition, we report our findings periodically to senior management. In line with this process, we conducted six internal audit activities in accordance with our plan during the 2025 fiscal year.

Financial and Governance Focused Audits	The accuracy of financial reporting, internal control, and risk management systems, along with the compliance process are considered at each audit. Corruption and bribery risks, data security, and customer privacy are among the key focus areas of the audit activities.
Social and Environmental Topics	Human rights, occupational health and safety, diversity and inclusion practices, as well as environmental and sustainability commitments are evaluated as part of the audit process. In this context, processes related to local communities are also addressed in accordance with audit plans.
Supply Chain and Business Partnerships	Processes related to suppliers and business partners, along with risks and control mechanisms arising from these processes, are examined within the framework of audit plans.
Reporting and Monitoring Findings	At the end of each audit, findings are reported. The implementation of corrective and preventative measures is tracked at regular intervals.

Among the top priorities for our internal audit function in 2026 are: developing digital audit capabilities, increasing the use of data analytics, and addressing sustainability and ESG risks in a more comprehensive and systematic manner.

In this regard, we plan to repeat the core function process audits we conducted in 2022. For supporting functions, we intend to conduct follow-up audits, considering the findings and risks identified in previous audits.

Sustainability
in every
cell

Our Sustainability Approach

Our Sustainability Approach

At Smart Solar Technologies, we conduct our operations with a sustainability approach that prioritizes environmental and social benefits and is grounded in corporate transparency. In line with our strategic roadmap aligned with the United Nations Sustainable Development Goals, we place environmental, social, and governance (ESG) criteria at the core of our business model. By taking sustainability beyond mere policies and commitments and integrating it into our operational processes, we are implementing concrete projects in areas such as combating climate change, energy efficiency, green transition, gender equality, and responsible supply chains. Thanks to our R&D and innovation-focused approach, we remain committed to strengthening our high-tech service portfolio of environmentally friendly and accessible clean energy solutions during this operational period.

Our Sustainability Policy

We are expanding the use of renewable and clean energy solutions across all regions where we operate, improving resource efficiency, and adopting the ***"Net Zero"*** *target to reduce our greenhouse gas emissions as part of our efforts to combat climate change.*

Our Sustainability Policy defines our commitments, priorities, and implementation principles by addressing environmental, social, and governance dimensions within a holistic framework. Through this policy, Smart Solar Technologies commits to conducting our operations using a business model that contributes to society, the environment, and the economy, and supports sustainable development.

Throughout our value chain, we prioritize the protection of the environment, society, and biodiversity. Consequently, we conduct initiatives aimed at reducing waste generation and enhancing resource efficiency through circular economy approaches and recycling practices.

We prioritize conducting our operations in a safe work environment that respects human rights, supports equal opportunities, and strictly enforces occupational health and safety standards. To help our employees internalize our sustainability approach, we regularly organize training programs designed to build awareness and competence.

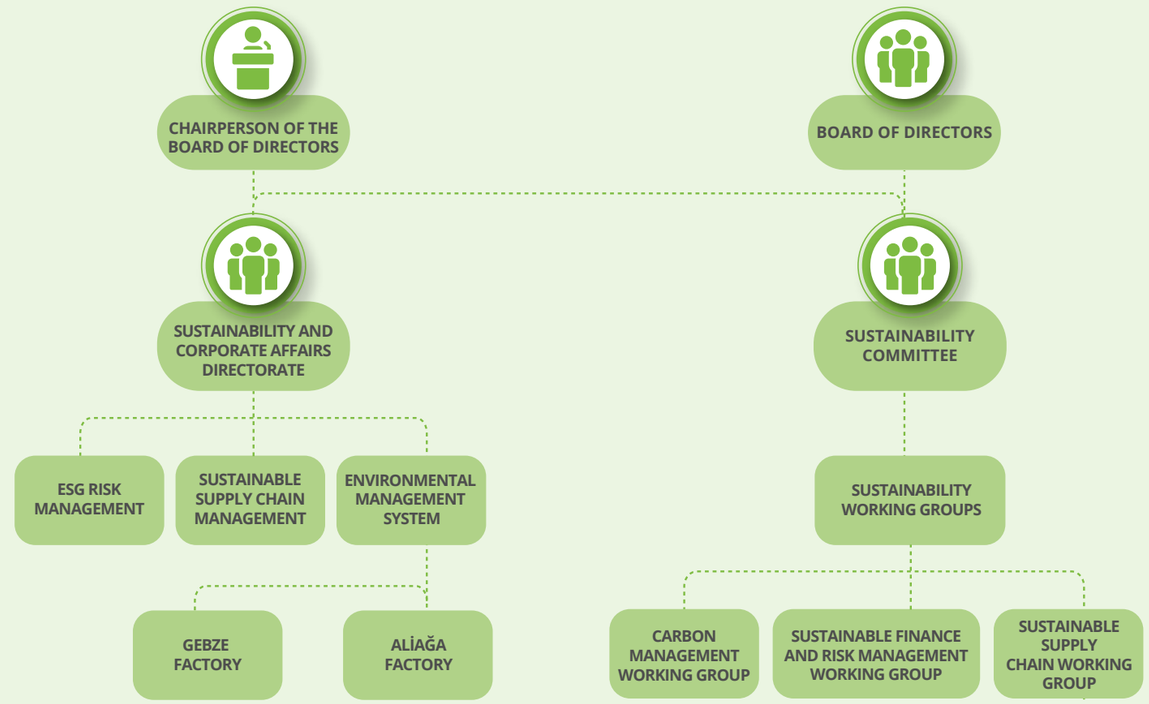
We conduct all our activities in accordance with our ethical principles, legal requirements, and the UN SDGs. We communicate transparently with our stakeholders and act in collaboration with them. By prioritizing customer satisfaction, we continuously improve the quality of our products and services and create value for our economy through projects that support social contribution and local development.

We monitor and manage our sustainability performance under the leadership of our senior management and the responsibility of the Sustainability Committee. Detailed information regarding our sustainability governance structure can be found in the **Sustainability Committee** section of our report.

Our Sustainable Governance Structure

At Smart Solar Technologies, we view sustainability as an integral part of our decision-making processes, corporate culture, and long-term strategic priorities. In accordance with this, we manage sustainability issues holistically through a governance structure shaped under the leadership of the Board of Directors and working in close coordination with our operational units. Our Board of Directors is responsible for monitoring risks and opportunities within the realm of sustainability, particularly regarding climate change. The Board also regularly evaluates our Net Zero roadmap, strategic goals, and performance against those goals.

While we initially conducted our sustainability activities under the oversight of the Board of Directors, we are transforming our governance model into a more systematic and holistic structure as our areas of operation expand and our sphere of influence grows. In this context, we are restructuring our sustainability governance framework under the coordination of the Sustainability and Corporate Affairs Directorate.



Sustainability Committee

Under the leadership of our Sustainability Committee, established in 2022 per the Capital Markets Boards' Sustainability Principles Compliance Framework, we ensure that our sustainability efforts are embedded at the corporate level. Furthermore, it allows us to integrate ESG principles into our decision-making processes and manage our sustainability approach within a single strategic framework.

Through thematic working groups consisting of different functions within the company, we are promoting a participatory approach to sustainability throughout our business processes. These working groups, which support the Committee with their expertise and capabilities, contribute to the company's sustainability processes through their analyses and the best practices they implement.

Our primary thematic working groups operating within this framework are:

The Sustainability Committee ensures that sustainability issues are consistently integrated into all decision-making processes, from strategic planning to daily operations, in accordance with the outputs provided by thematic working groups.

Sustainable Supply Chain Working Group

- Focuses on strengthening environmental and social sustainability throughout the supply chain.
- Consists of expert representatives from the procurement, logistics, planning, business development, EPC, and legal departments.
- Monitors the implementation of polysilicon traceability requirements within the company.
- Ensures that supply chain strategies align with sustainability principles.

Carbon Management Working Group

- Supports the company's approach to combating climate change and carbon management.
- Monitors national and international carbon regulations, market mechanisms, and developments in green taxonomy.
- Assesses the company's position in carbon markets.
- Analyzes emission reduction strategies through mechanisms based on carbon credits, such as I-REC.
- Conducts scenario analyses regarding climate-related risks and opportunities in coordination with the Sustainable Finance and Risk Management Working Group.
- Reports its findings to the Sustainability Committee.

Sustainable Finance and Risk Management Working Group

- Operates with participation from experts in the Sustainability and Corporate Relations Directorate, as well as the finance and risk management departments.
- Assesses the impact of ESG-related risks and opportunities on the company's financial structure.
- Analyzes sustainable financing instruments and contributes to the prioritization of green investments.
- Coordinates the financial aspects of all sustainability and ESG-focused reporting processes, particularly those under CDP and TSRS (Türkiye Sustainability Reporting Standards).
- Manages the financial implications of climate risks, conduct scenario analyses, and ensure the integrated management of ESG data, with all outputs reported to the Sustainability Committee.

Circular Economy Working Group

- Coordinates the process of integrating principles of circular economy into the company's operations and develops projects in line with this goal.
- Works on resource efficiency to improve performance in this area.
- Efforts to establish the Circular Economy Working Group are ongoing during the 2025 operational period, and the Group is scheduled to begin its activities in 2026.

In this context, the Committee's primary areas of responsibility are:

- Defining the company's sustainability direction within the framework of Environmental, Social, and Governance (ESG) issues; identifying priority areas and establishing short-, medium-, and long-term goals,
- Supporting the development of a sustainability-focused business model and guiding practices that ensure its integration into business processes,
- Monitoring the implementation of established policies and practices across the organization and evaluating their effectiveness,
- Ensuring that sustainability activities are conducted in alignment with the company's operations,
- Coordinating efforts to reduce carbon emissions within the scope of climate change mitigation and Net Zero targets,
- Regularly assessing risks and opportunities by following developments in the field of sustainability,
- Enabling the management of sustainability performance in a measurable, trackable, and transparent manner.

We prepare our annual reports under the Committee's coordination, submit them to our Board of Directors for approval following the evaluation process, and then share these documents with our stakeholders in both Turkish and English via our corporate website and KAP.

You can access the working principles of our Sustainability Committee through our company's corporate website.

Our Approach to Strategy Formulation, Implementation, and Monitoring

At Smart Solar Technologies, we structure our strategy formulation process in alignment with our growth targets, industry developments, and sustainability priorities. We manage the implementation process through internal coordination and under the oversight of senior management.

We define our company's overall strategic direction under the leadership of our senior management and with the contributions of relevant department heads, addressing our strategic goals in an integrated manner with our operational priorities. We define our mid-term vision and priorities within the framework of the 2023–2027 Strategic Roadmap.

Strategic Decision-Making Mechanism

Smart Solar Technologies, we evaluate our strategic directions with our Board of Directors and senior management and shape them based on input from our business development, investment, production, and sustainability functions.

Alignment with Functional Objectives

We incorporate our strategic objectives into our annual business plans and priorities on a departmental basis, tracking our units' progress toward their goals in line with their respective areas of responsibility.

Monitoring and Evaluation

We regularly review our strategic goals and priorities with our management teams and update them as needed, factoring in market conditions, investment needs, and regulatory changes.

Individual Goal and Performance Tracking

We link employee performance to job descriptions and annual individual goals, tracking individual outputs that contribute to our strategic goals across the organization.

At Smart Solar Technologies, we adopt an agile approach in our strategy formulation and implementation processes. ***We are gradually rolling out our sustainable and technology-focused growth strategy in line with industry dynamics.***

Managing the Economic, Environmental, and Social Impacts of Business Strategy and Business Models

We shape our growth strategies and value chain in parallel with the principles of long-term value creation, combating climate change, social development, and the circular economy. Thus, we manage the impacts of our business strategy on the economy, the environment, and society under the categories of Economic Impact, Environmental Impact, and Social Impact:

Economic Impact

We contribute to the national economy through high-value-added domestic production, advanced technology investments, and an integrated production model. As a reliable technology supplier for our customers in renewable energy projects, we support our stakeholders' transition to a low-carbon economy through our wafer and cell investments. Through our direct and indirect contributions to Türkiye's renewable energy capacity, we are helping to enhance the country's energy independence and reduce the current account deficit caused by energy imports. With a workforce that is approximately 40% women, we contribute to the regional economy. Through our sales offices in 9 countries, we export to more than 20 countries. Through our more than 100 dealers located across Türkiye, we connect our customers with solar technologies.

Environmental Impact

We base our business model on renewable energy production and low-carbon production technologies. Through numerous sustainability initiatives including our I-REC certified production approach, low carbon footprint targets, and effective waste management practices, we are moving steadfastly toward our goals of reducing our environmental impact. In pursuit of our 2040 Net Zero emissions target, we prioritize emission reduction and energy efficiency efforts while continuously improving our processes. Since 2021, we have been verifying our emissions calculations under ISO 14064 to develop data-driven decarbonization strategies.

Social Impact

In accordance with our inclusive growth approach, we contribute to regional development, support local employment, and apply social compliance criteria within our supply chain. Through the Corporate Social Responsibility projects we implement, we carry out initiatives aimed at enhancing social well-being.

Through our partnerships with various educational institutions at high school and higher education levels, and the support we provide to these institutions, we help advance education, enable our youth to find internship opportunities, and familiarize them with our industry. With our projects touching on various aspects of the ecosystem, from street animals to marine cleanup, we embrace a responsible corporate citizenship approach based on volunteerism.

We monitor all these impacts in line with the strategic goals set by our Sustainability Committee and manage them across the organization within our integrated governance framework. Through this approach, we effectively manage risks while capitalizing on opportunities, thereby supporting the development of a sustainable and resilient business model.

The Importance of Sustainability in Our Business Model and Strategy

At Smart Solar Technologies, we position sustainability as an integral part of our business model and growth strategy. We view the reduction of environmental impacts, the strengthening of social contributions, and robust governance practices as key components of our long-term value creation approach.

We are integrating our sustainability goals into our mid-term business plan through our 2023-2027 Strategy Document. In line with our Net Zero Emissions target, we prioritize expanding our sustainable production capacity and contributing to the energy transition. Additionally, as part of our sustainable supply chain approach, we expect our suppliers to comply with environmental and social criteria.

Climate-Related Risks and Opportunities

As Smart Solar Technologies, we are consolidating our climate-related risks with our sustainability risks and integrating them into our corporate risk inventory as of 2025, managing our risks holistically. We analyze climate scenarios that could impact our business continuity, assess the potential impacts arising from these scenarios, and implement the necessary action plans.

The ultimate oversight responsibility for risks and opportunities arising from climate change is assumed by our Board of Directors. The Board of Directors regularly evaluates the alignment of our company's priority sustainability issues with our strategies. The Sustainability Committee is responsible for coordinating the processes of assessing and managing our climate-related risks and opportunities at the corporate level. The Committee facilitates cross-departmental information flow and guides initiatives aimed at enhancing climate resilience.

Assessment of Climate-Related Risks and Opportunities

In the process of identifying and assessing climate risks, we consider both physical and transition risks.

- **Acute physical risks:** damages resulting from sudden and severe events such as storms, hail, floods, wildfires, extreme heat, or drought
- **Chronic physical risks:** operational challenges emerging over the long term, such as rising temperatures, changes in precipitation patterns, water scarcity, or soil degradation
- **Transition risks:** stem from regulatory, economic, technological, and social changes arising during the transition to a low-carbon economy.

We view climate change not merely as a risk factor but also as a strategic opportunity for innovation, efficiency, and sustainable growth. In this context, we consider new low-carbon technologies, incentives for renewable energy investments, carbon markets, green financing sources, and energy efficiency projects to be key opportunity areas.

When analyzing climate scenarios, we assess not only the risks but also the potential financial, operational, and reputational benefits these opportunities could generate. We regularly review relevant opportunities within the framework of NGFS (Network for Greening the Financial System) scenarios and national energy policies, integrating them into our strategic planning processes to aim for long-term value creation.

We conduct the assessment of climate-related risks and opportunities in a manner integrated with our Enterprise Risk Management (ERM) system. This way, we address climate-related risks not as a standalone environmental issue, but as an integral part of our operational, financial, and strategic risk management processes.

We address actions related to managing climate risks, such as mitigation, adaptation, and turning risks into opportunities, within our ERM framework. In this process, we develop necessary strategies by considering the financial significance of risks and their potential impacts on balance sheet and income statement items.

To effectively manage climate risks and opportunities, we regularly conduct monitoring, measurement, verification, and reporting processes within our ERM system. We review identified climate risks at least once a year and conduct reassessments as necessary following significant regulatory changes, new investments, or major climate events. We present the results of these assessments to our Board of Directors through Committee reports and integrate them into our decision-making processes.

We prepare our climate risk analyses in accordance with principles of transparency and international compliance, based on relevant reporting standards such as CDP and TSRS, and share them with the public. Through this approach, we aim to strengthen our corporate resilience against climate risks and establish a risk governance structure aligned with our sustainable growth objectives.

Scenario Analyses

At Smart Solar Technologies, we implement a comprehensive risk assessment and scenario analysis approach that addresses both physical and transition risks stemming from climate change. Within this framework, we use scenario analysis as a key tool to assess the potential impacts on our operations, value chain, and financial performance across short-, medium-, and long-term time horizons.

In our scenario analyses, we jointly assess the likelihood of climate-related risks materializing and the operational and financial consequences of these risks. We incorporate physical risks such as facility-based water stress, flood risk, and extreme heat; transition risks such as carbon regulations, sustainable finance requirements, and market transformations into our analysis process. Additionally, we assess risks related to climate-induced disruptions in the supply chain and their potential implications for our financial statements.

We use the results of these analyses as direct inputs into our operational continuity, investment planning, and financial decision-making processes. Subsequently, we develop concrete action plans in areas such as energy efficiency initiatives, wastewater management, supply chain optimization, and prioritizing green investments.

Our climate risk assessment process is conducted in alignment with our long-term climate goals. Our “Almost Net Zero 2030” and “2040 Net Zero” targets serve as key reference points for our risk assessment and scenario analysis efforts and contribute to shaping our long-term climate strategy.

To ensure the traceability of these processes and strengthen compliance with international standards, we prepare and regularly report our greenhouse gas emissions inventory in accordance with the ISO 14064-1:2018 Standard.

Stakeholder Communications

At Smart Solar Technologies, we conduct our communication with stakeholders based on the principles of mutual trust, transparency, and continuity. We view our stakeholders as key partners who shape our strategic decisions and contribute to our journey of growth. With this in mind, we prioritize establishing regular, transparent, and meaningful interactions with a broad network of stakeholders, including our customers, employees, suppliers, and investors.

Throughout the year, we monitor stakeholder expectations through meetings, site visits, surveys, and one-on-one discussions; we incorporate the feedback we receive into our decision-making processes and operational practices. While maintaining our investor relations through regular updates and reporting, we adopt a communication approach that goes beyond merely conveying information: We listen and aim for mutual growth by determining appropriate communication methods and frequencies tailored to each stakeholder group.

Stakeholder Group	Communication Methods	Frequency of Communication
Suppliers	E-mail, phone, online meetings	Regularly
Public Institutions and Organizations	E-mail, Phone, On-site visits	Regularly
Banks and Financial Institutions	E-mail, Phone, Face-to-Face meetings, Quarterly analysis meetings	Regularly
Employees	E-mail, Verbal communication, Written petitions, Union representatives, SMS/WhatsApp, Workplace committees	As needed
Universities, Research Institutions, and Consultants	Online meetings, Face-to-Face meetings	As needed
Customers	E-mail, Phone	Regularly As needed
Executive Board	E-mail, Phone, WhatsApp, Monthly Executive Board meetings	Regularly As needed
NGOs	E-mail, Phone, Online Meetings, Face-to-Face meetings	Regularly As needed
Managers & Directors	E-mail, Phone, WhatsApp, Monthly Executive Committee and Executive Board meeting	Regularly As needed
Independent Board Members	Independent Board Members E-mail, phone, WhatsApp, Monthly Board of Directors meetings, Committee meetings, Online meetings	Regularly

Our Sustainability Goals

Goal	Base Year	By the 2030 Interim Target Year
Journey to Zero Accidents	2024	**50%** reduction in workplace accident rates
Occupational Health and Safety (OHS) Training	2024	**50%** increase in OHS training hours
Scope 1 CO_2 emissions (tCO_2e)	2022	**30%** reduction in emissions
Scope 2 CO_2 emissions (tCO_2e)	2022	**50%** reduction in emissions
Scope 3 CO_2 emissions (tCO_2e)	2022	**15%** reduction in emissions
Environmental Training	2023	**50%** increase in environmental training
Digital Maturity Level	2022	**6%** increase in digital maturity level
R&D Expenditures	2023	**50%** increase in R&D spending
Employee Training	2023	**25%** increase in employee training
Gender Equality and Female Employee Ratio	2022	Achieving gender equality at all levels of management by **2030**
Dialogue with Stakeholders	2024	**25%** increase in stakeholder engagement activities
Effective Water Management	2025	**50%** increase in water efficiency initiatives
Biodiversity Conservation	2022	**50%** increase in biodiversity conservation initiatives
Environmental Investment Budget	2022	**30%** increase in the environmental investment budget
Effective Energy Management	2024	**25%** increase in energy efficiency initiatives
Zero Waste Management	2024	**50%** increase in zero-waste initiatives

Interim Emissions Reduction Target Table

Target	Base Year	By the 2030 Interim Target Year	By the 2040 Target Year
Scope 1 CO_2 emissions (tCO_2e)	**2022**	**30% reduction in emissions**	**90% reduction in emissions**
Scope 2 CO_2 emissions (tCO_2e)	**2022**	**50% reduction in emissions**	**100% reduction in emissions**
Scope 3 CO_2 emissions (tCO_2e)	**2022**	**15% reduction in emissions**	**30% reduction in emissions**

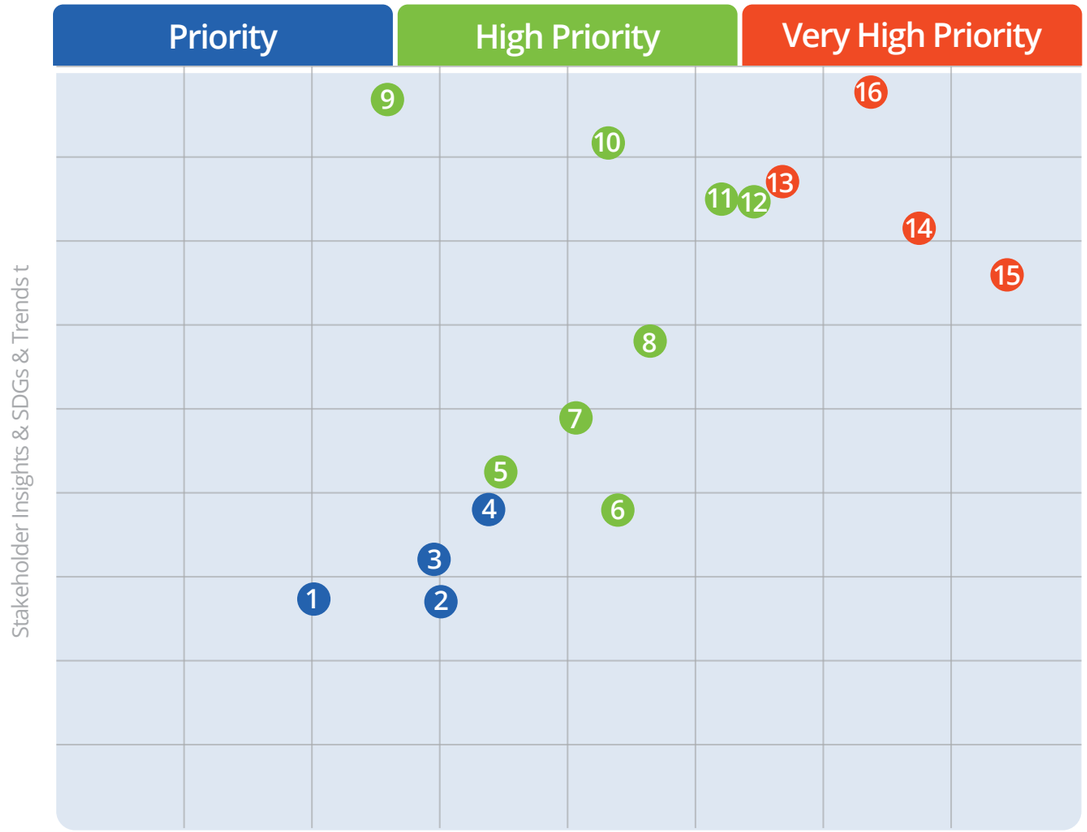
Our Materiality Analysis

To identify our strategic priorities in the areas of environmental, social, and governance (ESG), we conducted a materiality analysis based on international frameworks such as GRI, SASB, MSCI, and Refinitiv, as well as industry best practices. This endeavor provided us with valuable insights into what our stakeholders expect from Smart Solar Technologies.

We evaluated material topics we identified through a survey to reflect the views of internal and external stakeholder groups, including the board of directors, employees, suppliers, customers, and financial institutions. In this process, which involved a total of 31 stakeholders, we analyzed the feedback received using a double materiality approach, taking into account both the impact of the issues on the Company and their level of importance from the stakeholders' perspective. As a result of this analysis, we classified the topics according to their importance levels and identified the core ESG focus areas that will guide our Company's sustainability strategy.

As part of integrating the materiality analysis outcomes into risk management processes, we conducted studies to identify potential risks that could hinder our achievement of objectives. In this context, we organized workshops involving our stakeholders with a participatory approach. In our risk assessment process, we evaluated risks that have emerged, had their definitions or scores changed, or lost their validity. We submitted the risks requiring updates to our Early Risk Detection Committee for approval before incorporating them into our risk inventory.

Materiality Matrix



Priority

1. Corporate Social Responsibility Projects
2. Diversity. Equality, and Inclusion
3. Digitalization and Data Security
4. Customer Satisfaction and Responsible Marketing

High Priority

5. Career Management and Training
6. Human Rights
7. Economic Performance
8. Employee Rights and Satisfaction
9. Clean Energy Technology R&D and Innovation
10. Circular Economy
11. Water and Wastewater Management
12. Biodiversity Protection and Ecological Impacts

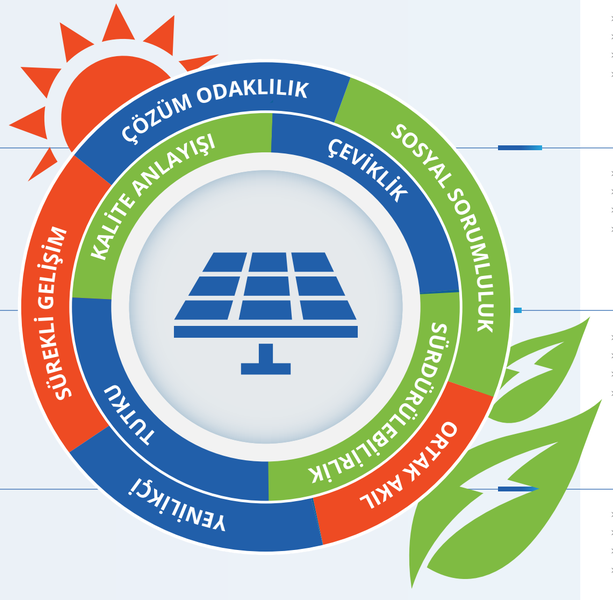
Very High Priority

13. Sustainable Supply Chain Management
14. Business Ethics and Legal Compliance
15. Health and Safety
16. Energy Management and Emissions

Our Value Creation Model

CAPITAL ELEMENTS AND RELEVANT MATERIAL TOPICS	INPUTS	OUTPUTS		VALUE CREATED	RELEVANT SDGS
Human Capital › Human Rights › Health and Safety › Employee Rights and Satisfaction › Diversity, Equity, and Inclusion › Career Management and Training › Business Ethics and Legal Compliance	› 1,121 total employees › Diversity and inclusion initiatives › Occupational Health and Safety (OHS) committees and employee representation mechanisms › Employees covered by the collective bargaining agreement › Employee engagement and satisfaction surveys › Training and development programs	› 40% female workforce › 45% female Board members › 30 employees with disabilities › 43 foreign employees › 22,312 person*hours of training and approximately 20 hours of training per person › 80.29% employee engagement, 80.97% motivation, and 68.41% satisfaction score	› 100% coverage for blue-collar workers, 75% coverage for the total workforce under the Collective Bargaining Agreement (CBA) › 2,103,777 working hours, 49 workplace accidents, and 238 lost days in 2025 › Approximately 23.3 LTIFR; accident severity rate: Aliağa 0.18, Gebze 0.08, Headquarters 0	› A safe working culture and operational continuity › A qualified, competent, and engaged workforce › Protection of employee rights and social stability › An organizational culture strengthened by diversity and inclusion › Enhanced employer brand and talent attraction	
Social and Relationship Capital › Customer Satisfaction and Responsible Marketing › Human Rights › Corporate Social Responsibility Projects › Sustainable Supply Chain Management	› A supply chain comprising 1,134 suppliers › A total procurement volume of $164,257,341 › A procurement structure focused on local sourcing › Board of Directors and corporate governance structure › Relationships with local stakeholders, the community, and customers	› 90.4% local supplier rate 1,025 local and 109 global suppliers › 443 new suppliers › Business ethics training provided to 21 suppliers and 16 contractors › Regular communication with local stakeholders, and the continuation of social contributions and community projects › Partnerships with educational institutions		› Supply chain resilience and operational flexibility › Contribution to the local economy and strengthened stakeholder engagement › An ethical, transparent, and accountable governance structure › Building reputation among customers and society	
Manufactured Capital › Circular Economy › Energy Management and Emissions	› 2,400 MW solar panel production capacity › 800 MW solar cell production capacity › 1,500 MW wafer production capacity › 1,500 MW+ EPC capability › 2,200 MW+ mid-term project portfolio › 100+ dealers › 100+ electric vehicle charging stations	› Over 300 MW in solar power plant investments › Strong business development prospects with a project portfolio exceeding 2,200 MW › End-to-end project execution capability with over 1,500 MW of EPC capacity › Vertical integration infrastructure across the panel-cell-wafer supply chain › Market access and distribution strength through an		› Economies of scale and cost advantages › Supply security and traceability through vertical integration › Growth and revenue visibility through high capacity › Increased competitiveness through domestic production capabilities	
Natural Capital › Water and Wastewater Management › Energy Management and Emissions › Biodiversity Conservation and Ecological Impacts	› Energy, water, and raw material usage › Environmental management systems and monitoring infrastructure › Electricity consumption offset through I-REC › Waste management and recycling processes › Water withdrawal, consumption, and discharge management	› Total carbon emissions: 99,379.28 tCO2e: - Scope 1: 1,624.46 tCO2e; - Scope 2: 29,344.21 tCO2e; - Scope 3: 68,410.62 tCO2e; › 249,329 GJ total energy consumption; 98% grid electricity and 98% renewable energy	› 408,665 m³ water withdrawal • 368,559 m³ wastewater discharge • 40,106 m³ water consumption • 4.18 L/unit water intensity › 3,397,162 kg total waste and approximately 99.996% recovery rate › Continuation of flora-fauna monitoring and environmental compliance processes	› Effective management of carbon, energy, and water risks › Resource efficiency and transition to a low-carbon production model › Contribution to the circular economy and reduction of waste costs › Strengthening ecosystem continuity and culture of environmental responsibility	
Financial Capital › Economic Performance	› Strong asset base and equity structure › Financial resources supporting investment, production, and project development capabilities › Investments in local procurement, R&D, and sustainability	› 10,581,001,663 TL in revenue › 2,204,071,600 TL in EBITDA and a 20.83% EBITDA margin › 23.98% gross profit margin › 25.35 billion TL in total assets and 4.62 billion TL in equity › A 34.37% year-over-year increase in fixed assets		› Operational efficiency › Long-term investment capacity and financial resilience › Clean energy transition › Investor confidence and access to financing	
Intellectual Capital › Digitalization and Data Security › Clean Energy Technology, R&D, and Innovation	› Over 750,000 TL in R&D spending › 3.41/5 digital maturity level › ERP, automation, data warehouse, and analytics infrastructure › Digital access and cybersecurity solutions	› Strengthening process integration through SAP and digital systems › Achieving a digital maturity score of 3.41 out of 5, which supports data-driven decision-making capabilities	› Maintaining cybersecurity controls, network improvements, and enterprise data management practices › Supporting process and technology development capabilities through R&D investments	› Process standardization › Fast, traceable, and data-driven decision-making › Strengthening cyber resilience and information security › Development of innovation capacity and organizational memory	

Smart SOLAR TECHNOLOGIES



Our Economic Performance

Our Economic Performance

While continuing our investments towards our sustainable growth goals, we are focused on strengthening our operational efficiency and steadily improving our financial performance.

Our key financial indicators and profitability as of December 31, 2025, are presented below.

KEY BALANCE SHEET ITEMS	December 31, 2025	December 31, 2024	%
Current Assets	13,362,253,830	13,936,850,241	(4.12%)
Non-Current Assets	11,985,492,991	8,919,986,647	34.37%
Current Liabilities	17,137,984,651	14,752,851,853	16.17%
Long-Term Liabilities	3,586,037,730	3,504,490,491	2.33%
Equity	4,623,724,440	4,599,494,544	0.53%
KEY INCOME STATEMENT ITEMS	**December 31, 2025**	**December 31, 2024**	**%**
Revenue	10,581,001,663	15,285,067,108	(30.78%)
Gross Profit	2,537,199,342	2,977,002,128	(14.77%)
Gross Profit Margin (%)	23.98%	19.48%	-
Operating Profit Before Financing Expenses	1,314,746,024	1,821,935,621	(27.84%)
Net Income	(445,583,502)	568,011,627	-
EBITDA	2,204,071,600	2,203,092,341	0.04%
EBITDA Margin (%)	20.83%	14.41%	-

As a result of our operational activities throughout 2025, we achieved revenue of 10.5 billion TL and an EBITDA of 2.2 billion TL as of year-end. During the same period, we recorded an operating profit of 1.33 billion TL.

Our investment activities, carried out in line with our growth strategy, resulted in a 34% increase in our fixed assets in 2025, while our total investment amount reached 3.66 billion TL. These investments encompass not only physical capacity expansion but also our goals for technological transformation and digitalization. Our solar power plant investments of over 300 MW and our mid-term project portfolio exceeding 2,200 MW form a strong foundation supporting our growth strategy in the renewable energy sector. Furthermore, our production capacity of 2,400 MW of solar panels, 800 MW of solar cells, and 1,500 MW of wafers strengthens our production infrastructure and supports our operational efficiency. We expect the integrated production and project development capacity created by these investments to contribute more significantly to our revenue and profitability in 2026 and beyond.

Among the most significant investments we commissioned in 2025 is our 130 MWm-capacity Niğde Bor YEKA Solar Power Plant project, which we partially commissioned as of July 2025. In the following months, we gradually increased the plant's commissioning rate to begin commercial energy production, feeding the generated energy into the grid. By year-end, we had commissioned 93% of the plant. In 2025, the plant contributed approximately 155 million TL directly to revenue with its current commissioned capacity. We expect the facility to have a stronger impact on our revenues and operational profitability in the coming periods once it reaches full capacity.

Our total assets have reached 25.35 billion TL as of 2025, in line with our company's growth strategy. This significant expansion of our assets reflects our commitment to enhancing our operational capabilities and achieving our strategic goals. At the same time, as a result of our operational growth, our investments in our most valuable asset, our human capital, have increased: total compensation and benefits paid to employees rose to 457.8 million TL. Retaining and developing our skilled workforce continues to be one of the cornerstones of our vision for sustainable growth.

Our company continues to create economic value while also distributing value to its stakeholders. In 2025, payments made to the government exceeded 1 billion TL, while donations and corporate social responsibility expenditures under our social contribution initiatives amounted to 1 million TL. During the same period, payments to capital providers were recorded at 8.25 billion TL.

With our increasing production capacity,

ongoing investments, and strategic positioning in the renewable energy sector, we aim to further strengthen our operational performance in the coming period. We expect a positive momentum in revenue and profitability to continue as the contributions from commissioned investments increase. In particular, our ability to access green financing opportunities provides a strong foundation for funding our future projects.

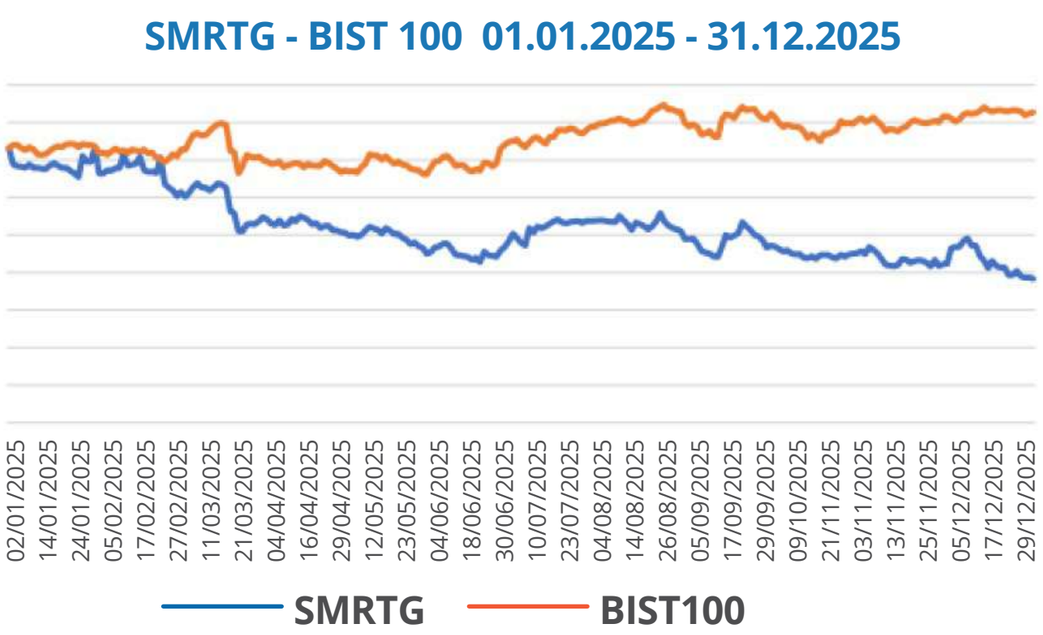
Revenue generated from climate-friendly energy production activities amounted to TL 10.58 billion in 2025, demonstrating the contribution of our focus on sustainable energy production to our financial performance.

Stock Performance

Smart Solar Technologies shares began trading on March 24, 2022, under the ticker symbol SMRTG at a price of 14.00 TL.

A 100% stock split was implemented on October 24, 2022. A 98% stock split was implemented on July 28, 2023. The stock has traded at a high of 99.20 TL (post-split). SMRTG began trading in the BIST 100 Index as of October 1, 2022, and in the BIST 50 Index as of January 1, 2023. It was removed from the BIST 50 Index as of October 1, 2024, and from the BIST 100 Index as of October 1, 2025. As of January 1, 2025, it is included in the Sustainability Index.

The closing price as of December 31, 2025, was 23.00 TL. The process of increasing the issued capital from 605,880,000 TL to 1,817,640,000 TL, a 200% increase funded entirely from internal sources, was completed on February 2, 2026



Other Matters

As of December 31, 2025, our company has a total of 1,121 employees. A collective bargaining agreement is in effect at our production facilities.

Information regarding the Company's repurchase of its own shares: The Company's Board of Directors, with the aim of mitigating the potential short-term negative effects on investors caused by price fluctuations in the Company's shares traded on Borsa İstanbul A.Ş. under the ticker symbol SMRTG, ensuring price stability, supporting healthy price formation, and protecting shareholders; has decided to conduct a one-year share buyback program with a maximum of 1,000,000 shares eligible for repurchase and a maximum budget of 75,000,000 TL allocated for the buyback. Pursuant to the Board of Directors' Resolution dated February 15, 2024, which extended the Company's share buyback program by one year, the program expired on February 15, 2025, in accordance with applicable regulations upon the expiration of the one-year period. Under the concluded buyback program, a total of 520,000 shares were repurchased (including 147,000 bonus shares resulting from the 98% bonus share issuance on July 28, 2023). The ratio of the repurchased shares to the Company's capital is 0.0858%.

Disclosures regarding special audits and public audits conducted during the reporting period: None.

Information regarding lawsuits filed against the Company that could affect its financial condition and operations, and their potential outcomes: There are no such lawsuits.

Disclosures regarding administrative or judicial sanctions imposed on the Company and members of its management body due to violations of statutory provisions: Not applicable.

Credit Rating:

As a result of the evaluation conducted by JCR Eurasia Rating Inc. on July 18, 2025, the Company's ratings are as follows:

- Long-Term National Institutional Credit Rating: A (-) / (Stable Outlook)
- Short-Term National Institutional Credit Rating: J2 (tr) / (Stable Outlook)
- Long-Term International Foreign Currency Institutional Credit Rating: BB / (Stable Outlook)
- Long-Term International Local Currency Institutional Credit Rating: BB / (Stable Outlook)

Nature
in every
cell

Our Environmental Approach

Our Environmental Approach

2025 Environmental Action Plan

ESG and QMS Activities:

Environmental management processes are carried out in alignment with established standards and continuously improved. Within the scope of ISO 14001 Environmental Management System, documentation and target management practices are maintained effectively.

Best Practices and Projects:

Projects are implemented with a focus on resource efficiency and waste management, ensuring the dissemination of best practices and the minimization of environmental impacts.

Factory and Field Applications:

Environmentally friendly practices are integrated into production and field operations. Through initiatives such as tree planting, afforestation, and site cleaning activities, environmental impacts are actively reduced.

Training and Audit Activities:

To strengthen compliance with regulatory requirements, training programs are conducted within the scope of environmental sustainability and QMS , supported by regular internal audits.

Awareness and Communication Activities:

Communication efforts focusing on energy efficiency, climate change, biodiversity, water and waste management are carried out to enhance environmental awareness among employees and stakeholders.

Factory Operations

Operational Activities:

All legal permits and declarations within the scope of environmental legislation are obtained, and compliance with regulatory requirements is monitored regularly through periodic reviews.

Governance and Documentation:

Environmental management processes are carried out in alignment with relevant legislation and standards. Waste management, EIA processes, environmental permits, and risk management plans are regularly reviewed. Environmental documentation is updated in accordance with the ISO 14001 Environmental Management System.

Environmental Permitting Processes:

In 2025, the Environmental Permit Certificate for our Aliağa facility was obtained. Air emission-related permitting processes have been completed, and operations are maintained in full compliance with applicable environmental regulations.

Waste Management:

Waste is managed in a manner that prevents environmental harm. Temporary storage areas are monitored and waste minimization and recovery practices are systematically implemented.

Training and Awareness:

Environmental and sustainability training programs are provided to all employees to enhance environmental awareness across the organization.

Social Responsibility:

Environmental volunteering and social responsibility initiatives are carried out in line with our sustainability approach.

Monitoring and Auditing:

Supplier and contractor activities are regularly monitored through annual audits and inspections. Emission data is calculated in accordance with the ISO 14064-1 standard.

Energy Management and Emissions

The effective management of energy consumption and greenhouse gas emissions is among our strategic priorities at Smart Solar Technologies, in line with our goals of reducing our environmental impact and strengthening our business continuity. We approach these two areas as complementary components of a holistic management approach. We implement our energy management practices in an integrated manner with our emission reduction targets under our Energy and Resource Efficiency Policy; thereby, while reducing our environmental impact, we simultaneously support our goals of operational efficiency, energy security, and cost-effectiveness.

We manage our energy and emissions management processes in accordance with applicable regulations and international standards. In this context, in addition to the documents published on our website, we have established the "Procedure for Monitoring, Calculating, and Reporting Greenhouse Gas Emissions," the "Instruction for Calculating Greenhouse Gas Emissions," and the "Greenhouse Gas Data Collection Form" to make our processes more systematic. With these documents, we are establishing our corporate framework and methodology aimed at collecting and reporting greenhouse gas data in a consistent, traceable, and verifiable manner.

Our energy efficiency and emissions management efforts are conducted in compliance with national environmental and climate legislation and are supported by a continuous improvement approach. In this regard, we are promoting low-carbon practices across our operations.

2040 Net-Zero Target and Roadmap

2023
- Establishment of a Sustainability Corporate Architecture
- Obtaining Certifications for the Greenhouse Gas Calculation and Verification Management System (ISO 14064-1:2018 and ISO 14064-3:2019)
- Migration of Sustainability Processes to the SAP Platform
- Establishment of a Responsible Supply Chain Management System
- Publication of the First Sustainability Report
- 2040 Net Zero Target
- First ESG Rating from an International Rating Agency

2024
- Completion of the Water Footprint Calculation and Verification Process in Compliance with the ISO 14046 Standard
- ISO 27001 Information Security Management System Certification
- Digitization of Sustainability Processes

2025
- Publication of the First TSRS-Compliant Integrated Sustainability Report
- ISO 50001 Energy Management System Certification
- Conducting Life Cycle Assessment (LCA) Calculations
- Initiating Preparatory Work for the Issuance of Green Bonds
- Publication of a Biodiversity Management Target Statement
- Development of a Circular Economy Strategy

2026
- Submission of the First Carbon Disclosure Project Report
- Inclusion in the BIST Sustainability Index
- Climate Risk Reporting
- Receipt of the First ESG Rating from an International Rating Agency
- Equal Opportunity Certification
- 2030 Almost Net Zero Targets

2030
ALMOST NET ZERO

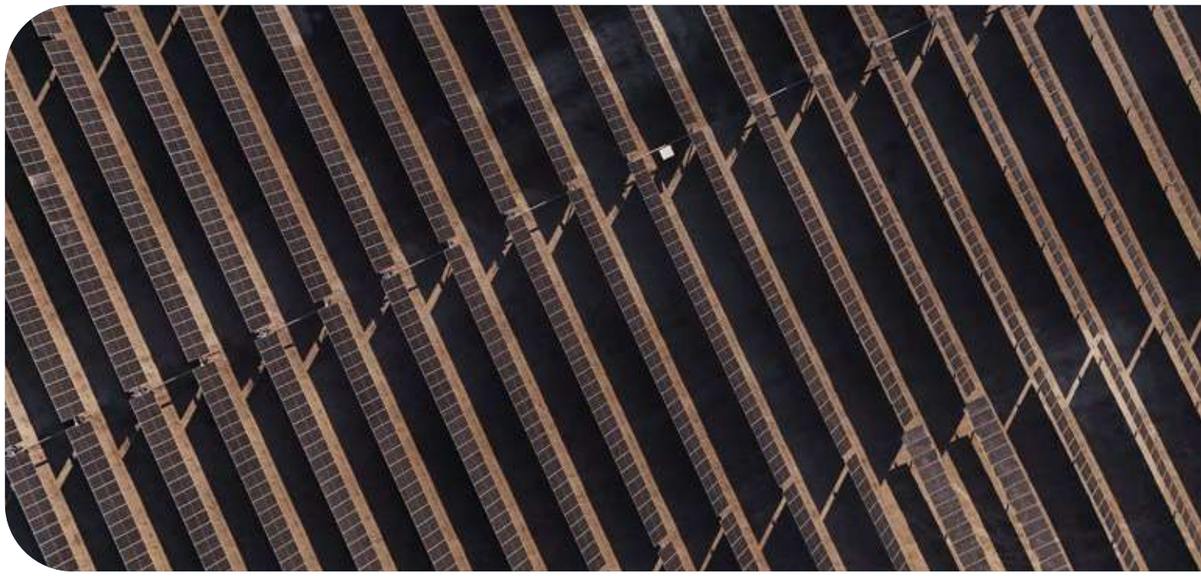
2040
NET ZERO

We have shared our interim and final emission reduction targets, which are aligned with our 2040 Net Zero goal, with the public through our relevant reports. Our roadmap for achieving these targets includes improving operational efficiency, strengthening energy and emissions management processes, developing data collection and monitoring infrastructure, and implementing updates following the completion of investment processes.

Our company is currently in the investment phase, and organizational and operational boundaries may change each fiscal year; new processes are being implemented, and capacity increases are taking place. Due to this dynamic structure, the ability to isolate the real and quantitative outcomes of our improvement efforts related to emissions reductions from total emissions data in the short term may be limited.

Additional energy consumption resulting from our investments and the associated impacts may reduce the overall visibility of the improvement effects.

At this stage, our focus is on strengthening our data collection processes, establishing control mechanisms, and implementing operational improvements not directly related to investments. Following the completion of our investment process, we anticipate reassessing the current situation, updating interim emission targets, and revising our roadmap. In addition to the Solar Power Plant (SPP) projects currently underway, additional actions and projects related to capital-intensive site installations and other renewable energy investments are also being evaluated during the feasibility and planning phases.



Energy Consumption Management and Our Renewable Energy Approach

At Smart Solar Technologies, we regularly monitor our total electricity consumption. Our electricity consumption, which amounted to 28.1 million kWh in 2024, increased to approximately 67.6 million kWh in 2025 as a result of the expansion of our production infrastructure under ongoing investments at our Aliağa facility. This increase was primarily driven by the commissioning of cell production lines, the integration of wafer production into our manufacturing processes, the installation and testing of new equipment, and the rising electricity demand of auxiliary facilities.

To manage the environmental impacts of our increasing energy consumption, we prioritize the use of renewable and clean energy sources. In line with this commitment, we offset the electricity consumption of our Aliağa facilities through our solar energy investment in Niğde Bor, supported by International Renewable Energy Certificates (I-REC). Through this approach, we reduced our Scope 2 emissions to zero on a market-based basis, marking a significant step toward our Net Zero Scope 2 target.

Energy Efficiency Practices and ISO 50001 Energy Management System

We address climate change not only as an environmental risk but also as a strategic transformation area. In this context, our holistic strategy to transition toward a low-carbon, climate-resilient and adaptive operating model is supported by solar power investments, carbon offset practices through I-REC certificates, a sustainable supply chain approach, and next-generation energy solutions. To reduce emissions arising from our indirect energy consumption, we procure I-REC certificates representing renewable energy generation and aim to offset our market-based Scope 2 emissions through these instruments. In addition, we continue to evaluate zero-carbon production models within the scope of potential green hydrogen investments.

At Smart Solar Technologies, we consider energy efficiency as a key driver supporting our operational sustainability and contributing to the management of our greenhouse gas emissions. As electricity is the sole energy source used in our operations, we focus on the effective management of energy consumption. In this context, we monitor our energy performance on a facility basis and evaluate it in line with a continuous improvement approach.

We initiated our ISO 50001 Energy Management System efforts in 2025. Within this scope, we are working on establishing the necessary infrastructure for the systematic monitoring of energy consumption, defining energy performance indicators, and identifying improvement areas to enhance energy efficiency.

During the same period, we also commenced preparations for our organizational structure under the Energy Management System, including the formation of relevant teams and the planning of training activities. While our efforts to develop a comprehensive energy inventory across our facilities continue, we are also progressing toward ISO 50001 certification.

Due to our ongoing investment activities and periodic changes in our operational boundaries, the ability to isolate and report quantified savings from energy efficiency initiatives remains limited at this stage. Nevertheless, we continue to strengthen our data collection, monitoring, and control infrastructure.

Renewable Energy Projects: Niğde Bor and Kahramanmaraş Solar Power Plants

With the investment in **our Niğde Bor YEKA Solar Power Plant (SPP) project, which has an installed capacity of 130 MWm, it is planned to generate approximately 260 million kWh of electricity annually from renewable sources.** This electricity is expected to be offset against the electricity consumption of our Aliağa facility, thereby contributing to the reduction of our Scope 2 greenhouse gas emissions. In addition, the 4,000 kW capacity solar power plant under installation in Kahramanmaraş is planned to be commissioned to meet the electricity demand of our Gebze facility.

As of 2025, commissioning activities for both projects are ongoing. Following the commissioning of our solar power plant investments, the electricity generated and the associated greenhouse gas emission reduction impacts will be regularly monitored and reported.

Energy Type	Consumption	Energy (GJ)
Electricity	67,613,385,03 kWh	243,408
Diesel	23,719,99 Liters	915,6
Gasoline	146,349,67 Liters	5,005
Total Energy Consumption		**249,329**

Description	
Total energy consumed (2025)	249,329 GJ
Percentage of grid electricity*	98%
Percentage of renewable energy	98% (All grid electricity is offset via I-REC)

*It indicates the proportion of total energy consumption.

Greenhouse Gas Emissions	2023	2024	2025
Scope 1 (tCO_2e)	282.46	845.41	1,624.46
Scope 2 (tCO_2e)	7,499.56	12,426.72	29,344.21
Scope 3 (tCO_2e)	37,516.24	58,322.32	68,410.62
Total (tCO_2e)	**45,298.26**	**71,594.45**	**99,379.28**

Investments, Financing Models and Collaborations for Emission Reduction

Increasing the use of renewable energy and effectively managing the impacts arising from electricity consumption are among our key priorities in reducing our greenhouse gas emissions. In this context, **our Scope 2 greenhouse gas emissions have been reduced to zero as of 2025.**

In addition, we continue to invest in new solar power plants with integrated storage solutions to further expand our renewable energy capacity. These investments are expected to contribute both to Türkiye's energy supply security and to our long-term emission reduction targets.

Within our organization, evaluations and studies related to carbon credits are also ongoing, with potential applications being assessed during the investment and feasibility stages. These efforts are carried out by our Carbon Management Working Group, which supports our approach to climate change mitigation and carbon management. The working group contributes to the development of our emission reduction strategies by monitoring developments in carbon markets, regulatory frameworks, and market-based mechanisms such as I-REC. Our emission reduction methods are assessed through a holistic perspective, taking into account regulatory developments, market conditions, and our investment roadmap.

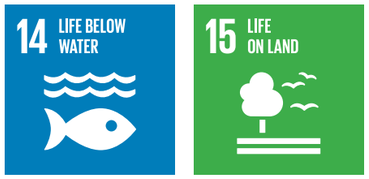
Collection, Control and Verification of Energy Consumption and Emission Data

Electricity is the sole energy source used across all our facilities. We monitor our electricity consumption through on-site meters and record the measured consumption data in our Consumption Monitoring Tables based on supplier invoices.

In addition, all energy invoices recorded by our accounting department are periodically consolidated and reconciled with our Greenhouse Gas Data Collection Tables. Through this approach, we enhance the consistency and traceability of our energy consumption data and ensure the accuracy of the data used in greenhouse gas calculation and reporting processes. All our emission data is verified by independent accredited third parties in accordance with the ISO 14064-3:2019 standard.

Flue Gas Monitoring, Emission Measurements and Infrastructure

At **Smart Solar Technologies,** flue gas emissions are regularly monitored in accordance with applicable environmental legislation. Measurements related to stack emissions are conducted under the supervision of the Republic of Türkiye Ministry of Environment, Urbanization and Climate Change, and the results indicate that all parameters remain within legal limit values. To ensure emissions are controlled at source and treated prior to release into the atmosphere, various waste gas treatment systems tailored to different emission types are utilized in our production processes. Emission control in stacks is achieved through technologies such as scrubbers, activated carbon systems, and particulate filters, depending on the process. The management of volatile organic compound (VOC) emissions is a key priority. In this context, a dedicated waste gas treatment system is operated for VOC abatement. Organic-based waste gases generated from cell production processes are treated through activated carbon and water-based scrubbing systems and discharged in a controlled manner. The effectiveness of emission control technologies is regularly monitored, and continuous improvement efforts are carried out.



Biodiversity Conservation and Ecological Impacts

At Smart Solar Technologies, we consider the protection of biodiversity and the adoption of an approach aligned with natural ecosystems as an integral part of our environmental responsibility. Accordingly, while conducting our operations in compliance with applicable environmental legislation, we take into account habitats, flora and fauna species, and ecosystem components present within project sites as part of environmental impact assessment processes.

Depending on project characteristics, we assess potential ecological impacts that may arise during the planning, construction, and operational phases. We conduct necessary analyses with respect to sensitive habitats, protected areas, and endangered species. Within this framework, project-based Environmental and Social Impact Assessments (ESIA) are carried out by referencing not only national legislation but also international best practices and standards, including the IFC Performance Standards and the Equator Principles.

We address biodiversity management within a systematic framework through complementary practices such as Biodiversity Management Plans (BMP) and invasive species management. In line with our mitigation hierarchy approach, we manage potential impacts of project activities on natural ecosystems by prioritizing avoidance and reduction measures. In this context, we implement conservation and monitoring activities, regularly evaluate findings, and carry out improvement actions where necessary.

Biodiversity Management Plan (BMP)

At Smart Solar Technologies, we develop and implement Biodiversity Management Plans (BMPs) to support the protection of biodiversity and ensure that project activities are carried out in harmony with natural ecosystems. These plans provide a systematic framework for conservation, monitoring, and management activities to be implemented throughout the planning, construction, and operational phases of projects, with a focus on protecting natural habitats, sensitive areas, and species.

The Biodiversity Management Plan developed within this scope was commissioned in 2024 and continued to be implemented and monitored throughout 2025 in line with the defined action plan. Through monitoring activities conducted under the BMP, ecologically sensitive areas, habitats, and species identified on-site have been placed under protection. In addition, signage, warning, and information boards have been installed at appropriate locations across the project site to support the protection of these areas. Findings obtained from monitoring activities are regularly evaluated, and improvements are implemented where necessary.

Activities carried out under the plan include the delineation of ecologically sensitive areas, regular monitoring of protected species, and ongoing awareness and information activities for site personnel. Through these monitoring efforts, the population status of species and habitat conditions are regularly tracked, and management practices are updated as needed based on the data obtained. Furthermore, habitat enhancement and biodiversity-supporting practices are implemented in suitable areas to maintain natural habitat integrity and support ecosystem balance.

Within the scope of the BMP, regular awareness and training programs are also conducted for site personnel. These trainings cover protected species and habitats that may be present in the area, threatened flora and fauna, the protection of ecologically sensitive areas, measures to be taken in case of wildlife encounters, non-intervention and no-feeding policies, organic waste management, and environmental conduct rules within the site.

Biodiversity-related training programs are delivered by expert academics and repeated periodically. In addition, toolbox talks conducted during on-site operations continuously reinforce employee awareness of biodiversity management and the protection of natural ecosystems. These practices aim to ensure the effective and proper implementation of conservation measures in the field.

The monitoring and management practices carried out form a key component of our progress toward our target of increasing biodiversity conservation efforts by 50% by 2030.

Site-Level Implementation under the Biodiversity Management Plan: Niğde Bor Solar Power Plant

Following the completion of construction activities and the transition to the operational phase at our Niğde Bor Solar Power Plant (SPP), environmental and biodiversity-related risks affecting habitats within the project's area of influence have been significantly reduced. During the operational phase, monitoring and conservation practices defined under the Biodiversity Management Plan (BMP) continue to be implemented.

Within the scope of flora and fauna monitoring activities conducted on-site, the locations of identified species are recorded, and ecologically sensitive areas are protected through marking and demarcation practices where necessary. To enhance awareness across the site, informative and warning signage is installed at various locations. In line with the Environmental and Social Impact Assessment (ESIA) and Biodiversity Management Plan (BMP) prepared for the Niğde Bor project during the 2023–2024 period, various protective measures have been implemented. As a result of these efforts, four endemic plant

species specific to the project area—Petrosimonia nigdeensis, Limonium tamaricoides, Onopordum davisii, and Gypsophila oblanceolata—have been identified and brought under protection. To safeguard these species, marking and demarcation measures have been applied on-site, and where necessary, translocation practices have been carried out to relocate species to suitable microhabitats to prevent potential damage.

Measures have also been implemented to protect the habitats of fauna species such as larks, storks, red kites, and Anatolian ground squirrels. As part of fauna monitoring activities, the presence of species and their habitat use are regularly tracked. In ecologically sensitive areas, operational activities are restricted, site rules aimed at preventing disturbance to wildlife are enforced, and measures are taken to preserve habitat integrity. These practices contribute to minimizing the potential impacts of project activities on fauna species.

To support the effective implementation of BMP practices on-site, biodiversity training programs have been delivered to personnel working at the Niğde Bor project site. Within the scope of the 2025 training plan, "Biodiversity Training" sessions were conducted to inform employees about the obligations defined in the Biodiversity Management Plan (BMP), the flora and fauna species present in the project area, the protection of sensitive habitats, and the environmental rules to be followed during site activities.

Within the scope of training programs, in line with the Ecological Clerk of Works (ECoW) approach, site personnel were provided with information on the management of ecological risks and biodiversity protection practices. These trainings were further supported by toolbox meetings conducted during site operations.

Through ongoing flora and fauna monitoring activities, the distribution of species and their habitat use within the project site are regularly tracked. During monitoring, certain plant species identified on-site have been relocated to suitable microhabitats for protection. In addition, measures have been implemented to control the spread of invasive species within the project area. Findings obtained from monitoring activities are regularly evaluated, and improvements in management practices are implemented where necessary.

Based on the flora and fauna monitoring activities carried out and the conservation and management measures implemented, an improving trend in habitat conditions has been observed within the project site. Monitoring data indicates positive developments in indicators related to species distribution and habitat use, demonstrating the effectiveness of the implemented management measures on biodiversity. These outcomes show that ecosystem functions are being preserved and the sustainability of natural habitats is being supported within the project area.

As of 2025, there are no other projects where additional protective measures under ESIA or BMP frameworks have been implemented in a manner similar to the Niğde Bor project. However, monitoring and conservation activities implemented at the Niğde Bor project continue throughout the operational phase.

Our Biodiversity and Ecosystem-Focused Practices in 2025

Throughout 2025, in addition to planned monitoring and conservation activities carried out across our project sites, various biodiversity and ecosystem-focused initiatives involving employee engagement and stakeholder collaboration were implemented. These efforts were designed to contribute to the protection of natural habitats, enhance environmental awareness, and support our sustainable ecosystem management approach.

International Day of Forests 2025 – Tree Planting Activity:

As part of the International Day of Forests, we organized a tree planting activity at our Gebze facility to increase green spaces and strengthen environmental awareness. The event was planned to encourage voluntary participation from all employees, and saplings were planted in designated landscaping areas across the site. Necessary equipment and technical support were provided throughout the organization process to facilitate employee engagement.

Through this initiative, we aim to increase carbon sequestration capacity at our facility, support local biodiversity, and strengthen environmental responsibility and climate awareness among our employees. The activity is monitored within the scope of our relevant performance indicators as part of our broader sustainability approach to combating climate change and protecting natural resources.

Protection of Coastal Ecosystems – TURMEPA:

In collaboration with TURMEPA, we conducted a coastal clean-up activity along the İzmir Aliağa shoreline. Waste collected during the activity was segregated by type and directed to appropriate recycling processes.

Through this initiative, we aimed to directly contribute to SDG 14: Life Below Water by supporting the protection of marine and coastal ecosystems. At the same time, we contributed to enhancing environmental awareness and promoting sustainable lifestyle practices through the voluntary participation of our employees.

Protection of Marine Habitats – Mediterranean Conservation Society:

A collaboration protocol has been signed with the Mediterranean Conservation Society to contribute to the protection of endangered species in marine ecosystems. Within the scope of this partnership, it is aimed to develop initiatives for the monitoring and protection of sensitive species, as well as supporting the sustainability of their habitats.

This collaboration is aligned with the United Nations Sustainable Development Goals, particularly SDG 14: Life Below Water, and aims to promote best practices for the conservation of endangered species. The planned activities are also expected to be developed in line with species conservation approaches defined by the IUCN and global biodiversity targets.

The implementation of activities under this collaboration is planned to commence as of 2026.

Progress in Alignment with the 2030 Target

The Company aims to enhance its biodiversity conservation efforts in line with long-term strategic objectives. In this context, monitoring, conservation, and awareness activities were sustained throughout 2025 in alignment with the target to increase biodiversity protection efforts by 50% by 2030.

Findings obtained from flora and fauna monitoring activities enable the assessment of the impacts of conservation and management measures implemented across project sites on biodiversity. Monitoring results indicate positive trends in indicators related to species distribution and habitat use, demonstrating that the applied management measures contribute to the preservation of ecosystem functions.

These efforts support the strengthening of the Company's corporate approach to biodiversity conservation and enable the tracking of progress toward long-term targets.

2024
25%
Improvement

2025
40%
Improvement

Vegetation Improvement

Within the scope of monitoring and conservation activities carried out across project sites, practices aimed at preserving existing vegetation and supporting habitat integrity are maintained. Through flora and fauna monitoring studies, the distribution and development of plant species present on-site are regularly tracked, and measures are implemented to protect ecologically sensitive areas.

As a result of these monitoring activities, a positive trend in the natural development of vegetation has been observed within the project sites. As of 2024, the vegetation improvement rate reached approximately 25%.

With the continued implementation of monitoring and conservation practices in 2025, this rate increased to approximately 40% on an area basis.

This improvement demonstrates the positive impact of conservation and monitoring activities on ecosystem balance and indicates that natural habitats within the project sites are being supported.

These findings also confirm that additional progress was achieved in 2025.

Water and Wastewater Management

Water is a critical natural resource for the continuity of ecosystems, the reliability of production processes, and the sustainability of economic activities. The impacts of climate change, increasing water stress, and the limited availability of resources have elevated water from being merely an operational input to a strategic management area that must be addressed holistically across supply, usage, treatment, recovery, and risk management dimensions. In this context, efficient water use, compliant wastewater management, and the expansion of recovery-oriented practices constitute key elements of both our environmental responsibility and operational sustainability.

At Smart Solar Technologies, in line with our Energy and Resource Efficiency Policy, we aim to integrate the efficient use of natural resources into all our operations and systematically reduce our environmental impacts. Within the scope of water and wastewater management, our core focus areas include monitoring water consumption, conducting process-based analyses, identifying recovery potential, and prioritizing investments through a data-driven approach.

Although water use profiles vary depending on the nature of operations across our facilities, our common approach is to measure, analyze, and continuously improve water efficiency through a systematic framework. Accordingly, we continue our efforts to protect water resources and strengthen circular use through advanced treatment technologies, process optimizations, and recovery applications.

Due to the ongoing investment process at our Aliağa facility, the focus of water management activities in 2024 and 2025 has been on establishing infrastructure, enhancing monitoring systems, and strengthening data collection capacity. In this context, water use points and process-based measurement areas across the facility are being identified, and a water inventory is being developed through the installation of measurement equipment. In addition, supplementary equipment investments have been made to improve the performance of the industrial wastewater treatment plant, ensuring compliance with discharge criteria defined by the Organized Industrial Zone (OIZ), with no non-compliance recorded in 2025.

As of 2025, within the scope of our data-driven management approach, water consumption has become traceable across production areas and auxiliary facilities. Additional measurement investments are planned to further expand the monitoring scope. Furthermore, within the scope of Life Cycle Assessment (LCA) studies, project-based efforts continue to evaluate water use throughout the lifecycle of our products.

Water Consumption	Unit	2023	2024	2025
Third-Party Water (Grid Water)	m³	9,448	80,713	408,665

Wastewater Discharge	Unit	2023	2024	2025
Third-Party Receiving Environments (Sewer System)	m³	9,292	73,463	368,559

Water Consumption	Unit	2023	2024	2025
Third-Party Water (Grid Water)	m³	156	7,250	40,106

Water Intensity	Unit	2023	2024	2025
Water Intensity (Water Withdrawal per Unit of Production)	L/unit	1.64	7.36	4.18

Regulatory Compliance, Monitoring and Audit Processes in Water Management

As part of our investments to enhance our production infrastructure, an ongoing investment program at our Aliağa facility includes both capacity expansion and technological transformation. With the commissioning of our cell production facility in 2024, our production infrastructure was significantly strengthened. In 2025, the establishment and commissioning of wafer production processes within the facility further enhanced our vertical integration structure. As of 2026, the integration of new cell production processes based on TOPCon technology is planned. In this context, our efforts related to water consumption, water efficiency, and water recovery have been carried out with a focus on establishing infrastructure, strengthening data collection capacity, and implementing monitoring systems, taking into account increasingly complex and diversified process requirements. Accordingly, water measurement points were identified across the facility, and the installation of measurement equipment has been initiated, enabling the development of a process-based water monitoring infrastructure. Through this approach, we aim to ensure more effective monitoring of water consumption in parallel with increased production, establish a comprehensive

water inventory, and support future investment decisions with reliable data.

Due to our ongoing investments, water consumption may fluctuate periodically depending on production volume, product diversity, and operational conditions, which may limit direct comparability between periods. Therefore, year-on-year comparisons should be evaluated by considering changes in production volume and process structure.

In 2025, our improvement efforts were assessed through engineering-based calculations in parallel with the phased implementation of our measurement infrastructure. Based on these analyses, a total water saving of **41,975 m³** was estimated across two projects implemented during the year. With the full deployment of our measurement infrastructure, these savings are expected to be more clearly validated with actual data in the coming periods.

ISO 14046 Water Footprint

At our Aliağa facility, the protection of water resources and the enhancement of water efficiency are among the priority areas in managing the environmental impacts of our production activities. Throughout 2025, we continued to improve our existing systems and monitor our water management performance by sustaining our efforts in water consumption, water recovery, and process-based optimization.

Based on operational data obtained from our current practices, we plan to conduct an ISO 14046 Water Footprint study to evaluate our water use across the facility through a more holistic approach and to support our long-term investment decisions with a robust methodology.

Within this scope, the main application areas analyzed and planned include:

- Water recovery and water minimization practices,
- Rainwater harvesting options,
- Reuse of reject water from reverse osmosis (RO) systems within processes,
- Utilization of findings from the ISO 14046 study to inform more comprehensive and long-term investment decisions related to water efficiency and recovery for the 2026–2027 period.

Concrete Technical Improvement Areas for 2025–2026

At Smart Solar Technologies, without waiting for long-term investment decisions, we are implementing tangible technical improvements at our Aliağa facility during the 2025–2026 period to enhance the efficiency of existing treatment and purified water production infrastructure.

- • Wastewater generated from the Electrodeionization (EDI) system is redirected to the first-stage reverse osmosis (RO) product tank instead of the raw water tank. This approach reduces potential water losses within the RO system and enables the reuse of water within the process. As a result, process-related water losses are minimized, and the water recovery rate is increased..

Through these improvements, we contribute to the conservation of water resources while simultaneously enhancing operational efficiency and managing both environmental and economic benefits in an integrated manner.

1. Performance Optimization of the Reverse Osmosis (RO) System

At our Aliağa facility, the operational performance of the reverse osmosis (RO) system has been analyzed to ensure efficient use of water resources and reduce input costs. Within the scope of optimization efforts, system efficiency is targeted to be increased from approximately 70% to 75%.

Based on the evaluations conducted, different operational scenarios at varying recovery rates were compared, and their impacts on water consumption, chemical usage, and total cost were analyzed. These analyses were based on unit water costs and antiscalant chemical expenses.

As a result of operating the RO system at higher recovery rates, significant improvements have been achieved in water consumption and chemical usage at our Aliağa facility, generating notable economic benefits on an annual basis.

Through these optimization efforts, more efficient use of water resources has been ensured, operational efficiency has been enhanced, and environmental and economic benefits have been managed simultaneously. The results demonstrate that water efficiency-focused operational improvements contribute directly to both natural resource conservation and cost efficiency.

Indicator	Achieved Impact
Daily water savings	82 m³/day
Annual water savings	29,930 m³/year
Annual water cost savings	2,993,000 TRY/year
Annual chemical savings	985,389 TRY/year
Total annual economic contribution	**3,978,389 TRY/year**

2. Water Recovery and Process Optimization in the EDI System

The performance of Electrodeionization (EDI) systems used in purified water production processes at our Aliağa facility has been evaluated, and technical improvement studies have been carried out to enable the reuse of wastewater generated from these systems within the process.

At our facility, a total of 10 EDI modules, each with a purified water production capacity of 5 m³/hour, are actively operated. During operations, it has been determined that each module generates approximately 550 liters of wastewater per hour. Based on technical analyses conducted, this wastewater has been redirected to the Reverse Osmosis 1 (RO-1) product tank instead of being discharged to the raw water tank.

Through this improvement, the reuse of wastewater generated from the EDI system within the process has been enabled, preventing approximately 25% of potential water loss in the reverse osmosis system. As a result, both operational cost advantages have been achieved, and the efficient use of water resources has been supported.

Indicator	Achieved Impact
Annual EDI wastewater volume	48,180 m³/year
Water retained within the process	12,045 m³/year
Prevented water loss rate	25%

Through this improvement, wastewater generated from the EDI system has been reused within the process, reducing process-related water losses and enabling more efficient use of water resources.

Wastewater Management and Discharge Compliance (Alignment with OIZ Criteria)

At our Aliağa facility, we adopt a continuous improvement approach to ensure that wastewater is managed in compliance with applicable legislation and Organized Industrial Zone (OIZ) discharge criteria. In this context, we strengthen our operational reliability and treatment stability by commissioning additional equipment to enhance the performance of our on-site industrial wastewater treatment plant.

Currently, our industrial wastewater treatment facility fully complies with the discharge standards defined by OIZ. Based on regular sampling and analysis conducted by OIZ authorities, no non-compliance was identified throughout 2025.

Wastewater Recovery, Rainwater Harvesting and Reuse Approach

Our practices related to wastewater recovery, rainwater harvesting, and water reuse in production processes are being addressed through a phased approach, taking into account the ongoing investment process at our Aliağa facility. During 2025, within the scope of water management activities, we focused on identifying water use points, initiating the installation of measurement infrastructure, and developing a comprehensive water inventory. In parallel with these efforts, the reuse of wastewater generated from the EDI system contributed to reducing process-related water losses and improving the efficient use of water resources. In addition, preliminary assessments were conducted to evaluate recovery and reuse potential.

As part of ongoing technical studies, engineering analyses have been initiated to assess the potential reuse of concentrate streams generated in reverse osmosis systems within plant processes, considering their quality parameters.

As of 2026, it is planned to reuse concentrate streams from reverse osmosis systems within the facility, targeting the recovery of approximately 180 m³/day, corresponding to an annual water demand of around 65,700 m³ through recovery.

Planned recovery applications will be reassessed following the completion of the facility investment process, considering technical, environmental, and economic criteria. Based on the outcomes of these evaluations, the most suitable solutions are planned to be implemented in a phased manner.

Management of Water Scarcity and Water-Related Risks

The potential impacts of water scarcity and water-related crises on our operations are regularly assessed through Climate Risk Scenario Analysis and the double materiality assessments conducted within this scope. Based on these analyses, we identify risks related to water access and water stress and develop action plans aimed at mitigating and managing these risks.

In this context, we monitor water stress indicators for the locations where our production facilities and operational sites are situated and closely track climate-related physical risks. In addition, we benefit from analyses conducted by third-party experts to assess climate and water stress risks associated with critical stakeholders in our value chain, including logistics operations and ports. Through these efforts, we aim to evaluate the potential impacts of water-related physical risks across our value chain from a more holistic perspective.

While our panel production activities do not involve direct water consumption, the importance of water use in our operations has increased with the expansion of our production infrastructure and the integration of cell and wafer production processes into our value chain. Similar to semiconductor manufacturing processes, these activities require high-purity water, making the effective management of water resources a critical priority for our operations.

In line with this transformation, we are expanding the scope of our water management practices. We are conducting studies to monitor water consumption, perform process-based analyses, and implement technical improvements aimed at enhancing water efficiency. In parallel with the commissioning of wafer production and planned investments in TOPCon cell production, we are strengthening our infrastructure for monitoring and managing water consumption. Potential water-related risks associated with increased production capacity are addressed through a proactive approach.

Within this framework, we evaluate water efficiency projects and recovery practices through a systematic approach. In doing so, we aim both to contribute to the conservation of water resources and to support the long-term sustainability of our production activities. This approach enables us to mitigate the operational and environmental impacts of potential water scarcity risks while strengthening business continuity through the sustainable management of water resources.

2025 Activities

At Smart Solar Technologies, we prioritize raising awareness on the protection and sustainable use of water resources. In this context, during 2025, we developed informative visual and digital content and carried out various communication initiatives for our employees as part of World Water Day (21 March) and World Water Monitoring Day (18 September).

Through these activities, which focused on water conservation, water efficiency, and the impacts of climate change on water resources, we aimed to improve water use practices at both individual and organizational levels.

In addition, within the scope of our annual employee training programs, we included topics such as water pollution, efficient water use, and the protection of water resources. These trainings are designed to strengthen corporate awareness on environmental and sustainability topics and contribute to the dissemination of our sustainable resource management approach across our value chain.

Water Conservation

	2025
Reused and Recovered Water	12,045 m³
Reused and Recovered Water per Unit of Production/Product	0,13 L/Unit
Water Recovery Rate	3%

2026 and Beyond

An integrated approach is adopted for the management of the environmental impacts of water use, and the focus of water management efforts in 2026 and subsequent periods will be on strengthening monitoring, control, and data-driven decision-support infrastructure. In this context, it is aimed to clearly identify water use points and process-based consumption areas across facilities, establish measurement systems, and ensure continuous and active monitoring of water consumption data. In parallel, it is planned to enhance inventory studies related to water consumption and wastewater generation through a more robust and comprehensive data infrastructure. Furthermore, practices aimed at regularly monitoring the performance of the industrial wastewater treatment plant, ensuring continuous compliance with Organized Industrial Zone (OIZ) discharge criteria, and periodically reviewing regulatory obligations will be maintained. Employee training and awareness initiatives to support the sustainable management of water resources will also continue to be prioritized during this period.

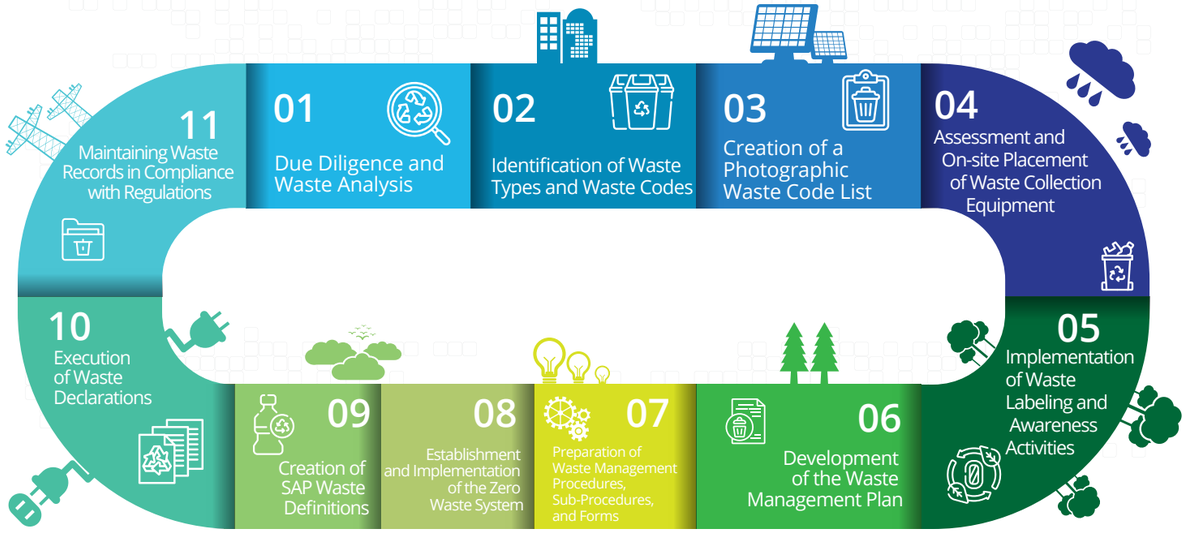
No certification or verification process related to the water footprint was conducted in 2025; however, the establishment of the ISO 14046 Water Footprint management system infrastructure and the initiation of the certification process are targeted for 2026. This initiative is expected to enable the identification of critical water use areas, the quantitative assessment of water consumption and wastewater generation, and the prioritization of water efficiency and recovery projects. Findings derived from the ISO 14046 study are expected to inform future water efficiency and water recovery investments and to support the further development of the Company's water management strategy through a more data-driven and structured approach.

Circular Economy and Waste Management

As Smart Solar Technologies, we adopt a circular production approach in which resources are used efficiently and waste is transformed into value-creating inputs. In line with our Environmental and Climate Change Policy, we aim to minimize waste at source, monitor process losses, and strengthen reuse and recovery channels. Within this framework, while continuing our Life Cycle Assessment (LCA) studies to evaluate the environmental impacts of our products using scientific methods, we also maintain our strategic preparations to further systematize our corporate circular economy approach. Throughout 2025, our circular economy focus has been implemented through a comprehensive framework covering process improvements and strengthening traceability infrastructure at our production facilities, source separation and recovery practices at sites, awareness initiatives that enhance employee engagement, and corporate preparatory steps regarding the end-of-life phase of products. Preparations for the establishment of a Circular Economy Working Group, which will focus on the coordination of operational processes and the improvement of resource efficiency performance, have continued during the 2025 reporting period, and the group is planned to become operational as of 2026. Through our Sustainability Department, we support relevant business functions in ensuring compliance with environmental regulations, monitoring reporting processes, and providing guidance on implementation, thereby contributing to the alignment of our circular economy approach with corporate objectives.

Our waste management and reporting processes are conducted in compliance with national legislation and the reporting requirements set by the Ministry of Environment, Urbanization and Climate Change of the Republic of Türkiye. Waste management re porting is carried out through monthly evaluation records, annual internal audit reports, waste management plans, MoTAT (Mobile Hazardous Waste Tracking System) records, and data generated through the Zero Waste system. Through the established recording system, end-to-end traceability of waste is ensured throughout its lifecycle (generation, temporary storage, transportation, recovery/ recycling, or disposal). Data are verified through periodic internal control mechanisms, and all declaration obligations are fulfilled in accordance with the relevant legislation

Waste Management



Our waste management practices are carried out within the scope of the ISO 14001 Environmental Management System; waste is segregated at source according to type, temporarily stored under appropriate conditions, transported in compliance with applicable regulations, and managed through recovery or disposal processes in accordance with defined procedures. Through this approach, waste generated from our production processes is directed to recovery processes at the highest possible rate, while the amount of waste sent for disposal is minimized. This approach also contributes to improving resource efficiency and strengthening circular economy practices.

Hazardous Waste Management

Hazardous waste generated within the scope of our operations (including chemical, medical, and electronic waste) is managed in accordance with applicable legal requirements and internal environmental management practices. All stages, from generation to final treatment, are carried out in a controlled manner through established management systems. Waste is identified and segregated at source according to type; labeling, temporary storage, shipment to authorized licensed facilities, and recovery or disposal processes are recorded, monitored, and reported in compliance with relevant regulations.

Preventive measures are implemented in line with the Environmental Emergency Procedure to address potential environmental risks arising from the use of chemicals. In this context, response teams operate at our facilities, drills are conducted to strengthen on-site practices, and regular awareness and training activities are provided to relevant employees.

With respect to electronic waste management, efforts to strengthen the corporate framework in line with the Extended Producer Responsibility (EPR) approach are ongoing. Within this scope, an Electronic Waste Management Plan is being developed to ensure that electronic waste is managed in accordance with regulatory requirements and industry best practices. In line with this plan, it is intended to implement collection and recovery practices aligned with Waste Electrical and Electronic Equipment (WEEE) requirements in 2026.

As part of effective waste management practices, recovery options have been developed for certain waste types that were previously directed to disposal. In this context, contaminated packaging is processed appropriately and directed to recovery processes, and compressor-related wastewater is sent to licensed facilities for treatment. These practices support the reduction of environmental impacts arising from our operations and promote more efficient use of resources.

Specific procedures have been established for the management of chemicals used in production processes to reduce environmental risks and ensure safe use, and these processes are carried out in coordination with the Occupational Health and Safety (OHS) unit. In processes involving intensive chemical use, technical measures are implemented to prevent contamination risks, and regular training is provided to employees. Chemical waste is stored under appropriate safety conditions in compliance with regulations and is directed to recovery or appropriate final treatment processes through authorized organizations. Efforts are ongoing to optimize processes to reduce the intensity of chemical use and the associated volume of hazardous waste. One such initiative is a distillation-based pilot study aimed at recovering isopropanol (IPA) from flux used in production processes. Through this initiative, it is aimed to reduce the volume of chemical waste generated from intensive production inputs and minimize environmental impacts. Within the scope of specific process waste, potting chemicals are collected by separating them from their packaging before curing occurs; packaging materials that are decontaminated are directed to recycling processes in granulated plastic form. These practices aim to reduce the volume of chemical waste, increase the share of recyclable materials, and decrease the amount of hazardous waste sent to disposal.

A source reduction and material optimization approach is adopted in packaging design; in this context, packaging waste is segregated at source and directed to licensed recycling facilities. Recycling rates are regularly monitored, and continuous improvement efforts are carried out to reduce packaging-related waste. Protective packaging materials such as foam used in the transportation of sensitive components, including cells, are reintroduced into operations based on reuse practices, thereby supporting closed-loop material use and contributing to the reduction of new waste generation.

Waste Type	Unit	2023	2024	2025
Paper / Cardboard	kg	205,266	393,750	394,240
Plastic (Polyethylene, Polypropylene, etc.)	kg	192,379	259,170	247,064
Metal	kg	48,390	85,919	327,206
Glass	kg	105,522	146,880	370,740
Electronic Waste	kg	3,800	31,320	100
Other Waste	kg	773,637	1,693,002	2,057,813
Total Waste	**kg**	**1,328,994**	**2,610,041**	**3,397,163**

Waste by Treatment Type	Unit	2023	2024	2025
Waste Recovered	kg	1,328,988	2,610,015	3,397,012
Waste Disposed	kg	6	26	150
Waste Sent to Interim Storage	kg	4,512	2,190	1,360
Recovered (R-coded) Non-Hazardous Waste	kg	1,292,803	2,418,991	2,601,678
Recovered (R-coded) Hazardous Waste	kg	36,185	191,024	795,335
Disposed (D-coded) Hazardous Waste	kg	6	25	150
Other Hazardous Waste Sent to Interim Storage	kg	4,512	2,190	1,360

Hazardous / Non-Hazardous	Unit	2023	2024	2025
Hazardous Waste	kg	36,191	191,049	795,485
Non-Hazardous Waste	kg	1,292,803	2,418,992	2,601,678
Total Waste		**1,328,994**	**2,610,041**	**3,397,163**

Waste Recovery and Diversion Operations

	Unit	2023	2024	2025
Total Hazardous Waste *(Directed to Recycling)*	kg	36,185	191,024	795,335
Recovery	kg	36,185	191,024	795,335
Total Non-Hazardous Waste *(Directed to Recycling)*	kg	1,292,803	2,418,991	2,601,678
Recovery	kg	1,292,803	2,418,991	2,601,678

Recovered and Recycled Solid and Liquid Wastes

	Unit	2023	2024	2025
Paper	kg	205,266	393,750	394,240
Plastic (Polyethylene, Polypropylene, etc.)	kg	192,379	259,170	247,064
Metal	kg	48,390	85,840	327,129
Glass	kg	105,522	146,880	370,740
Wood	kg	481,260	1,202,650	1,030,010
Electronic Waste	kg	0	6,900	0
Other Wastes*	kg	259,986	323,851	232,494
Total Waste Recovered or Recycled		**1,292,803**	**2,419,041**	**2,601,678**

* Mixed packaging, tires, batteries

Electronic waste generated during the 2023–2025 period mainly consisted of electrical and electronic equipment, decommissioned equipment, and cables. In 2025, 100 kg of hazardous electronic equipment was sent for recovery from our Aliağa location.

Key Developments in 2025

In line with our circular economy approach, campaigns were organized to promote the separate collection of waste at source, focusing on waste oils and electronic waste. Waste vegetable oils and end-of-life electronic equipment were directed to recovery through licensed organizations, contributing to the reduction of environmental impacts and enabling their reintegration into the economy. These initiatives aimed to increase employee awareness and support the achievement of zero waste targets.

To enhance awareness on waste management and circular economy practices, awareness activities were conducted across the facilities, covering topics such as hazardous waste, recycling, waste types, proper segregation practices, and circular economy principles. Through written, verbal, and digital communication channels, employees were encouraged to improve their awareness in these areas.

Within the scope of Extended Producer Responsibility (EPR) obligations, meetings were held in July 2025 with relevant public institutions and service providers; potential collaboration models for training, awareness activities, and collection campaigns were evaluated. In this context, it is planned to implement Waste Electrical and Electronic Equipment (WEEE) collection and awareness campaigns in the upcoming period, covering employees, dealers, and, where applicable, corporate customers.

On the occasion of **International E-Waste Day,** awareness training on the environmental and human health impacts of electronic waste was delivered to employees by subject matter experts.

Waste-to-Art Project

On the occasion of 17 May International Recycling Day, the Waste-to-Art Project, implemented at the Gebze facility, aimed to highlight the reuse potential of production-related waste generated during manufacturing processes. Through this initiative, art and industry were brought together by transforming waste materials into artworks, utilizing the facility's own resources and encouraging active employee participation.

Within the scope of the project, a total of 29 artworks were produced by 269 employees using production-originated waste materials from the Gebze Production Facility. The resulting works were evaluated based on criteria including creativity, proportion of waste material usage, conveyed message, and presentation quality. The top three groups were awarded plaques, while all participants received certificates of participation.

Through the Waste-to-Art Project, attention was drawn to the core principles of the waste management hierarchy, particularly waste prevention and reuse. The project aimed to foster an organization-wide understanding that waste is not merely an output requiring disposal, but a resource with value-creation potential when managed with the right approaches. This practice contributed to strengthening employees' circular economy perspective, increasing awareness of resource efficiency, and reinforcing waste management culture at the corporate level.

2026–2030 Roadmap and Corporate Activities

The establishment of a Circular Economy Working Group is planned for 2026 to systematically integrate the circular economy approach into company processes. Through this working group, it is aimed to identify and prioritize areas with circularity potential across production, supply chain, product design, and waste management processes, and to evaluate applications such as the use of recycled materials, reusable packaging solutions, and secondary raw material utilization through pilot studies. Based on pilot outcomes, it is intended to scale these applications across the organization by developing a structure that is measurable, reportable, and scalable.

To further align the circular economy approach with corporate objectives, priority areas include improving resource efficiency in production processes, reducing waste generation, and increasing recovery rates. In this context, process improvement initiatives are expected to be carried out using operational data derived from production processes, and material use is intended to be optimized more efficiently.

The Company aims to **improve its Zero Waste Management practices by 50% by 2030.** This target encompasses strengthening source segregation, increasing recovery rates, and reducing the volume of waste sent to disposal. The year 2024 has been defined as the base year, and a baseline assessment has been conducted; waste types and sources of generation have been identified, and monitoring of recovery and disposal performance has been initiated.

At the operational level, it is planned to continue and expand practices supporting a “minimum waste” approach, along with employee awareness initiatives, particularly at the Niğde Bor Solar Power Plant (SPP) site. In this context, continuity of training and implementation activities aimed at reducing waste generation, optimizing resource use, and minimizing environmental impacts in field operations is targeted.

In line with this roadmap, the circular economy approach is addressed as a comprehensive resource efficiency framework extending beyond waste management to include product design, supply chain management, production processes, and end-of-life management.
In the coming period, it is aimed to further integrate this approach into corporate decision-making processes and to establish it as a core component of the sustainable production model.

Sustainable Production Model

*As Smart Solar Technologies, we continued to implement our **Sustainable Production Model** in 2025 within a systematic framework, based on practices such as resource efficiency, waste reduction, and recycling to reduce our environmental footprint.*

Fundamental Elements of the Waste and Resource Efficiency-Focused Sustainable Production Model

- *Process improvements aimed at reducing waste generation at its source*
- *Monitoring production scrap and evaluating recycling opportunities through reuse*
- *Separating waste by type and directing it to recovery processes*
- *Managing hazardous waste in compliance with legislation and in a controlled manner*
- *Monitoring environmental performance and adopting a continuous improvement approach*

As of 2025, our Sustainable Production Model has been implemented in alignment with our environmental management system and sustainability targets.

Within this scope, preparatory and planning activities were carried out throughout 2025 for the development of the Environmental Compliance Audit Procedure, prepared in line with the Supplier Code of Conduct, and for the implementation of assessment forms to evaluate environmental service providers and material suppliers against defined environmental criteria. The gradual implementation of these practices is planned following the completion of the system infrastructure, with transition to the operational application and evaluation phase in the subsequent period. As of 2025, raw material suppliers with relatively higher environmental risk levels have been prioritized and included in assessment and audit processes. As a result of these efforts, improvements have been observed in certain suppliers in areas such as waste and chemical management practices, enhancement of environmental record-keeping and monitoring processes, and initial steps toward establishing environmental management systems. Further details are provided in the Sustainable Supply Chain section of this report.

Capacity Development

At Smart Güneş, we regularly conduct environmental training to raise our employees' environmental awareness, enhance the effectiveness of our environmental management practices, and support regulatory compliance. The training sessions held at our factories and field operations cover topics such as environmental management, waste management, zero-waste practices, sustainability, environmental incidents, resource efficiency, and climate change.

In this regard, we organize training sessions on Basic Environmental Training, Waste Management, Zero Waste, Waste Collection, and Environmental Regulations as part of both facility- and site-specific targeted training and open-enrollment programs. To enhance preparedness for potential environmental risks, we provide both theoretical and practical training on environmental incidents.

In 2025, we conducted comprehensive training programs for our employees in the areas of environmental and waste management. The content of our training programs covered sustainability topics such as the Environmental and Climate Change Policy, factory environmental rules and procedures, environmental risks and opportunities, air, water, soil, and noise pollution, response to environmental incidents, climate change and sustainability reporting, and data collection. In addition, we provide information on hazardous, non-hazardous, and household waste management; waste codes; source-separated collection; temporary storage processes; environmental regulatory obligations in collaboration with the Company's Legal Department; response to environmental incidents; sustainability reporting and data collection; electronic waste recycling; and the concept of the "green consumer."

In this context,
we provided a total of 3,596.15 hours of *environmental training t o our employees.*

At our sites, we conducted training activities focused on environmental and waste management for employees working in Niğde Bor throughout 2025. Our training programs were designed to manage environmental risks, strengthen regulatory compliance, and raise employee awareness. These training sessions covered the following topics: types of environmental pollution, waste management practices, chemical risks, response methods for spills and leaks, the zero-waste hierarchy, energy and water efficiency, greenhouse gas management, carbon footprint, and environmental protection measures that can be taken at the individual level.

Environmental Awareness Activities

Throughout 2025, we carried out various communication and awareness-raising initiatives aimed at increasing environmental awareness. Building on the environmental awareness surveys we conducted in 2024, we implemented programs designed to raise our employees' awareness of their individual carbon footprints.

During a webinar organized as part of Green Consumer Day, we discussed the relationship between sustainable consumption habits, individual carbon footprints, and climate change with the participation of an expert academic in the field. Additionally, as part of the Zeytince Association's PSLifestyle Project, our employees' individual carbon footprints were calculated, and recommendations for reducing emissions were shared.

In addition, visual and digital communication activities were carried out in connection with key environmental awareness days, including World Climate Day, Earth Overshoot Day, Türkiye Overshoot Day, World Nature Conservation Day, World Environment Day, World Water Day, World Water Monitoring Day, and International Recycling Day; awareness content was shared on topics such as the climate crisis, resource efficiency, clean energy use, and collective responsibility.

Humaneness
in every
cell

Our Social Approach

Human Rights

We are aware that success is only possible through a fair and inclusive approach that ensures the fundamental rights and freedoms of all the stakeholders within our value chain.

As Smart Solar Technologies, we believe that our corporate approach—built on trust, accountability, and high standards—forms the foundation of sustainable success. We recognize that such success is only possible through a fair and inclusive approach in which the fundamental rights and freedoms of all stakeholders across our value chain are safeguarded. Through our Human Rights Policy, adopted by Board Resolution No. 2022/46, we internalize the values that guide our way of doing business as an integral part of our corporate culture and embed them across our operations, from procurement processes to production, and from customer relations to field operations.

In alignment with globally recognized frameworks such as the United Nations Universal Declaration of Human Rights (UDHR) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as applicable national legislation, our Human Rights Policy ensures that:

- We take a zero-tolerance approach to practices that violate human rights and human dignity, including child labor and forced labor, within our supply chain. We expect our business partners to act in accordance with our policy and take necessary actions in cases of non-compliance.
- We ensure that no discrimination occurs in any processes affecting our employees. We declare that appropriate measures will be taken in the event of any attempt at discrimination.
- We recognize employee diversity as a source of value for the Company.
- We aim to create an equitable, inclusive, modern, and fair working environment.

We place importance on ensuring that all our employees and business partners comply with our Human Rights Policy. To enable any concerns, reports, or complaints in this area to be raised by our employees, suppliers, subcontractors, business partners, and local communities affected by our operations without fear of retaliation, multi-channel grievance mechanisms (GRM, Grievance Redress Mechanism) have been established, including the email address **etik@smartsolar.com.tr** , the Human Rights Violation Notification Form, notification boxes, **contact form**, and a whistleblowing hotline. Through these mechanisms, stakeholders may communicate with the Company either anonymously or by disclosing their identity. We adopt a zero-retaliation principle and safeguard the rights of individuals who submit reports. All submissions are evaluated by authorized committees and teams in accordance with established procedures, and a process and committee-based approach is applied to ensure that reports are not handled solely at an individual level. In the event of any non-compliance with the Company's Human Rights Policy, investigations are initiated, and appropriate actions such as warnings, sanctions, or termination of business relationships are taken without delay.

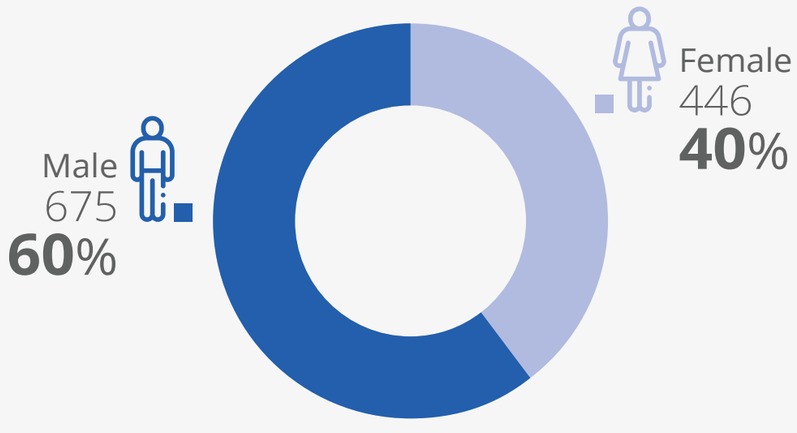
*In 2025, no human rights violations were reported, and no cases of non-compliance were identified.Further details on the Company's **Human Rights Policy** are available on our corporate **website.***

Employee Rights and Satisfaction

Our qualified and competent workforce constitutes the driving force behind the value our Company creates within the solar technologies ecosystem and the national economy. As Smart Solar Technologies, we convert the power of the sun into energy with a workforce of more than 1,100 employees. Guided by our motto "Your Energy is Our Energy", we regard our employees as the most valuable stakeholder group within our value chain.

Based on our principle of "Respect for People, Society, Nature, and the Environment," our Human Resources Policy has been developed in alignment with internationally recognized frameworks such as the United Nations Global Compact and the International Labour Organization, as well as applicable national legislation, and our processes are managed with a fair, equitable, and inclusive approach. By fostering a healthy, safe, and inclusive working environment in which no one is left behind, we aim to ensure the sustainability of both our corporate resilience and employee satisfaction. Through our people-oriented corporate culture, safeguarding employee rights and creating an environment that enables individuals to realize their full potential are considered strategic priorities. Recruitment processes are conducted in a transparent, objective, and competency-based manner in accordance with relevant policies and procedures, and discrimination and favoritism are strictly opposed. As a company that places strong emphasis on gender equality, we plan to increase female employment in line with our 2030 targets.

Number of Employees by Employment Type



Number of Employees by Employment Type	2023	2024	2025
White Collar	289	294	278
Female	79	81	64
Male	210	213	214
Blue Collar	872	870	843
Female	480	409	382
Male	392	461	461
Total Number of Employees*	1,161	1,164	1,121

**All of our employees work full-time. In addition, our company employs a total of 51 workers through subcontractors for various roles, such as security, food service, and cleaning.*

Number of Employees by Location	2025
İstanbul/Merkez	108
İzmir/Aliağa	698
İstanbul/Gebze	315

We place great importance on the protection of employee rights and adopt a participatory and dialogue-based approach. We take the necessary actions to ensure that employee rights are legally safeguarded through the effective and transparent implementation of our Human Resources Policy. One of the most notable developments in this area is the high unionization rate within our company. As of last year, all blue-collar employees have joined the unions organized at their respective facilities.

We ensure, through our policies and in compliance with legal requirements, that our employees can freely exercise their labor rights—such as union membership, collective bargaining, freedom of assembly, the right to strike, and freedom of expression—without facing any adverse consequences.

By regulating employees' right to file individual complaints under the Collective Bargaining Agreement, we enable employees

*With the principle of **"equal pay for equal work,"** we ensure equality and fairness in compensation through our company policies and the Collective Bargaining Agreement.*

to communicate their individual complaints and requests in addition to their union representation. To ensure that union authorization and representation processes operate without coercion or pressure, we have established secret ballot mechanisms in accordance with legal regulations. We actively maintain employee-employer dialogue channels through the union/employee representative offices located at our facilities, holding regular meetings with employee representatives and evaluating our employees' requests and feedback.

In 2025, we held a total of 51 meetings across all shifts with our branch representatives and union representatives at the factories. In addition, unions organized a total of 9 hours of training sessions aimed at raising union awareness and informing employees about their rights. We also support these employee outreach activities with posters and visual communication tools.

At our Aliağa facility, the TES-İŞ (Turkey Energy, Water, and Gas Workers) Union is organized, and all 576 blue-collar employees at the facility are union members. As a result of the collective bargaining process conducted with the union, a Collective Bargaining Agreement (CBA) was signed in the second half of 2025.

All employees at our Gebze facility are union members. The work stoppage decision taken by the United Metal Workers' Union on October 22, 2025, at our Gebze Panel Production Facility has ended following the conclusion of collective bargaining negotiations with the United Metal Workers' Union on February 12, 2026, and production activities have resumed. To enhance the economic well-being of our employees, we adopt a fair and competitive compensation philosophy within the company, in line with our Compensation Policy. Pay bands are evaluated annually based on the results of the Turkey Wage Survey, and the Human Resources department conducts the necessary studies.

We ensure equality and fairness in compensation through our company policies and the Collective Bargaining Agreement, guided by the "equal pay for equal work" principle applicable to all levels. This approach absolutely prevents any form of discrimination in compensation processes, particularly based on gender.

We determine the wages of our fully unionized employees in accordance with the provisions agreed upon under the current Collective Bargaining Agreement. Through this approach, we aim to provide our employees with wage increases of at least 10% above the minimum wage, ensuring they receive salaries above the industry average. Additionally, we provide supplementary bonus payments in addition to base salaries based on performance and seniority metrics.

As part of the operational phase of the **SMARTest** project, which aims to align our strategy with the company's budget and corporate goals, we launched the Performance Management System Design and Implementation Project in the first quarter of the 2025 fiscal year, with a budget of 164,000 TRY and under the coordination of the Human Resources Department, to integrate business and ESG KPIs into a digital environment.

With this digital transformation project, we have moved to the implementation phase of the strategic framework we established in previous years, ensuring the establishment of relevant performance measurement mechanisms, the definition of competency sets, and the conduct of evaluations in a more transparent, fair, and measurable manner. As a result, we are standardizing our compensation processes across the entire organization.

We have adopted a Human Resources Policy that supports the work-life balance of our employees and external stakeholders. At our factories, Human Resources managers conduct monthly checks on working hours in accordance with the law, effectively implementing the necessary controls to ensure that the annual legal limit of 270 hours is not exceeded.

Through our Human Resources practices, which are safeguarded by our policies and procedures, we provide benefits such as paid sick leave and a family-child support package, as well as opportunities that contribute to employee engagement and performance, such as a hybrid work model tailored to suitable job functions, as part of our efforts to support our employees.

Through the Employee Engagement Surveys (EES) we conduct annually, we gather feedback from our employees and measure their job satisfaction. According to the results of the EES conducted in 2025, to which approximately two-thirds of our employees responded, over 80% of participants reported feeling motivated, passionate, and committed to their careers at Smart Solar Technologies; nearly 70% indicated that they were satisfied with working at the company. While employee engagement has increased compared to last year, there has been a relative decline in motivation, passion, and satisfaction compared to 2024.

In line with our goal of increasing employee satisfaction by 5%, we are implementing improvements based on our employees' expectations and requests. In 2025, drawing on the results of the Employee Engagement Survey, we updated our facility's working hours and implemented improvements such as transitioning to a four-shift system.

To boost employee motivation, we organize various events at our facilities throughout the year on special occasions. One such event was our participation in the ALOSBİ Tournament, which features companies within the Aliağa Organized Industrial Zone (ALOSBİ), aimed at fostering team spirit among our employees.

Number of employees taking parental leave	2023	2024	2025
	11	16	49
Female	11	16	7
Male	0	0	42
Number of employees returning to work after parental leave	1	4	49
Female	1	4	7
Male	0	0	42
Number of employees retained 12 months after returning from parental leave	1	4	48
Female	1	4	6
Male	0	0	42

In the 2025 fiscal year, 7 female and 42 male employees took parental leave. All employees returned to work after completing their leave. 48 employees continued their careers at Smart Solar Technologies in the year following their parental leave.

You can access the details of our company's Human Resources Policy on our corporate ***website.***

Diversity, Equity and Inclusion

We do not tolerate any discriminatory attitudes or behavior based on gender, age, ethnicity, disability, or any other difference in the workplace. Instead, we embrace an inclusive corporate culture that values the diversity these differences bring.

At Smart Solar Technologies, we view our diversity as a valuable asset that adds significant value to our company. We place the utmost importance on ensuring that all our employees, including our subcontractors, feel safe and secure as they advance their careers at Smart Solar; furthermore, we safeguard this commitment through our Equality, Diversity, and Inclusion Policy. We do not tolerate any form of discrimination or harassment against any stakeholder based on gender, origin, language, beliefs, or similar reasons. As clearly stated in our Employee Code of Conduct and Anti-Harassment Policy, we conduct our operations in accordance with the ethical and human rights policies adopted by our company, and we expect all our employees and stakeholders to strictly adhere to these standards.

We promote diversity, equity, and inclusion in our business processes, adopting an approach that leaves no one behind across all our end-to-end operations, including hiring, promotions, compensation, and procurement. We provide complaint and reporting mechanisms that allow our employees and stakeholders to anonymously report unacceptable behaviors—such as discrimination, harassment, and unfairness—that are strictly contrary to our company's policies, ensuring our stakeholders can safely voice their concerns. We conduct the necessary investigations into reports submitted through these channels, and in cases where misconduct is identified, we initiate the appropriate processes in accordance with our Disciplinary Regulations.

We do not tolerate any discriminatory attitudes or behaviors based on gender, age, ethnicity, disability, or any other difference; instead, we embrace an inclusive organizational culture that values the diversity these differences bring.

In line with our commitments under the UNGC's "Moving Forward Faster" initiative, we plan to increase the proportion of female employees—currently at approximately 40%—to 50% by 2030 to support gender equality.

The fact that women accounted for the vast majority of new hires at our Aliağa facility last year reflects our commitment to this cause. The proportion of women on our Board of Directors stands at 45%. We aim to achieve gender parity in representation at all management levels by 2030.

Our company has been a member of Women-Friendly Brands for two years and participates in various initiatives.

As Smart Solar Technologies, we are participating in the Non-Discrimination & Equality Program organized by UN Global Compact Turkey to create an equitable and inclusive work environment within our company and supply chain. As part of the program, we are analyzing our current status and reviewing our policies and processes to become a more inclusive company. Under the leadership of our senior management, we are taking steps to reinforce the principle of equality across all our business processes and regularly monitoring our progress.

We also aim to achieve gender parity in representation at all management levels by 2030.

Our company has been a member of Women-Friendly Brands for two years and participates in various initiatives.

We have employed a total of **30 individuals** with disabilities, comprising **9 women** and **21 men.**

In line with our principles of Diversity, Equity, and Inclusion, we continued to fulfill our legal employment obligations by hiring a total of 30 individuals with disabilities—9 women and 21 men—in 2025, representing approximately 3% of our total workforce. By providing the physical facilities and equipment necessary to meet the accessibility needs of our employees with disabilities in our offices and facilities, we support their participation in the workforce in a healthy and safe environment.

As Smart Solar Technologies, in line with our approach that views cultural diversity and differences as a source of richness, we currently employ a total of 43 foreign workers, including 42 men and 1 woman.

Employee Distribution by Age	2023	2024	2025
Under 30	387	430	**359**
Percentage of Employees Under 30	33.33%	36.94%	**32.02%**
Female	133	154	**120**
Male	254	276	**239**
Aged 30-50	733	697	**718**
Percentage of Employees Aged 30–50	63.14%	59.88%	**64.05%**
Female	414	325	**309**
Male	319	372	**409**
Over 50	41	37	**44**
Percentage of Employees Over 50	3.53%	3.18%	**3.93%**
Female	12	12	**17**
Male	29	25	**27**
Total Number of Employees	**1,161**	**1,164**	**1,121**

*You can access the details of our company's Equality, Diversity, and Inclusion Policy on our corporate **website.***

Career Management and Development

At Smart Solar Technologies, we ensure that our employees can continue their careers within our company in a fair, transparent, and inclusive work environment through standardized, data-driven methods grounded in policies and procedures. We act with the aim of increasing the value we create by establishing a work environment where our employees, our most important resource, can realize their potential and develop their skills. We ensure business continuity by identifying critical positions and creating succession plans, and we manage our processes within the framework of our Human Resources Policy and our Promotion and Appointment Policy to utilize our human resources most effectively.

Through our Career Management System, we provide our employees with opportunities for growth not only in their current roles but also in areas where they may take on future responsibilities or pursue their career interests. We strictly adhere to the principle of equal opportunity in our employees' careers at Smart Solar and across all human resources processes, standing firmly against discrimination based on any reason, including gender, sexual orientation, origin, religion, age, or other differences.
At Smart Solar, we support our employees continuing their career journeys by offering flexible work arrangements, particularly during their graduate studies, to help them maintain a healthy work-life balance.

With our "Energy at Work" orientation program, designed for new colleagues joining Smart Solar, we make the onboarding and adaptation processes easier. This enables our new employees to adapt more quickly to our corporate culture and processes while gaining the opportunity to get to know the company closely. As a result of these efforts, 76% of employees who have recently started at Smart Solar Technologies (with 0–2 years of experience) continue their careers with us.

As a key player in the solar industry, where production relies on cutting-edge technology and innovation capabilities are paramount, we are implementing significant initiatives to support our employees' careers and professional development. In 2025, we provided over 22,000 hours of training for our employees across various areas, including personal development, occupational safety and health, professional development, and environmental sustainability.

New Hires and Employee Turnover	2023	2024	2025
Number of newly hired employees	841	491	**124**
White Collar - Female	81	38	**10**
White Collar - Male	203	74	**52**
Blue Collar - Female	267	124	**14**
Blue Collar - Male	290	255	**48**
Number of employees who ceased employment	287	488	**167**
White Collar - Female	24	30	**27**
White Collar - Male	57	85	**52**
Blue Collar - Female	88	193	**41**
Blue Collar - Male	118	180	**47**
Net Change in Employee Numbers	**554**	**3**	**-43**

Average Tenure (Years)	2023	2024	2025
All Employees	-	2.13	**2.74**
Average Tenure by Employment Type (Years)			
White Collar	-	2	**2.59**
Blue Collar	-	2.18	**2.8**
Cinsiyete Göre Ortalama Hizmet Süresi (Yıl)			
Female	-	2.42	**3.03**
Male	-	1.91	**2.55**
Lokasyona Göre Ortalama Hizmet Süresi (Yıl)			
Headquarters	-	1.91	**2.73**
Factory - Gebze	-	4.07	**4.97**
Factory - Aliağa	-	0.99	**1.81**

Training	Training Hours
Environment	865
OHS	19,243
Personal Development	40
Professional Development	1,959
Sustainability	205
Total Training Hours	**22,312**

*As a key player in the solar industry, where production relies on cutting-edge technology and innovation capabilities are paramount, we are implementing significant initiatives to support our employees' careers and professional development. In 2025, we provided over **22,000 hours** of training for our employees across various areas, including personal development, occupational safety and health, professional development, and environmental sustainability.*

Training content and scope are planned in alignment with legal requirements and employee development priorities and are tailored to the needs of each location.

- At Smart Solar Technologies, periodic trainings are delivered primarily to employees and, where relevant, to stakeholders within the scope of sustainability and corporate social responsibility. Within the framework of sustainability training and capacity-building practices, annual training needs are identified by the Sustainability Department, and sustainability topics are integrated into the annual training plan through planning carried out under the coordination of the Human Resources Department.
- A total of 31 trainings conducted at the head office covered topics including Corporate Sustainability, ISO 20400 Sustainable Procurement Management System, Integrated Reporting Awareness, World Waste Day Awareness, Power BI, SAP FUE License Management, VKOA Peer Training, Environmental Training, Safe Working in Power Generation Facilities, OHS Risk Assessment, OHS Refresher Training, Machine Safety, First Aid, Internal Audit Awareness, Business Continuity, Protocol Rules, Handover Processes, Emotional Resilience, Stress Management and Workplace Well-being, Nonviolent Communication, Anxiety Management, Office Ergonomics and Office Exercises, and Breast Cancer Awareness.
- A total of 34 trainings conducted in Aliağa covered topics including Sustainability and Waste Management, Environment, OHS, Environmental Law, Emergency Response to Environmental Incidents, HAZOP Risk Analysis, Technical Trainings (Opex, Cell, Quality, Production, etc.), Process Risk, First Aid, Work Permit, Construction Equipment Operation, Process Safety, Transportation of Dangerous Goods by Road, Technical Fire Safety, Mobbing and Discrimination, Working at Height, On-the-Job Training, and Orientation.
- A total of 78 trainings conducted in Gebze covered topics including Machine Operation, Error Analysis, Process and Risk Analysis, Lean Production Systems, Basic OHS, OHS Awareness, Risk Assessment Team Members, Occupational Safety Risk Analyses, Safe Working Practices, Use of Personal Protective Equipment, Emergency Situations and Hazardous Materials, ADR (Safe Transport of Dangerous Goods by Road), Chemical Spill and Leakage Response, Sustainability, Environmental Awareness and Waste Management, Disciplinary Procedures and Employee Rights, Ethical Rules, Suggestion and Complaint Mechanisms and Ethics Line Awareness, Gender Equality, and Personal Data Protection (KVKK).
- At the Niğde Bor Solar Power Plant site, training topics included Basic OHS, Environmental Training, Soil Management and Erosion, Hazardous Materials, Cultural Heritage, Environmental and Social Awareness, Resource Use and Efficiency, and Biodiversity. In addition, specialized trainings are provided based on hazard groups for personnel working with machinery, those involved in electrical works and live-line environments, emergency response teams, security personnel, and ECoW personnel assigned under the Biodiversity Management Plan.

Training programs address not only applicable legal requirements but also working standards aligned with Company values, as well as principles related to human rights and ethical conduct. The training content covers the following topics:

- Human rights policies and employment conditions
- Labor relations, freedom of association, and the right to collective bargaining
- Prevention of discrimination and promotion of equal opportunity
- Zero-tolerance approach to harassment and violence
- Prevention of child labor and forced labor
- Occupational health and safety practices
- Environmental responsibility and environmental protection
- Avoidance of unlawful conduct and prevention of conflicts of interest
- Anti-bribery and anti-corruption
- Efficient use of resources
- Proper use of information systems and data privacy

As the number of training hours per employee continues to rise, we are taking steps to ensure that employee performance, compensation, promotions, and other career development processes are tracked in a fair, transparent, and data-driven manner using measurable metrics.

In the first quarter of 2025, we are conducting pilot studies for the Performance Management System project at the headquarters, the Aliağa and Gebze facilities, and EPC sites. In the project's subsequent phases, we aim to integrate competency-based evaluation and career planning modules into the system, linking performance outcomes to training, succession planning, and leadership development programs. The resulting digital performance management infrastructure will contribute to the creation of a measurable, data-driven, and objective reporting and analysis process.

Our sector occupies a unique position in the technology field, which is why we strive to build long-term partnerships with our employees. We invest in helping them advance their careers and equipping them with the knowledge and expertise that will give them a strategic advantage. We conduct exit interviews with employees who have notified us of their intention to leave, and we evaluate the feedback we gather as suggestions for improvement. We share this feedback with our management teams and integrate it into our continuous improvement processes. In this context, we monitor our company's employee turnover rate as a key indicator and implement corrective actions to enhance our performance. As a result of these efforts, our employee turnover rate has decreased by approximately 28% compared to the previous year, exceeding our target of a 10% reduction.

In addition to our efforts to effectively assess and develop the skills of our current employees, we participate in career days as Smart Solar Technologies with the aim of attracting new talent to our team. This year, we participated in career summits at Yıldız Technical University, Istanbul Technical University, and Yeditepe University, where we met with young talents interested in pursuing a career in solar technology.

We are building relationships with educational institutions located near our facilities, enabling students to learn about our industry and company through field trips and informational presentations. Through the Solar Workshop we helped establish at Adem Ceylan Final Mesleki ve Teknik Anadolu High School in Gebze, we are facilitating students' hands-on introduction to solar technologies.

Through our partnerships with vocational high schools near our company locations, we contribute to the education and transition to professional life of our local stakeholders. In this context, we have partnerships with Beykoz Şehit Ömer Halisdemir Mesleki ve Teknik Anadolu Lisesi, Cemil Midilli Mesleki ve Teknik Anadolu Lisesi, and Alosbi Meslek Lisesi. As a significant outcome of our collaboration with educational institutions, we provided internship opportunities for five students in Aliağa.

We structure our partnerships with universities with the goal of enabling students to reinforce their theoretical knowledge with hands-on experience, gain an in-depth understanding of the renewable energy sector, and make informed career decisions. We have established partnerships with Niğde Ömer Halisdemir University, Bahçeşehir University, and Ege University for internship and capstone project programs; and with Gazi University and Medipol University for workplace training.

Through the "Resume Preparation and Interview Techniques" seminar organized by our Human Resources Department at Ege University's Vocational School, we prepared students for job application processes, raised awareness about creating effective resumes, and helped them express themselves effectively during interviews. By 2026, we plan to further develop our partnerships with educational institutions that are key stakeholders in this area.

Employee Turnover Rate (%)	2023	2024	2025	Change (2024-2025, %)
Female	20%	18.5%	15.1%	−18.5%
Male	29.1%	18.9%	14.5%	−23.3%
Voluntary Turnover	17.8%	11.4%	6.4%	−43.6%

*You can access the details of our company's Promotion and Appointment Policy on our corporate **website.***

Health and Safety

We manage our Occupational Health and Safety (OHS) processes with a vision of continuous improvement to ensure that all stakeholders affected by our operations—particularly our employees, subcontractors, and suppliers—can continue their activities safely. Adopting a proactive rather than reactive approach, we conduct scenario analyses of potential risks to our workforce, third parties, company assets, and stakeholders to carry out risk mitigation and elimination efforts. We guide our OHS activities within the framework of our Occupational Health and Safety Policy, which we implemented pursuant to Board of Directors Resolution No. 2022/46. We have established our OHS procedures and related instructions in compliance with the Occupational Health and Safety Law No. 6331 and the ISO 45001 Occupational Health and Safety Management System standard.

In addition to official agency inspections, we conduct internal audits of our OHS processes at least once a year across all our facilities. Our Niğde Bor GES facility, however, has undergone two independent external audits within 2025 as part of green credit processes. Our EPC projects undergo independent audits every three months during the construction phase and every six months during the operational phase as part of bank audits.

At our company, we provide training to our employees from the moment they join the company to foster a culture of occupational shealth and safety (OHS) In addition to on-the-job training provided by department managers, we organize mandatory basic OHS training tailored to risk levels, an 8-hour training course on working at heights, and at least 2 hours of job-specific training per month for all employees, followed by written exams

to assess their knowledge. In 2025, over 19,000 hours of OHS training were provided. Emergency response teams, established to raise awareness of disasters and emergencies, successfully completed their training and conducted earthquake, first aid, fire, and evacuation drills across all shifts. Through both planned and unannounced drills, we aimed to ensure that all our employees are always prepared for potential situations. Through training, practical exercises, and drills, we aim to instill an OHS culture among all our employees, subcontractors, suppliers, and relevant stakeholders.

At our Niğde Bor Solar Power Plant, three drills were conducted: an emergency drill simulating a traffic accident with the participation of 112 emergency response teams, an environmental drill, and a fire drill involving firefighting crews.

We adopt a participatory approach to promote and embed a culture of occupational health and safety (OHS) throughout the company. At our production facilities in Gebze and Aliağa, we hold committee meetings at least once every two months, chaired by the employer or the employer's representative, with the participation of relevant department managers, OHS experts, and employee

An emergency drill simulating a traffic accident was conducted at our Niğde Bor Solar Power Plant with the participation of emergency response teams.

representatives. These meetings are convened to monitor OHS practices, assess potential hazards, and improve OHS performance.

- At our Aliağa facility, the OHS Committee met 11 times with a total of 16 members, including at least one employee representative.
- At our Gebze facility, the committee met 6 times during the year with a total of 10 members, including at least one employee representative.
- At our Niğde Bor GES facility, a total of 9 OHS committee meetings were held, with 2 employee representatives in attendance.

In addition to these meetings, which encourage active participation from our employees, "near-miss" suggestion boxes are located throughout our facilities, where suggestions and complaints can be submitted anonymously or openly. This initiative allows us to take preventive and corrective actions regarding reported risks, and we also have a rewards program for employees. We develop an action plan addressing the hazards and risks identified in these meetings and monitor the process until the next meeting.

To continuously improve our occupational health and safety (OHS) performance in line with our goal of reducing workplace accidents by 50% by 2030, our OHS experts are fostering the adoption of a safety culture among our employees through on-site inspections and direct communication. We encourage positive safety behaviors by incorporating OHS metrics as an indicator in employee performance evaluations.

There are mandatory rules that we expect our employees, subcontractors, suppliers, and all relevant stakeholders to adhere to regarding Occupational Health and Safety (OHS) and Environmental Safety. Because our operations involve sensitive production processes that require the use of chemicals, we strictly enforce our OHS protocols without exception to ensure both the safety of our employees and environmental safety. In the event of any OHS incident, the department head, the person who identified or experienced the incident, and the OHS unit conduct an on-site investigation and root cause analysis. Following the analysis, we ensure that the identified actions are implemented and monitor their effectiveness.

OHS Committees	Unit	2025 Aliağa	2025 Gebze	2025 Headquarter
Number of OHS Committees	#	2	1	1
Number of OHS Committee Meetings	#	11	8	5
Minimum Number of OHS Committee Members	#	7	5	12

OHS Performance	Unit	2023 Aliağa	2023 Gebze	2024 Aliağa	2024 Gebze	2025 Aliağa	2025 Gebze	2025 Headquarter
Number of Occupational Accidents	**#**	**22**	**48**	**82**	**60**	**42**	**7**	**0**
Female	#	7	–	27	–	16	5	0
Male	#	15	–	55	–	26	2	0
Working Hours	**Hour**	**1,147,560**	**1,246,320**	**992,156**	**1,091,908**	**1,071,319**	**606,218**	**426,240**
Female	Hour	–	604,800	426,627	545,954	475,365	303,109	144,300
Male	Hour	–	641,520	565,529	545,954	595,954	303,109	281,940
Number of Lost Days	**Day**	**136**	**352**	**266**	**234**	**192**	**46**	**0**
Female	Day	63	71	84	86	102	10	0
Male	Day	73	281	182	148	90	36	0
Lost Time	**Hour**	**1,088**	**2,816**	**2,128**	**1,872**	**1,536**	**368**	**0**
Female	Hour	504	568	672	688	816	80	0
Male	Hour	584	2,248	1,456	1,184	720	288	0
Accident Frequency Rate	**%**	**19.17**	**38.51**	**8.265**	**54.95**	**39.20**	**11.55**	**0**
Female	%	–	21	63	55	34	16	0
Male	%	–	55	97	55	44	7	0
Accident Severity Rate	**%**	**0.12**	**0.28**	**0.27**	**0.22**	**0.18**	**0.08**	**0**
Female	%	–	0	0	0	0	0	0
Male	%	–	0	0	0	0	0	0

In line with our goal of reducing workplace accidents by 50% by 2030, we have implemented methodologies that we first evaluated in 2025. We are working to identify major accident scenarios by engaging in consulting services under the **BEKRA (Reduction of Major Industrial Accident Risks)** framework for the chemicals we use in cell production. By establishing a process safety team, we have developed a **Safety Management System (SMS)** along with chemical management, fire prevention, and fire suppression procedures, and integrated them into our business processes. We comply with Law No. 6331, **ISO 45001, and internal company standards by adhering to the Plan-Do-Check-Act (PDCA) cycle.**

At Smart Solar Technologies, we manage our processes in accordance with legal regulations and industry best practices regarding hazardous chemicals. At our Gebze facility, we completed our chemical storage area project in 2025 to ensure chemicals are stored more safely and in compliance with regulations. In this project, coordinated by our Planning Department with our Occupational Health and Safety (OHS) experts, we created a chemical storage area in a secure zone that meets legal standards. To mitigate the risk of ground seepage, the storage area was equipped with CTP-coated flooring, and a waste pond was constructed in the outer area. Additionally, a wall was built around the storage facility to provide an extra layer of protection against any potential leakage scenarios. Gas detection sensors were installed in each storage area to ensure that any potential leaks are detected as quickly as possible. To mitigate temperature-related risks, an additional canopy was installed on the upper part of the storage facility, maximizing safety measures. The chemical storage area will be inspected at least once a year to ensure compliance with safe storage standards.

To support the health and well-being of our employees, we offer Supplemental Health Insurance (SHI) to ensure easy access to healthcare services even outside the workplace. At our Aliağa facility, there is one full-time occupational physician and four healthcare staff members; at our Gebze facility, there is one full-time occupational physician and one healthcare staff member. We provide 24/7 infirmary services across all shifts to address any sudden health needs. As our company operates in a high-risk category requiring strict attention and control, our employees undergo health screenings at least once every two years during the onboarding process and in compliance with relevant legal regulations. Every morning between 7:00 and 10:00, we provide routine medical examinations for employees conducted by the occupational physician at the infirmaries. Through regular site inspections, we ensure a healthy and safe work environment, and we take special care to ensure that hygiene and ergonomic conditions at our facilities exceed the required standards.

Smart
Touches for Life

3 GOOD HEALTH AND WELL-BEING

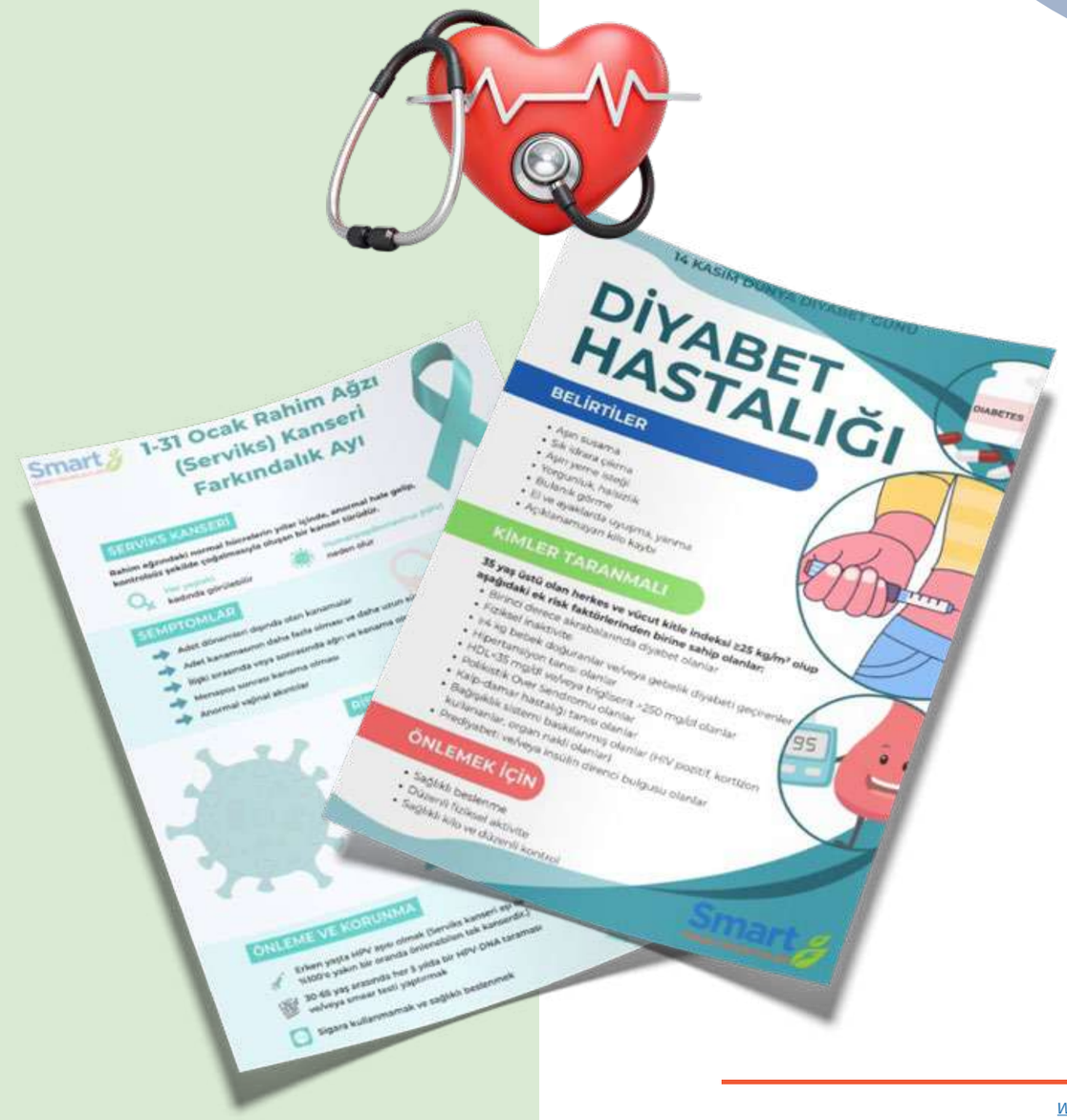
Employee Health and Awareness Project

In 2025, we conducted awareness campaigns focused on the physical and mental health of our employees. To promote greater health awareness among our employees, we organized informational sessions—including posters and seminars—on diabetes, the flu, cervical cancer, and depression as part of our initiative titled “Smart Touches for Life”.

With the support of healthcare professionals, we shared important information—such as how small lifestyle changes can have positive effects on health and play a protective role in cardiovascular health and chronic diseases—with our employees in person or online.

Through this initiative, aimed at positively contributing to our employees’ physical and mental health, we provided information on office ergonomics and exercise, including proper sitting positions, posture issues, and movements that enhance vitality during work. Recognizing the impact of mental health on overall well-being, we supported our employees on topics such as stress management and anxiety disorders under the guidance of experts in anxiety management.

To mitigate the ergonomic risks posed by repetitive work processes on the panel framing machine, we procured a new platform under the coordination of our occupational physician, senior OHS specialist, and senior production engineer. By applying the REBA Method, we reduced our risk score from 12 to 4, achieving a 67% improvement. Prior to launching this initiative in February 2025, we reduced the number of sick days per employee from 0.139 to 0.045 due to ergonomic factors, achieving a significant gain in both employee health and operational continuity.



Sustainable Supply Chain Management

To ensure a sustainable and responsible supply chain, we expect our business partners to comply with principles such as the UN Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, in addition to criteria such as quality and price, within the framework of our Supplier Code of Conduct.

As a company providing integrated manufacturing and engineering services in the solar technology sector, we manage a multifaceted and sophisticated supply chain. Through our high-tech initiatives aimed at generating clean energy from the sun's power, we deliver products whose efficiency and quality we continuously improve to our customers across Türkiye and various regions of the world.

We manage our supply processes—which encompass a broad value chain ranging from raw material procurement to packaging, and from logistics to technical services—in accordance with our company's Supply Chain Policy. Within this extensive value chain, we prioritize traceability in our social and environmental risk management processes by conducting supplier mapping. We expect our suppliers to comply with all relevant laws, regulations, and ethical values, particularly our company's Human Rights Policy, and we conduct risk assessments of our suppliers by sending them periodic surveys. We support these activities through an AI-powered, independent human rights risk assessment tool and regularly analyze our suppliers' compliance with our code of conduct. In our business relationships with suppliers, we monitor, audit, and report on environmental, social, and governance (ESG) issues as key indicators.

To ensure a sustainable and responsible supply chain, we expect our business partners to comply with principles such as the UN Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, in addition to criteria such as quality and price, within the framework of our Supplier Code of Conduct. We expect our business partners in our supply chain to act in accordance with our company's policies and expectations regarding issues such as child labor, forced labor, discrimination, and occupational health and safety. Just as we prioritize social issues, we also emphasize that our suppliers conduct their operations in compliance with environmental standards.

Core Values We Expect Our Suppliers to Comply with Under Our Supplier Code of Conduct

- Ensuring that all employees in our supply chain have a healthy and safe working environment
- Protection of children's rights
- Ensuring that no employee is treated in a manner that violates human rights
- Protection of the environment

We are continuing the environmental and social audits we launched in 2024 for our selected suppliers, specifically targeting raw material suppliers in the high-risk category, into the 2025 operational period. This year, in accordance with our Code of Conduct and social procedures, we conducted a total of 14 audits. By developing written action plans focused on improvement with all audited suppliers, we documented their commitment to enhancing their environmental and social performance. We are also conducting physical audits of approximately 40 panel raw material suppliers operating in Turkey. In the 2026 fiscal year, we plan to include our critical raw material suppliers and EPC (Engineering – Project – Construction) suppliers in our sustainability audit and risk assessment system, regardless of their geographic location, and subject suppliers we deem high-risk to additional evaluations. In this context, we plan to conduct an audit in China in 2026 in collaboration with a third-party audit firm under our supplier code of conduct.

In cases where non-compliance is identified during audits, Smart Solar Technologies aims first and foremost to establish long-term business partnerships by contributing to the development of our suppliers; however, as clearly stated in our Supplier Code of Conduct, we reserve the right to unilaterally terminate business relationships with suppliers who significantly violate the company's principles, fail to submit a corrective action plan addressing the non-compliance within the following three months, fail to resolve the non-compliance within the following six months, or refuse to comply with fundamental requirements.

This year, we tripled the number of business ethics training sessions we provided to our suppliers and contractors, involving 115 employees from 16 contractor firms and 21 suppliers in the process.

No cases of child labor or forced labor were identified in any of the audits we conducted in the 2025 fiscal year or prior.

By joining the UN Global Compact's

"Business and Human Rights"

program in 2025, we gained the opportunity to assess our human rights monitoring, tracking, and improvement practices within our supply chain on a global scale. As part of the program, we analyzed areas for improvement by comparing our current practices with international best practices and had the opportunity to share our experiences with other participating companies.

As a result of our practices in the field of human rights management within the supply chain being recognized as a best practice, we were invited to participate in the **"Experience Sharing Sessions"** organized by the **UN Global Compact, which has over 20,000 signatories worldwide** and to which only 120 companies were invited, **in 2026.**

Supplier Monitoring Process

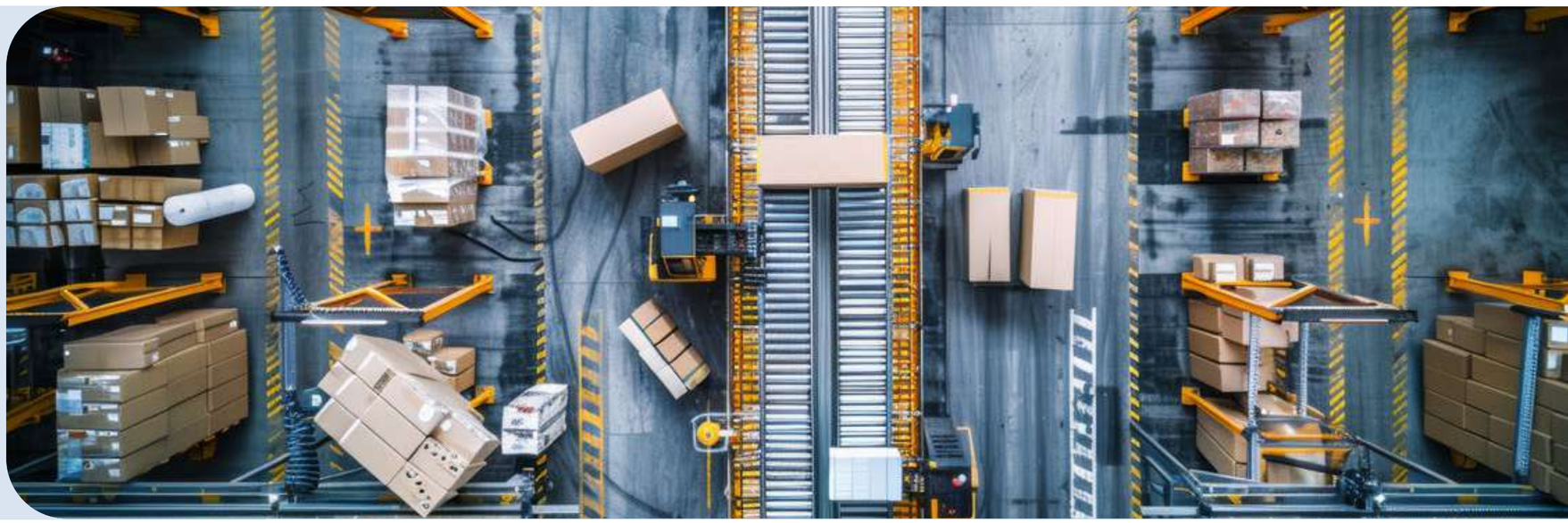
By increasing our share of local suppliers from around 80% to approximately 90% this year, we generated nearly $93 million in economic value for our 1,025 local suppliers.

Additionally, by participating in the "Sustainable Supply Chain Workshop" organized by the Sustainable Development Association, we closely monitored sectoral developments, shared information on current regulations and best practices, and strengthened our expertise in supply chain sustainability.

To build an agile supply chain, we prioritize sustainability alongside high-quality standards, supply continuity, and cost-effectiveness in the procurement processes for key materials used in panel production, such as wafers, solar cells, glass, aluminum, frames, junction boxes, EVA, and backsheets. By prioritizing local suppliers, we create economic value for our business partners within our country's ecosystem and increase the local content of our products. We raised our local supplier ratio from approximately 80% last year to nearly 90% this year, generating nearly $93 million in economic value for a total of 1,025 local suppliers. By increasing our domestic procurement rate and the number of suppliers, we have supported both the local content of our products and the local economy. We have also reduced our freight-related carbon emissions through local procurement. We made payments totaling over 71 million USD to 109 international suppliers, who account for approximately 10% of our supplier pool.

Supplier Payments	Unit	2025
Import Amount	USD	71,272,984
Domestic Procurement Amount	USD	92,984,357
Total Procurement Amount	USD	164,257,341

Suppliers	Unit	2025
Total Number of Local Suppliers	#	1,025
Total Number of Foreign/Global Suppliers	#	109
Total Number of Suppliers	#	1,134
Total Number of New Suppliers	#	443
Share of International Suppliers	%	9.96%
Share of Local Suppliers	%	90.4%



Polysilicon

As Smart Solar, the solar technology sector in which we operate involves operations that are dependent on raw material suppliers operating in socially high-risk regions due to the nature of production inputs. The world's largest suppliers of polysilicon—a critical raw material for our products—operate in the People's Republic of China. Given our sector's reliance on China for raw materials, we place great importance on ensuring that the suppliers from whom we import operate in compliance with our company's Human Rights Policy and Supplier Code of Conduct. As a reflection of the sensitivity we demonstrate as a company in this regard, we have created the Polysilicon Traceability Requirements document to ensure that the polysilicon we purchase complies with our ethical, human rights, environmental, and quality standards, and we have published it on our corporate website.

In accordance with these requirements, we document and confirm that we do not engage in any commercial relationships with suppliers involved in human rights violations anywhere in the world, particularly in China's Xinjiang Uyghur Autonomous Region, where international studies have shown serious human rights violations such as child labor and forced labor to occur. In addition to our general supplier mapping, we conduct a separate mapping process for polysilicon supply all the way to the mine, and we subject all suppliers operating in this sector to a separate third-party risk assessment. In line with our company policies, we manage our supply chain in compliance with the law, ensuring it aligns with our values, by monitoring these requirements through a multi-layered monitoring and control system.

We adopt a proactive approach in our supply chain operations, regularly obtaining traceability reports for our products to verify the origin of the raw materials we import. We apply this approach to all our suppliers beyond China and, in line with our zero-tolerance policy, treat our entire supply chain with the same level of diligence regardless of geography. We ensure end-to-end traceability across our entire value chain, from raw materials to the final product. As part of this effort, we map our suppliers to determine their risk profiles and subject high-risk suppliers to audits. We aim to foster a culture of sustainability and ethical awareness among all our stakeholders.

We subject our supply chain to regular audits. Through these processes, which include internal, second-party, and independent third-party audits, we verify that not only the documentation but also on-site practices align with our policies. If any non-compliance is identified, we investigate the root cause and engage with suppliers to initiate the necessary processes for an action plan. In cases where compliance with our policies cannot be met, we terminate our business relationship with the relevant suppliers. We place the utmost importance on ensuring that all our end-to-end operations are in compliance with national and international laws, regulations, and contracts, while addressing the ethical and human rights values our company upholds on a fair, transparent, and traceable basis.

Risk Assessment

We conduct human rights-based risk assessments for all our suppliers.

Due Diligence

We assess our suppliers' compliance with the relevant behavioral standards and requirements.

Traceability

In accordance with Polysilicon Traceability Requirements, we monitor our shipments to ensure that no supplier complicit in human rights violations is included in our supply chain.

Prevention of Human Rights Violations

We expect all our suppliers to act in accordance with our human rights approach; where necessary, we terminate our business relationships with suppliers.

Please direct any questions regarding our Supplier Code of Conduct to the email address ***sustainablesupplychain@smartsolar.com.tr***

You can access the details of our ***Supplier Code of Conduct on our website.***

Customer Safety and Responsible Marketing

We consider the relationships we build with our customers not merely as commercial transactions, but as a collaboration between two stakeholders aimed at creating long-term value within a sustainability ecosystem. We adopt a business approach that adheres to the principles of responsible marketing to foster long-term partnerships based on transparent communication and mutual trust. We operate a business model that prioritizes customer satisfaction without compromising on product and service quality. In our post-sales processes, we strive to respond to our customers' support needs as quickly as possible through our expert staff. We operate with a transparent communication approach that ensures our customers feel their complaints are being addressed just as much as their satisfaction. With the strength of our extensive sales networks, comprising over 100 dealers across Turkey and our international offices, we reach more customers every year with our products and services.

We listen to our customers' feedback through satisfaction surveys. Based on the survey results, our Business Development department reaches out directly to customers regarding specific areas identified for improvement. In line with the customer's reported experience, our relevant teams conduct root cause analyses and implement corrective actions.

We evaluate complaints with the same diligence as we do satisfaction feedback. Every complaint received is classified by type (thermal, visual, mechanical, electrical) and reviewed by the relevant project managers under the Business Development Department or the Sales Unit. Following the necessary checks, we initiate communication with the customer regarding compensation. If an agreement cannot be reached on the compensation method, we gather additional information from the customer to implement revisions or conduct a root cause analysis to generate alternative solutions. Even if the complaint is closed, the entire process is documented to prevent recurrence of similar issues, and our customer is always kept informed through written feedback.

Ensuring that customers who are not engaged in complaint reporting processes are also informed of their rights and reasonable expectations is a core element of our responsible marketing approach. Consistent and accurate messaging is maintained across communication channels, and critical information such as product features, pricing, and service conditions is communicated in a clear and transparent manner. Dialogue with customers is sustained through digital platforms, including social media, and efforts are made to respond promptly to requests received through these channels.

In order to preserve the trust-based relationship established with our customers, strong emphasis is placed on data privacy and security. Access to, use of, and protection of customer data are managed in coordination between relevant business units and central functions, in line with the principle of segregation of duties. Within this framework, the operational use of data is primarily the responsibility of the Sales and Business Development functions, and access is defined based on roles and authorization levels.

Data security and technical protection measures are managed by the Information Security function within the Information Technologies department; processes such as cybersecurity, access controls, logging, and backup are implemented. The Legal department oversees processes related to the Law on the Protection of Personal Data (KVKK) and data privacy and provides legal support to relevant units to ensure that policies and procedures are carried out in compliance with applicable legislation.

In addition, within the scope of the ISO 27001 Information Security Management System preparations initiated in 2025, the cybersecurity infrastructure is being tested through vulnerability assessments, and improvement action plans are being developed.

In 2025, we participated in the Solarex Istanbul, ***RE+ Las Vegas, and InterSolar Munich*** *trade shows as Smart Solar Technologies, bringing us together with the valuable stakeholders of our ecosystem.*

You can contact our company through the Contact Form on our company website.

You can share your requests and suggestions withus using the Suggestions Form on our corporate website.

Corporate Social Responsibility Projects

17 PARTNERSHIPS FOR THE GOALS

Employee participation in corporate social responsibility activities in 2025 increased sixfold compared to 2024. We view this momentum as significant progress toward achieving our 2026 target volunteer rate of 30%.

As Smart Solar Technologies, we implement corporate social responsibility initiatives to support the communities in which we operate and the groups affected by our activities. In line with our Corporate Social Responsibility Policy, adopted by Board Resolution No. 2022/46, the social initiatives we prioritize, the groups we support, and the resources we allocate are determined with the participation of our General Assembly and stakeholders.

- Building long-term relationships with local communities affected by our activities and contributing to the preservation of the region's cultural heritage;
- Enhancing the well-being of groups affected by inequality of opportunity, including women, children, youth, and persons with disabilities, in areas such as health, education, and social development, and providing sponsorship to platforms such as Women-Friendly Brands and similar initiatives;
- Supporting collaborations with high schools and universities that foster innovative thinking and contribute to improving access to quality education and learning opportunities for youth and future generations.

You can access the details of our Company's Corporate Social Responsibility Policy on our corporate website.

As Smart Solar Technologies, within the scope of our Donations and Grants Policy adopted by Board Resolution No. 2022/16, we provide financial and in-kind support to stakeholders such as clubs, associations, NGOs, foundations, universities, and public institutions in areas including education, culture, arts, nature, environment, and sports. The direction and amount of our donations and contributions are guided by our corporate vision, mission, and ethical principles, and are disclosed to the public through annual activity reports following their presentation to shareholders at the General Assembly Meeting.

In 2025, significant progress was achieved in stakeholder engagement practices centered around our Niğde Bor Solar Power Plant (SPP) project. Through established engagement channels with local communities, stakeholder interactions were effectively monitored and managed. Regular stakeholder engagement meetings held on a quarterly basis with village residents and local authorities, women's communication platforms established in each village, and individual consultations conducted upon request from vulnerable groups have created a foundation for socially focused initiatives. At the same time, monthly meetings are held with neighboring operators active in the project area (KES partnership) to assess cumulative social and environmental impacts and to identify joint actions. These meetings enable the development of a common approach in activities carried out with community members and support the participatory consideration of preventive and mitigation measures.

Through a joint initiative launched with neighboring operators, projects were initiated to expand the pasture areas of Seslikaya Village and to provide energy supply to the drinking water well in Badak Village. In the field of education, key activities included sharing the feasibility study for the renovation of Badak Village School with KES partners, landscaping the yard and establishing recreational areas at Kemerhisar Primary School, and constructing a football field for Kemerhisar Secondary School. At the associate degree level, an internship opportunity was provided to one student enrolled in the Alternative Energy Resources Program.

In addition, hygiene kits were provided to Emen Village Mosque upon request, and ahead of the Ramadan Feast, market cards were distributed to 16 households in Emen, Seslikaya, and Badak villages, demonstrating our continued support to local communities during significant occasions.

Ensuring that our Corporate Social Responsibility activities are embraced and internalized by our employees is of great importance, and voluntary employee participation in these processes is actively encouraged.

- The donation of proceeds from our New Year charity bazaar to an association selected by our employees, as well as contributions made to the Emergency Needs Project chosen by our employees during the Istanbul Marathon, represent tangible examples of this approach.
- While 10 employees participated in the marathon in 2024, a total of 32 employees joined the corporate run in 2025; reaching 141 donors, they raised TRY 141,402 in support of TESYEV (Türkiye Disabled Sports Assistance and Education Foundation).
- Tree planting activities carried out at our Gebze location, support provided to the Angels Farm animal shelter in İzmir through food donations and visits to animals in need, and a coastal clean-up activity conducted in Aliağa in collaboration with TURMEPA with the participation of 35 employees are among the initiatives that bring together employees from different roles around a common purpose and strengthen corporate solidarity.

Animal Welfare and Social Awareness - Angels Farm:

Within the scope of this visit, the operation of the solar energy system—contributing to meeting the shelter's energy needs through renewable sources—and its environmental benefits were observed on site. This initiative not only supports animal welfare but also contributes to the reduction of emissions associated with fossil fuels and promotes the wider use of low-carbon energy.

This visit has been considered as part of the Company's sustainability approach focused on combating climate change, promoting renewable energy use, and generating social impact; it also represents an important step in monitoring and ensuring the continuity of initiatives launched in previous years.

Aliağa Coastal Clean-Up Initiative

You can access the details of our Company's Donation and Aid Policy on our corporate website.

To raise awareness of the adverse impacts of waste accumulation in marine and coastal ecosystems on the environment, biodiversity, and human health, and to enhance awareness among employees and the wider community on marine pollution and waste management, the "Coastal Clean-Up Initiative" was implemented on 16 June 2025 at İzmir Aliağa Coast in collaboration with TURMEPA, with a budget of TRY 100,000. Through this initiative, it was aimed to remove accumulated waste from coastal areas, to ensure that collected waste is segregated by type and directed to appropriate recycling and disposal processes, and to strengthen environmental responsibility awareness among employees. Prior to implementation, participants were informed about coastal waste, marine pollution, and safe collection practices; subsequently, clean-up activities were carried out along the coastline with the participation of volunteer employees.

Collected waste was segregated at source into recyclable and non-recyclable categories; waste suitable for recovery was directed to licensed recycling facilities, while non-recoverable waste was transferred to appropriate final treatment facilities in compliance with applicable regulations.

Following the Coastal Clean-Up Initiative, it is planned to replicate coastal and environmental clean-up activities periodically across different locations, strengthen collaborations with civil society organizations, and conduct preventive awareness and internal communication activities based on the types of waste collected. Through this initiative, we contribute to the protection of marine and coastal ecosystems and aim to enhance environmental awareness through employee engagement.

Technology
in every
cell

Clean Energy Technology

Building on our principle that

"technology is embedded in every cell",

we implement innovation and digital transformation initiatives across our value chain.

As Smart Solar Technologies, we carry out our innovation activities in collaboration with national and international stakeholders within our ecosystem to support the transition to a low-carbon economy through clean energy transformation.

Through the efforts we accelerated in 2025, we continue to progress toward our goal of integrating technology end-to-end into our processes. With our agile R&D approach adopted to address the evolving needs of our customers, we develop increasingly efficient and accessible technologies with the support of our more than 1,100 employees and innovation partners.

Our innovation activities, carried out under the coordination of our R&D department, are structured to serve our long-term strategic objectives, with a focus on quality, efficiency, and cost optimization. With our sustainability-driven approach, we aim not only to meet local and global quality standards in our sector through the value we create, but also to continuously improve our products and services.

By integrating our R&D and digitalization efforts into our business processes, we made effective progress in 2025 in the commercialization and widespread adoption of green energy technologies. Our R&D department, working in coordination with national and international research institutions, universities, and technology development centers, focuses in line with our strategic priorities on optimizing efficiency in cell production and energy generation across our operational sites.

From Wafer to Module: Low-Cost, High-Efficiency Silicon Technologies (WaMTeC)

Coordinated by the Fraunhofer Institute for Solar Energy Systems (ISE), the WaMTeC Project consortium—bringing together partners from Türkiye, Germany, Ireland, and Norway—has initiated its activities under the CET (Clean Energy Transition) Partnership R&D Programme funded by the European Union, with the aim of developing higher-efficiency modules at lower cost.

Together with our project partners, including leading national research institutions such as the Middle East Technical University Solar Energy Research and Application Center (METU-GÜNAM), we are working to develop next-generation alternatives to currently prevalent cell technologies. In line with this objective, the project, for which a grant of TRY 1.5 million has been secured, is actively ongoing.

Although TOPCon cell technology is widely preferred in the sector due to its high efficiency potential, it presents certain areas for improvement that may affect long-term field performance. In particular, limitations related to resistance against humidity and UV exposure, as well as micro-defects in the cell structure, are observed to accelerate degradation mechanisms under field conditions.

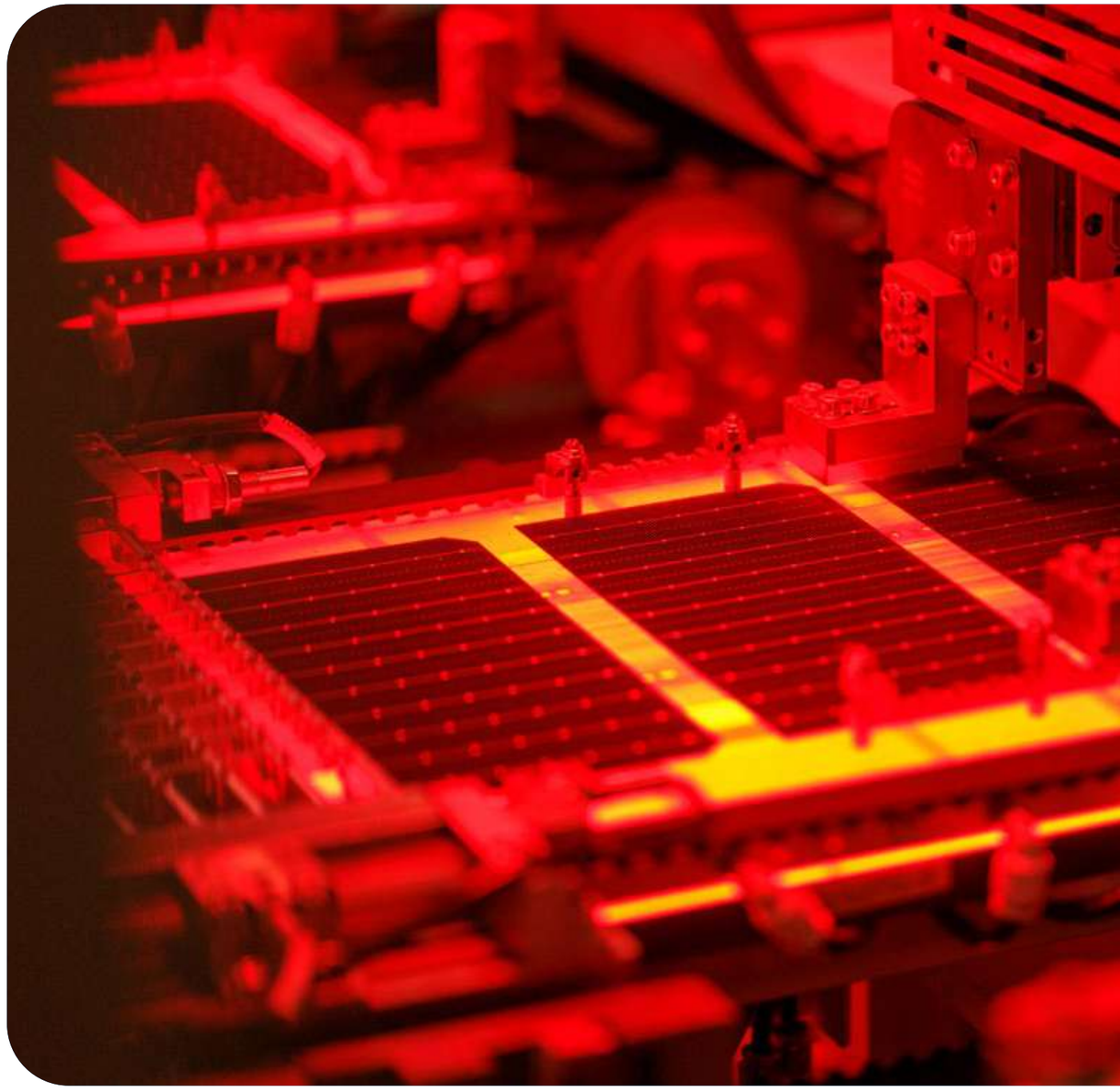
In response to the identified improvement areas, technical solutions are being developed to enhance the balance of surface reflectance and current density, control electrical losses, and improve interlayer charge transport. Through these efforts, **it is aimed to achieve efficiency gains of up to approximately 25%, while targeting a cost level approximately 10%** lower compared to conventional TOPCon cells.

The project is supported across critical areas requiring advanced technology and expertise, including cell production processes, wafer supply, and testing activities.

Regular meetings with project partners are held during the year for technical knowledge sharing, evaluation, and feasibility studies, enabling the effective use of project outputs to strengthen corporate and technological capabilities.

Parallel efforts are underway to develop high-efficiency cell types using new raw materials, integrate advanced technologies into each cell, and develop modules that convert solar energy into electricity more efficiently, with the aim of commercializing the project outcomes.

In the 2025 reporting period, ***we allocated approximately twice as many resources to our R&D and innovation activities*** *compared to the previous year*



Smart Tracker – Single-Axis Solar Tracking System Development Project

Smart Tracker, developed with an investment of approximately USD 35 million, is among our key technologies that convert solar potential into energy in the most effective and efficient manner. The system is designed to generate clean energy with approximately 20% higher efficiency compared to fixed systems by capturing solar radiation from varying angles throughout the day. Through this initiative, solar tracking systems have been integrated into our product portfolio, contributing to the localization of a critical energy technology at competitive cost levels and strengthening Smart Solar Technologies' position in the sector. The system, developed through our engineering capabilities, offers wide-angle tracking depending on terrain conditions, enables installation on sloped sites, and operates multiple units with a single motor. This structure allows installation even in conditions where conventional solutions are not feasible, while optimizing the energy generation performance of project sites. Smart Tracker, with its software also developed in-house, has been designed in accordance with international design and safety standards. Its modular structure, durable components, and lower maintenance requirements compared to alternative solutions enable scalable deployment and standardized service across large-scale projects. Initially commissioned at the Tuzluca site in Şanlıurfa, the single-axis solar tracking system has since been successfully deployed across 20 additional project sites.

*Through our **Smart Tracker system** and **bifacial panels,** our solar plants generate up to **20%** more clean energy compared to fixed systems.*

Lightweight and Flexible Panel Solutions

Lightweight panels, commonly used in residential applications and referred to as balcony-type systems, do not currently deliver the desired level of performance due to limitations related to front layer materials, the absence of a frame structure, and challenges in securing the system during installation.

As Smart Solar Technologies, we are developing a new panel and mounting structure design to address these challenges. Upon completion of the project, we aim to introduce a system solution with a weight of 5 kg per square meter, offering ease of transport, the ability to be installed at two different angles on site, and enhanced structural stability through a framed system after installation.

Digitalization and Data Security

We dedicated the 2025 reporting period to advancing digitalization initiatives, focusing on standardizing our processes, achieving operational excellence, and maintaining financial discipline through increased investments. Through digital transformation applications implemented across key functions such as production, quality control, human resources, procurement, and logistics, we aim to enhance efficiency, reliability, and transparency throughout our operations. By adopting a data-driven approach, we develop objective and rule-based decision-making processes, enabling us to manage our operations in a more fair and inclusive manner.

You can access the details of our Company's Information Policy on **our corporate website.**

The Digitalization Roadmap, developed following the Digital Maturity Assessment conducted in 2022, the year of our IPO, sets out our targets to increase our digital maturity score from 3.41 (measured on a five-point scale) to the global average of 3.75 by 2030 and to the digital leadership level of 3.80 in our sector by 2040. In line with this strategy, we continue to integrate new modules into our systems each year through the ERP transformation process initiated in 2023. Within this digital transformation process carried out using SAP infrastructure, we commissioned the Maintenance (SAP PM) and Quality Management (SAP QM) modules in 2025 with an investment of approximately TRY 2 million. In parallel, workflow applications have been implemented to standardize and automate manual processes, enabling the digitalization of various functions including finance, production, maintenance, quality, logistics, and human resources.

Automation and Manufacturing Execution System (MES) initiatives, currently in the analysis and pilot implementation stages for production sites, are expected to enhance our process management capabilities and support the strengthening of our internal audit infrastructure.

Through our SAP QM (Quality Management) project, we have established controls in logistics and customer processes at our Gebze and Aliağa locations to reduce manual intervention and error rates throughout the product journey. Upon completion of the project, we aim to enhance end-to-end traceability of our field operations by enabling the systematic tracking of measurement results, error records, quality reports, and non-conformity notifications, while also strengthening managerial foresight and performance monitoring. Investments have also been carried out for the implementation of the SAP PM (Maintenance) module at our Gebze and Aliağa facilities. Key stages have been completed, including the registration of technical equipment in the system, the creation of maintenance work orders and schedules, the recording of labor and spare part costs required for maintenance activities, and the monitoring of intervention times and maintenance history. Efforts are ongoing to ensure a structured methodology for data entry and to expand the scope to include all critical equipment within the system.

We continue to enhance our digital infrastructure in line with our objectives of operational excellence, information security, and sustainable growth.

With the awareness that data-driven models and increasingly digitalized processes require effective risk management, our cybersecurity efforts are carried out in alignment with the ISO/IEC 27001 Information Security Management System (ISMS) standard. In this context, we have established an inventory of our information assets, assessed our current state against the standard's requirements, and conducted analyses to identify and mitigate potential cyber risks, including those related to physical components.

Social engineering and wireless network penetration tests have been completed, and a structured plan including regular penetration testing has been developed. Operating system updates for corporate devices have been finalized, and identity protection mechanisms and encryption measures have been implemented to ensure that data remains inaccessible in cases where devices are lost or removed from operational environments. To strengthen our cybersecurity resilience through a robust network and communication infrastructure, we have implemented projects such as Wi-Fi hotspots, VLAN segmentation, SmallCell, CCTV, and backup network systems, thereby enhancing digital accessibility and operational traceability across field operations. To monitor the effectiveness of these measures and ensure that data is accessed and used only by authorized personnel, a corporate data warehouse has been established, and centralized, auditable management reporting is conducted under the SAP Analytics Cloud platform.

With a data security–focused approach, regular cybersecurity controls, vulnerability assessments, and firewall enhancements are carried out to prevent unauthorized access and data loss.

To ensure that these practices are embedded in our corporate culture and internalized by our employees, information security roles and responsibilities have been defined. In line with our Information Policy, processes are managed to ensure that stakeholder and Company data are processed in an ethical and secure manner. These processes are conducted in full compliance with national and international regulations, including the European Union General Data Protection Regulation (GDPR) and the Law on the Protection of Personal Data No. 6698 (KVKK).

*Further details on the **Company's Information Policy** are available on our corporate website*

*Further details on the Company's **KVKK Disclosure Statement** are available on our corporate website.*

Corporate Governance Statements

Statements of Independence

I hereby declare that I am a candidate for assuming the role of an "independent member" in the Board of Directors of Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi ("Company") in line with the criteria stipulated in the legislation, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,

b) I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held stocks (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the company's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,

c) I have the necessary professional education and training, knowledge, and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,

d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,

e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,

f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I will make sufficient time to keep track of the company's activities and to fully perform my duties on behalf of the company,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors. I hereby declare the abovementioned matters.

02.04.2024

Hülya KURT

Statements of Independence

I hereby declare that I am a candidate for assuming the role of an "independent member" in the Board of Directors of Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi ("Company") in line with the criteria stipulated in the legislation, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,

b) I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held stocks (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the company's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,

c) I have the necessary professional education and training, knowledge, and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,

d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,

e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,

f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I will make sufficient time to keep track of the company's activities and to fully performi my duties on behalf of the company,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors. I hereby declare the abovementioned matters.

02.04.2024

Mustafa Kemal Yılmaz

Statements of Independence

I hereby declare that I am a candidate for assuming the role of an "independent member" in the Board of Directors of Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi ("Company") in line with the criteria stipulated in the legislation, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,

b) I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held stocks (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the company's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,

c) I have the necessary professional education and training, knowledge, and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,

d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws,

e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,

f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I will make sufficient time to keep track of the company's activities and to fully perform my duties on behalf of the company,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors. I hereby declare the abovementioned matters.

02.04.2024

Meliha SEYHAN

Statements of Independence

I hereby declare that I am a candidate for assuming the role of an "independent member" in the Board of Directors of Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi ("Company") in line with the criteria stipulated in the legislation, the Articles of Association and the Capital Markets Board's Corporate Governance Communiqué, and within this scope;

a) There is no relation of employment in executive positions to assume material roles and responsibilities for the past five years between the Company, Subsidiaries where the Company holds control or significant power over management or Partners that hold significant power in the Company and the legal entities where such Partners hold control over management, and me, my wife, and up to second-degree relatives by kinship and marriage; that no capital or voting rights or privileged shares more than 5% were held collectively or individually or no material trade relations were established,

b) I have not worked at an executive position with significant and material tasks and responsibilities or held the seat as a board member or held stocks (equal to or above 5%) in such companies from which the company procures goods or services from or sells goods or services to in significant volumes in line with the agreements between them, including, in particular, the company's audit (including tax audit, statutory audit, internal audit), rating and consultancy services in the last five years,

c) I have the necessary professional education and training, knowledge, and experience required for properly fulfilling the duties that I will undertake due to the fact that I become an independent board member,

d) I do not work on a full-time basis at public agencies and institutions after my appointment as a member except for the lecturer position at universities in line with applicable laws, e) I am considered a resident in Türkiye according to the Income Tax Law no.193 dated 31/12/1960,

f) I possess strong ethical standards, professional credibility, and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I will make sufficient time to keep track of the company's activities and to fully perform my duties on behalf of the company,

h) I have not been a member of the Board of Directors of the Company for more than six years in total within the last decade,

i) I have not been an independent member of the Board of Directors in the Company or in more than three of the companies controlled by the shareholders who control the management of the Company and in more than five of the publicly traded companies in total,

j) I have not been registered and announced on behalf of the juridical person elected as member of the Board of Directors. I hereby declare the abovementioned matters.

02.04.2024

Bilgün GÜRKAN

Shareholder Relations Unit

The "Investor Relations Department" has been established to manage our company's relations with shareholders. This role is carried out on a full-time basis by our employees who hold both a Capital Market Activities Advanced Level License and a Corporate Governance Rating Specialist License,and who are members of the Corporate Governance Committee.

The contact information for the Investor Relations Department is provided below:

Investor Relations Manager:

Alper Yücel +90 216 225 72 06

Address: Energy Plaza, Rüzgarlıbahçe Mah., Feragat Sok. No:2 K:7, 34805 Kavacık, Beykoz Istanbul / Turkey

Email: investorrelations@smartsolar.com.tr

The Investor Relations Department operates under the supervision of the Company's Board Member responsible for Finance. The Department submits a report to the Board of Directors at least once a year regarding its activities.

The company's public shareholding ratio is 36.55%. In this context, the Department ensures that all meeting and consultation requests, whether from institutional and individual investors or analysts, are addressed, and that all questions submitted via email or other means are answered within the existing legal framework.

In 2025, the Department conducted meetings with a total of 10 analysts and promptly addressed a total of 520 questions and clarification requests, which were received via email from individual investors.

The financial reports and tables regarding Smart Solar Technologies' interim financial results for 2025 were published on the company's website and also announced on the Public Disclosure Platform (KAP). In 2025, special situation disclosures required by law were also made public via KAP. During the period, there were no lawsuits or court decisions requiring a special situation disclosure. There were also no requests for the appointment of a special auditor to our company during this period.

General Assembly Meeting

The 2024 Annual General Meeting was held on April 16, 2025, at 10:30 a.m. and was simultaneously broadcast live via the electronic general meeting system "e-GKS." The attendance rate at the meeting was 76%. The notice of the General Meeting was issued three weeks prior to the meeting date via the Turkish Trade Registry Gazette, the Public Disclosure Platform (KAP), and our corporate website, in accordance with relevant legislation and the provisions of the Articles of Association, including an information form ensuring shareholders' transparent access to all information and proxy forms for those intending to be represented by a proxy at the General Meeting. No additional agenda items were proposed for the meeting. Board members, officials responsible for the preparation of financial statements, and auditors were present to provide necessary information and answer questions. During the General Meeting, the meeting chair ensured that the topics on the agenda were presented in a neutral and detailed manner, using a clear and understandable approach. Shareholders were given the opportunity to express their views and ask questions under equal conditions, and all questions asked by shareholders at the General Meeting that did not fall under the scope of trade secrets were answered directly. At the meeting, it was decided not to distribute the 2024 profit due to existing investments; information regarding the concluded share buyback program was provided to the General Meeting, and the relevant decisions and transactions were approved by the General Meeting. Under a separate agenda item, the General Meeting was informed about the donations and contributions made during 2024.

Voting Rights and Minority Rights

At Ordinary and Extraordinary General Meetings, shareholders holding registered Group A shares are entitled to 5 votes, while all other shares are entitled to 1 vote. The Company's Articles of Association do not provide for cumulative voting. Furthermore, the Company does not have any shares listed on foreign stock exchanges. Minority rights are granted to shareholders representing at least 1/20 of the Company's capital, in accordance with applicable laws.

Dividend Distribution

Our company's dividend distribution policy was approved at the General Meeting held on June 10, 2022. Accordingly, the company has adopted a dividend distribution policy to distribute at least 25% of the distributable net income for the period, calculated in accordance with Capital Markets regulations, in the form of cash and/or stock dividends. This policy is reviewed annually by the Board of Directors, taking into account market expectations, national and global economic conditions, as well as the company's growth, investment, and financing policies, profitability, and cash position, provided that relevant regulations and financial circumstances permit. Any changes to the policy are submitted for shareholder approval at the first General Meeting following the change and published on the company's website.

At the General Meeting, it was decided not to distribute the 2024 profits due to ongoing investments.

Transfer of Shares

All shares may be freely transferred in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law, and other relevant legislation.

Events Following the Balance Sheet

- Within the Company's registered capital ceiling of 2,000,000,000 TRY, the Company has submitted an application to the Capital Markets Board (CMB) to increase its issued capital of 605,880,000 TRY by 200%, or 1,211,760, 000 TL, bringing it to 1,817,640,000 TRY, was approved by the Capital Markets Board (CMB) at its meeting on January 23, 2026, and the 200% stock split was completed on February 2, 2026.
- As part of efforts to strengthen our company's financial structure, reduce short-term financing obligations, extend the maturity profile of existing loan debt, and optimize financing costs, a 5-year murabaha financing facility in the amount of 30,000,000 USD was secured with "Bank of Bahrain and Kuwait B.S.C." on February 5, 2026.
- As part of our project development and power plant construction activities in Europe, a turnkey project design/engineering and power plant construction contract, excluding VAT, in the amount of 13,833,310 Euros, was signed between our company and a corporate entity established abroad.
- Work stoppage at our company's Gebze Panel Production Facility, initiated by the United Metal Workers' Union on October 22, 2025, has ended following the conclusion of ongoing collective bargaining negotiations on February 12, 2026, and production activities have resumed. The necessary planning to ensure operational continuity has been completed, and our production and shipping schedules have returned to their normal timelines.
- As part of our sustainable energy investments, our company has developed and completed construction of the 130 MWm-capacity G4-Bor-1 Solar Power Plant Project, which it developed and completed in Türkiye, through our 100% subsidiary Smart GES Enerji Üretim A.Ş., and has signed a credit agreement totaling 20,557,515.36 Euros with ING Bank N.V., based in the Netherlands, to finance the procurement of equipment and services for the project. The loan in question was provided under "Green Loan" status and has a maturity date extending until July 30, 2030.
- An investment agreement has been signed between the Ministry of Energy and Natural Resources and the Saudi Arabian energy company ACWA, with the first phase comprising a 2 GW solar power plant (SPP) and the second phase a 3 GW plant (solar power plant and wind power plant). A 50% local content requirement applies to the solar power plant projects to be constructed in Sivas and Taşeli.

Appendices

(CONVENIENCE TRANSLATION OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ AR-GE ÜRETİM SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Directors of
Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi ve Ticaret A.Ş.

Eren Bağımsız Denetim A.Ş.
Maslak, Eski Büyükdere Cad.
No.14 Kat:10
34396 Sarıyer/İstanbul, Turkey

T + 90 212 373 00 00
F + 90 212 291 77 97
www.grantthornton.com.tr

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi ve Ticaret A.Ş. (the "Company" or "Smart") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards which are part of the Turkish Auditing Standards issued by by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") and adopted within the framework of the Capital Markets Board of Turkey ("CMB"). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") issued by POA and the ethical requirements in CMB legislation that are relevant to audit of consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Trade receivables and recoverability	
As of 31 December 2025, the Group's total trade receivable is TL 3.677.629.058 (31 December 2024: TL 4.013.157.687). The trade receivable from the third parties amounting to TL 3.668.866.750 (31 December 2024: TL 3.995.704.187), which is a part of total trade receivables, constitutes approximately 15% (31 December 2024: 18%) of the Group's assets. The assessment of the recoverability of these receivables made by the Group management includes considerations of the amount of guarantees/collateral received from the customers, past collection performance, analysis of aging of receivables and litigations or disputes regarding receivables. As a result of all these assessments, determination of doubtful receivables and setting of impairment provision for these receivables include also management judgements and estimations. In addition, the Group has calculated the Expected Credit Loss Provision for its receivables within the scope of TFRS 9. These estimations used are highly sensitive to expected future market conditions. For these reasons, trade receivables and their recoverability are an important issue for our audit. The Group's explanations regarding trade receivables, provision for doubtful receivables and credit risk are included in Notes 2.6 and 31.	During our audit, the following audit procedures regarding the recoverability of trade receivables were applied: The processes applied by the Group during the verification of trade receivables have been understood. Trade receivable balances have been tested with the confirmation method. It was ensured that the Group's process regarding the collection follow-up of its trade receivables and financial reporting for credit risk was understood, and the operational effectiveness of the internal controls included in the process was evaluated. Collection receipts and invoice controls regarding trade receivables were provided. The balances of the receivables in the previous year and the current year have been comparatively controlled, and especially the exchange rate differences arising from foreign currency balances have been controlled. The collection turnover rate was compared with the previous year. The collections in the following periods were tested by sampling method. The sufficiency of the explanations in the notes to the consolidated financial statements regarding the recoverability of trade receivables has been evaluated. As a result of the audit procedures we have applied, we have not had any significant findings regarding the recoverability of trade receivables.

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Key Audit Matters (Cont'd)

The key audit matter	How the matter was addressed in our audit
Revenue recognition	
Revenue is an important measurement in terms of evaluating the results of the Group's strategies implemented during the year and monitoring the performance. As of 31 December 2025, revenue is the most important caption and account in the consolidated financial statements, the issue of "revenue recognition" has been determined as a key audit matter. Group's revenue consists of income from domestic and foreign sales. Revenues are recorded on accrual basis the fair value of the consideration received or receivable upon the delivery of the product, the transfer of risks and benefits associated with the product, the reliable determination of the amount of income and the probable flow of economic benefits of transaction. As of 31 December 2025, the Group's sales revenue is TL 10.581.001.663 (31 December 2024: TL15.285.067.108) and explanations regarding the relevant accounting policies are given in Note 2.6 and Note 20.	The audit procedures that we perform consist of testing internal controls, analytical reviews and test of details regarding the revenue recognition process, including reporting on performance evaluation and controls performed by Group management. Our audit procedures also include procedures for testing evidence that obtained about risks and benefits of products have been delivered to the customer. The main audit procedures that we made as follows: ·Revenue examined with analytical procedures, · Revenue invoice vouching test, · Revenue cut-off testing . The processes applied by the Group during the confirmation of trade receivables have been understood, · Invoice tests made by sampling method regarding the accuracy of sales transactions and records, and these invoices were matched with the bill of parcels and collections from the customer, · The collection risk of trade receivables was evaluated and the controls used in the follow-up of the collection process were tested. · Customer contracts were reviewed, and if there is any management judgments were evaluated. As a result of the audit procedures we have applied, we have not had any significant findings regarding the revenue recognition.

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Key Audit Matters (Cont'd)

The key audit matter	How the matter was addressed in our audit
Inventories	
There is a risk of impairment of inventories in the financial statements dated 31 December 2025 due to macroeconomic factors. However, the calculation of the provision for inventory also includes management estimations and assumptions. These estimates and assumptions include the evaluation of inventories sold for macroeconomic reasons and the evaluation of the provision for inventories that have not moved for a certain period and are damaged. For these reasons, provision for inventory is an important issue for our audit. Explanations on the Group's accounting policies and amounts related to inventory impairment are given in Note 2.6 and Note 8.	During our audit, the following procedures have been applied regarding the impairment of inventories. i) Understanding and evaluating the appropriateness of the accounting policy related to the impairment of inventory, ii) Discussing with the company management the changing customer demand, the qualitative characteristics of the inventories and the risk of macroeconomic factors and comparing the inventory turnover rate with the previous year, iii) Observing whether there are inactive or damaged inventories in the year-end stock counts, iv) Sample testing of selling prices deducted from the discounts used in the net realizable value calculation. v) Assessment of the necessity for an inventory impairment. As a result of the audit procedures we have applied, we have not had any significant findings regarding the inventory impairment.

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The key audit matter	How the matter was addressed in our audit
Advances received	
The Group's revenue consists of the installation and construction of solar power plants and the sales of solar panels and power plant equipment related to solar power plants. Revenue is recognized when the significant risks and controls of ownership are transferred to the buyer. The Group's solar power plant installations and investments are delivered to customers on a turnkey basis because of the installations. As explained in Note 9 (advances received included in deferred income), it results from the advances received by the Group from its customers regarding sales. We consider the Group's advances received to be a key audit matter.	During our audit, the following procedures were applied regarding the revenue recognition and the order advances received: - Obtained the delivery confirmations with supporting documents regarding the delivery of the revenue realized in the power plant revenues within the framework of the periodicity principle; - The substantive procedures focused on the assessment of cases where income was earned but not invoiced. - We specifically examined the billing transactions regarding the power plants the Group made abroad and the services it provided during the period. - The arithmetic calculations of the advances given and the data forming the basis for these calculations have been checked by audit team. - We have inquired the convenience of the information in the financial statements and its footnotes, considering the importance of the information disclosed to the readers of the financial statements. As a result of the audit procedures we have applied, we have not had any significant findings regarding the advances received.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Responsibilities of auditors in an audit are as follows:

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing issued by the CMB and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by the CMB and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements (Cont'd)

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Legal and Regulatory Requirements

1. In accordance with the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that, the Group's bookkeeping activities and consolidated financial statements for the period between 1 January – 31 December 2025, are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2. In accordance with the fourth paragraph of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of the audit.

3. In accordance with the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") no. 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Group on 06 March 2026.

The name of the engagement partner who supervised and concluded this audit is Nazım Hikmet.

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International

Nazım HİKMET
Partner

İstanbul, 06 March 2026

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Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Consolidated Statements of Financial Position as of 31 December 2025 and 2024
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

ASSETS	*Notes*	Audited Current Period 31 December 2025	Audited Prior Period 31 December 2024
Current Assets			
Cash and cash equivalents	3	1.571.970.306	612.635.221
Financial investments	4	-	26.843.731
Trade receivables		3.677.629.058	4.013.157.687
- *Due from related parties*	*6*	*8.762.308*	*17.453.500*
- *Due from third parties*	*5*	*3.668.866.750*	*3.995.704.187*
Other receivables		885.973.496	799.817.540
- *Other receivables from related parties*	*6*	*757.051.257*	*24.401.676*
- *Other receivables from third parties*	*7*	*128.922.239*	*775.415.864*
Inventories	8	2.306.694.526	2.957.400.869
Prepaid expenses		4.128.230.770	4.525.735.537
- *Due from related parties*	*6*	*1.511.334.459*	*1.381.623.449*
- *Prepaid expenses, third parties*	*9*	*2.616.896.311*	*3.144.112.088*
Current income tax assets	18	207.456.397	136.946.112
Other current assets	10	584.299.277	864.313.544
TOTAL CURRENT ASSETS		**13.362.253.830**	**13.936.850.241**
Non-current Assets			
Other receivables		4.152.972	5.514.697
- *Other receivables from third parties*	*7*	*4.152.972*	*5.514.697*
Right of use assets	13	290.442.267	272.261.242
Property plant and equipment	11	10.595.732.813	6.965.773.619
Intangible assets	12	26.659.997	29.402.848
Prepaid expenses		299.287.133	236.985.392
- *Prepaid expenses to third parties*	*9*	*299.287.133*	*236.985.392*
Deferred tax assets	18	769.217.809	1.410.048.849
TOTAL NON-CURRENT ASSETS		**11.985.492.991**	**8.919.986.647**
TOTAL ASSETS		**25.347.746.821**	**22.856.836.888**

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Consolidated Statements of Financial Position as of 31 December 2025 and 2024
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

LIABILITIES	*Notes*	Audited Current Period 31 December 2025	Audited Prior Period 31 December 2024
Current Liabilities			
Short-term borrowings	14	5.851.379.059	3.305.239.088
Short-term portion of long-term borrowings	14	1.331.125.348	1.494.844.506
Lease liabilities	14	90.414.907	80.388.992
- *Lease transactions from related parties*		*36.273.721*	*28.454.624*
- *Lease transactions from third parties*		*54.141.186*	*51.934.368*
Trade payables		3.996.357.522	5.831.864.984
- *Due to related parties*	*6*	*437.169.780*	*437.781.477*
- *Due to third parties*	*5*	*3.559.187.742*	*5.394.083.507*
Employee benefits	17	150.439.077	201.636.193
Other payables		43.032.723	-
- *Other payables to third parties*	*7*	*43.032.723*	-
Deferred income		5.443.416.922	2.887.956.605
- *Deferred income from related parties*	6	*2.585.772.819*	-
- *Deferred income from third parties*	*9*	*2.857.644.103*	*2.887.956.605*
Short-term Provisions		38.890.189	24.823.061
- *Provisions for employee benefits*	*15*	*25.452.663*	*18.793.179*
- *Other short-term provisions*	*16*	*13.437.526*	*6.029.882*
Other current liabilities	10	192.928.904	926.098.424
TOTAL CURRENT LIABILITIES		**17.137.984.651**	**14.752.851.853**
Non-current liabilities			
Long-term borrowings	14	3.329.767.081	3.302.311.306
Lease liabilities	14	227.458.277	175.122.018
- *Lease transactions from related parties*		*123.748.450*	*63.639.258*
- *Lease transactions from third parties*		*103.709.827*	*111.482.760*
Long-term provisions		28.812.372	27.057.167
- *Long-term provisions for employee benefits*	*15*	*28.812.372*	*27.057.167*
TOTAL NON-CURRENT LIABILITIES		**3.586.037.730**	**3.504.490.491**
Shareholders' Equity		**4.633.827.218**	**4.598.732.158**
Paid-in capital	19	605.880.000	605.880.000
Adjustment to share capital	19	1.513.621.812	1.513.621.812
Treasury shares (-)		(53.414.600)	(53.414.600)
Share premiums		788.678.422	788.678.422
Accumulated other comprehensive income not to be reclassified in profit or loss		470.811.915	(31.696.526)
- *Revaluation Increases of Tangible Fixed Assets*		*504.485.214*	-
- *Gain/(Loss) on remeasurements of the defined benefit plans*		*(33.673.299)*	*(31.696.526)*
Accumulated other comprehensive income that will be reclassified in profit or loss		(698.958.189)	(666.263.146)
- *Foreign currency translation differences*		*26.534.927*	*6.177.922*
- *Gain / (loss) of hedging reserve*		*(725.493.116)*	*(672.441.068)*
Restricted reserves appropriated from profits		256.955.288	213.419.406
Prior years' profit / (loss)		2.184.970.908	1.651.103.403
Net income/(loss) for the period		(434.718.338)	577.403.387
Non-controlling interest		**(10.102.778)**	**762.386**
TOTAL SHAREHOLDER'S EQUITY		**4.623.724.440**	**4.599.494.544**
TOTAL LIABILITIES		**25.347.746.821**	**22.856.836.888**

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Consolidated Statements of Financial Position as of 31 December 2025 and 2024
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

PROFIT OR LOSS	Notes	Audited 1 January – 31 December 2025	Audited 1 January – 31 December 2024
Revenue	20	10.581.001.663	15.285.067.108
Cost of sales (-)	20	(8.043.802.321)	(12.308.064.980)
GROSS PROFIT		**2.537.199.342**	**2.977.002.128**
General administrative expenses (-)	23	(728.372.298)	(796.518.563)
Selling, marketing and distribution expenses (-)	22	(197.837.206)	(282.268.665)
Research and development expenses (-)	21	(48.262.409)	-
Other operating income	25	1.047.228.154	1.484.466.286
Other operating expenses (-)	25	(1.275.101.581)	(1.599.406.054)
OPERATING PROFIT		**1.334.854.002**	**1.783.275.132**
Income from expenses activities	26	-	56.326.351
Expected credit loss according to TFRS 9 (-)		(20.074.909)	(17.665.862)
Share of profit/loss of investments accounted for using the equity method		(33.069)	-
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES		**1.314.746.024**	**1.821.935.621**
Financial income	27	706.543.888	137.202.378
Financial expenses (-)	27	(3.329.093.367)	(3.273.650.186)
Net monetary position gains (losses)	28	1.463.444.661	920.458.358
PROFIT / (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX		**155.641.206**	**(394.053.829)**
Tax Income / (Expense) from Continuing Operations			
Current period tax expenses	18	-	(3.491.285)
Deferred tax (expense) / income	18	(601.224.708)	965.556.741
PROFIT/ (LOSS) FROM CONTINUING OPERATIONS		**(445.583.502)**	**568.011.627**
NET PROFIT/(LOSS) FOR THE PERIOD		**(445.583.502)**	**568.011.627**
Attributable to:			
Non-controlling interest		(10.865.164)	(9.391.760)
Equity holder of the parent		(434.718.338)	577.403.387
		(445.583.502)	**568.011.627**
Earnings/(Loss) Per Share	29	***(0,72)***	***0,95***
Items that will not to be reclassified to profit or loss			
- Revaluation Increases of Tangible Fixed Assets		570.051.521	-
- Gain / (loss) arising from defined benefit plans		(2.635.697)	(35.344.077)
Taxes on items that will not to be reclassified to profit or loss			
- - Revaluation Increases (Decreases) of Tangible Fixed Assets, Tax Impact		(65.566.307)	-
- - Remeasurement Gains (Losses) of Defined Benefit Plans, Tax Impact		658.924	8.836.019
Items that will be reclassified to profit or loss			
- Currency translation differences		20.357.005	3.373.391
- Gains/(Losses) from Cash Flow Hedging Risk		(78.353.099)	48.662.049
Taxes on items that will be reclassified to profit or loss			
- Other Comprehensive Income and Tax Effect Related to Cash Flow Hedging		25.301.051	(11.177.817)
TOTAL OTHER COMPREHENSIVE INCOME/LOSS		**469.813.398**	**14.349.565**
TOTAL COMPREHENSIVE LOSS		**24.229.896**	**582.361.192**
Attributable to:			
Equity holder of the parent		35.095.060	591.752.952
Non-controlling interest		(10.865.164)	(9.391.760)

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Consolidated Statement of Changes in Equity for the Periods of 1 January-31 December 2025 and 2024
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

					Accumulated other comprehensive income and expenses not to be reclassified in profit or loss		Accumulated other comprehensive income that will be reclassified in profit or loss		Retained earnings					
	Paid-in capital	Adjustment to share capital	Treasury shares (-)	Share premium	Gain/(loss) on remeasurements of defined benefit plans	Revaluation Increases of Tangible Fixed Assets	Gain/(loss) of hedging reserve	Foreign currency translation difference	Restricted reserves appropriated from profit	Prior years' profit	Net profit/loss for the period	Attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance as of 1 January 2024	**605.880.000**	**1.513.621.812**	**(48.359.486)**	**788.678.422**	**(5.188.468)**	**-**	**(709.925.300)**	**2.804.531**	**129.890.460**	**(198.608.921)**	**1.933.241.270**	**4.012.034.320**	**10.154.146**	**4.022.188.466**
Transfer	-	-	-	-	-	-	-	-	78.473.832	1.854.767.438	(1.933.241.270)	-	-	-
Total comprehensive	-	-	-	-	(26.508.058)	-	37.484.232	3.373.391	-	-	577.403.387	591.752.952	(9.391.760)	**582.361.192**
Increase/decrease due to acquisition of treasury shares	-	-	(5.055.114)	-	-	-	-	-	5.055.114	(5.055.114)	-	(5.055.114)	-	**(5.055.114)**
Balance as of 31 December 2024	**605.880.000**	**1.513.621.812**	**(53.414.600)**	**788.678.422**	**(31.696.526)**	**-**	**(672.441.068)**	**6.177.922**	**213.419.406**	**1.651.103.403**	**577.403.387**	**4.598.732.158**	**762.386**	**4.599.494.544**
Balance as of 1 January 2025	**605.880.000**	**1.513.621.812**	**(53.414.600)**	**788.678.422**	**(31.696.526)**	**-**	**(672.441.068)**	**6.177.922**	**213.419.406**	**1.651.103.403**	**577.403.387**	**4.598.732.158**	**762.386**	**4.599.494.544**
Transfer	-	-	-	-	-	-	-	-	43.535.882	533.867.505	(577.403.387)	-	-	-
Total comprehensive	-	-	-	-	(1.976.773)	504.485.214	(53.052.048)	20.357.005	-	-	(434.718.338)	35.095.060	(10.865.164)	24.229.896
Balance as of 31 December 2025	**605.880.000**	**1.513.621.812**	**(53.414.600)**	**788.678.422**	**(33.673.299)**	**504.485.214**	**(725.493.116)**	**26.534.927**	**256.955.288**	**2.184.970.908**	**(434.718.338)**	**4.633.827.218**	**(10.102.778)**	**4.623.724.440**

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Consolidated Statement of Cash Flows for the Periods of 1 January-31 December 2025 and 2024
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

	Notes	Audited 31 December 2025	Audited 31 December 2024
A. Cash flows from operating activities		**2.742.189.170**	**1.953.008.044**
Profit/(loss) for the period		(445.583.502)	568.011.627
Adjustments to reconcile net profit/loss to net cash:		**1.810.939.818**	**(690.346.844)**
Adjustments related to depreciation and amortization expenses	11-12-13	641.344.171	304.877.441
Adjustments related to provision for employee benefits		18.202.175	(28.947.855)
Adjustments related to interest expenses		2.829.639.592	2.130.993.973
Adjustments related to interest income		(706.543.888)	(137.202.378)
Adjustments for fair value losses / (gains) of financial assets		-	(56.326.351)
Adjustments related to expected provision losses		32.292.702	17.665.862
Adjustments related to inventory value impairment icome	8	5.148.225	6.444.092
Adjustments related to tax income/(expense)	18	601.224.708	(962.065.456)
Adjustments related to unrealized currency translation differences		528.177.396	304.998.548
Monetary gain/(loss)		(2.138.545.263)	(2.270.784.720)
Adjustments related to other increase / (decrease) in working capital		**1.492.087.424**	**2.225.204.986**
Decrease/(increase) in financial investments	4	26.843.731	487.238.234
Decrease/(increase) in inventories	8	645.558.118	764.432.118
Decrease/(increase) in trade receivables from third parties	5	294.544.735	540.057.923
Decrease/(increase) in trade receivables from related parties	6	8.691.192	214.006.484
Decrease/(increase) in other operating receivables from related parties	6	(732.649.581)	21.572.477
Decrease / (increase) in other operating receivables from third parties	7	647.855.350	(92.314.032)
(Decrease) / Increase in trade payables to third parties	5	(1.834.895.765)	1.965.370.187
(Decrease) / increase in other operating payables to third parties	7	43.032.723	(4.807.239)
(Decrease) / increase in trade payables to related parties	6	(611.697)	(587.769.202)
(Decrease) / increase in deferred incomes		2.555.460.317	(977.334.506)
Decrease / (increase) in other assets related to operations		280.014.267	(541.993.659)
(Decrease) increase in other liabilities related to operations		(776.958.992)	863.841.506
Decreases / (increase) in prepaid expenses		335.203.026	(427.095.305)
Cash inflow (outflow) from other operations		**2.587.443.740**	**2.102.869.769**
Taxes paid		(102.831.387)	(99.237.104)
Payments under provisions for employee benefits		(12.423.183)	(50.624.621)
B. Cash flows from investing activities		**(3.665.922.248)**	**(3.541.415.358)**
Proceeds from sale of property, plant and equipment and intangible assets	11-12	-	246.687
Purchases of property, plant and equipment	11	(3.661.565.895)	(3.540.958.699)
Purchases of intangible assets	12	(4.356.353)	(703.346)
C. Cash flows from financing activities		**2.027.658.214**	**1.433.054.151**
Cash inflows from borrowings	14	7.540.198.067	6.187.501.347
Cash outflows from borrowings	14	(5.239.982.122)	(3.654.410.170)
Cash inflows from debt securities issued	14	1.836.477.567	786.079.667
Cash outflows from repayments of debt securities issued	14	(524.807.925)	(403.981.239)
Cash inflows from leasings	14	300.255.077	361.695.967
Cash outflows from leasings	14	(204.457.931)	(170.102.386)
Payment of obligations under finance liability	14	(110.242.323)	(30.833.674)
Cash outflows from acquisition of treasury shares		-	(5.055.114)
Interest paid		(2.276.326.084)	(1.775.042.625)
Interest received		706.543.888	137.202.378
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		**1.103.925.136**	**(155.353.163)**
D. Inflation impact on cash and cash equivalents		**(144.590.051)**	**(340.823.810)**
E. Cash and cash equivalents at the beginning of the year		**612.635.221**	**1.108.812.194**
Cash and cash equivalents at the end of the year (A+B+C+D+E)	3	**1.571.970.306**	**612.635.221**

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

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. Ve Tic. A.Ş. and Its Subsidiaries ("Company" or "Smart Enerji") was established in 2014 in Istanbul. The Company and its subsidiaries are collectively referred to as the ("Group").

It started trading on the Istanbul Stock Exchange on 24 March 2022, under the code SMRTG, and as of the reporting date, it continues to be traded at a rate of 36.55%.

The Main Activity of Group.

The main field of the Group includes the installation of renewable energy power plants, the production of solar panels, the sale and marketing of various Solar Power Plant system equipment, and the provision of engineering and labour services.

As of 31.12.2025, the headquarters of the Group is, Energy Plaza Rüzgârlıbahçe Mah. Feragat Sok. No:2 Kat:6 Beykoz/İstanbul. As of 31.12.2025, the factories where it produces are located, Gebze Organize Sanayi Bölgesi Tembelova Mevki 3200 Cadde No:3207 41400 Gebze/Kocaeli and Çoraklar Mah. 5024. Sok. No:10 Aliağa Organize Sanayi Bölgesi (ALOSBİ) Aliağa/İzmir.

As of 31 December 2025 and 31 December 2024 the total number of personnel employed by the Group is 1.121 and 1.164 respectively.

The Subsidiaries

The subsidiaries, the countries in which they operate, and their fields of activity are as follows:

31 December 2025

Company Name	Activity Area	Owner Share(%)	Country of Establishment
Smart Güneş Enerji Ekipmanları Pazarlama A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart GES Enerji Üretim A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart Sumec Enerji Ekipmanları ve Pazarlama A.Ş.	Solar Power Plant Equipment	50	Türkiye
Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi Ticaret A.Ş & IHK Holding A.Ş Konsorsiyumu	Solar Power Plant Equipment	60	Türkiye
Icarus Solar GmbH	Solar Power Plant Equipment	100	Germany
Smart Solar Ukrayna	Solar Power Plant Equipment	100	Ukraine
Smart Solar Technology Gmbh	Solar Power Plant Equipment	100	Germany
Smart Solargize Yeşil Mobilite Enerji Anonim Şirketi	Mobile Charging Stations Distribution Network	100	Türkiye
Smart Gunes Tecnologıas Renovables S.L.	Solar Power Plant Equipment	100	Spain
Smart Global Enterprises & Trading B.V.	Solar Panel and Power Plant Commercial Activities	100	Netherlands
Smart Yeşil Hidrojen Teknolojileri ve Üretim A.Ş.	Fuel And Energy Production	70	Türkiye
Smart Solar Technologies AD	Solar Power Plant Equipment	100	Bulgaria
Smart Güneş Paneli Hücre Üretim Teknolojileri A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart Energy Global Investment and Development B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Bulgaria B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energ Iberia B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Romania B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Overseas Investment B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Green Energy Technologies Inc.	Solar Panel and Power Plant Commercial Activities	100	USA
Smart Green Energy Trading llc	Solar Panel and Power Plant Commercial Activities	100	USA
Smart Yeşil Enerji Depolama A.Ş.	Solar Panel with Storage and Power Plant Commercial Activities	100	Türkiye
Kaizenn Güneş Teknolojileri ve Enerji Üretim A.Ş.	Solar Power Plant Equipment Commercial Activities	100	Türkiye

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Notes To the Consolidated Financial Statements as of 31 December 2025
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025, unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

31 December 2024

Company Name	Activity Area	Owner Share(%)	Country of Establishment
Smart Güneş Enerji Ekipmanları Pazarlama A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart GES Enerji Üretim A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart Sumec Enerji Ekipmanları ve Pazarlama A.Ş.	Solar Power Plant Equipment	50	Türkiye
Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi Ticaret A.Ş & IHK Holding A.Ş Konsorsiyumu	Solar Power Plant Equipment	60	Türkiye
Icarus Solar GmbH	Solar Power Plant Equipment	100	Germany
Smart Solar Ukrayna	Solar Power Plant Equipment	100	Ukraine
Smart Solar Technology Gmbh	Solar Power Plant Equipment	100	Germany
Smart Solargize Yeşil Mobilite Enerji Anonim Şirketi	Mobile Charging Stations Distribution Network	100	Türkiye
Smart Gunes Tecnologıas Renovables S.L.	Solar Power Plant Equipment	100	Spain
Smart Global Enterprises & Trading B.V.	Solar Panel and Power Plant Commercial Activities	100	Netherlands
Smart Yeşil Hidrojen Teknolojileri ve Üretim A.Ş.	Fuel And Energy Production	70	Türkiye
Smart Solar Technologies AD	Solar Power Plant Equipment	100	Bulgaria
Smart Güneş Paneli Hücre Üretim Teknolojileri A.Ş.	Solar Power Plant Equipment	100	Türkiye
Smart Energy Global Investment and Development B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Bulgaria B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energ Iberia B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Romania B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Energy Overseas Investment B.V.	Solar Power Plant Equipment Commercial Activities	100	Netherlands
Smart Green Energy Technologies Inc.	Solar Panel and Power Plant Commercial Activities	100	USA
Smart Green Energy Trading llc	Solar Panel and Power Plant Commercial Activities	100	USA

The details of the Group's subsidiaries are summarized below:

Smart Güneş Enerji Ekipmanları Pazarlama A.Ş.

The company was established on April 20, 2021. Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. is the 100% shareholder of the company. The company was founded to operate in the solar and electric energy sector, and its main activities include: purchasing, selling, importing, and exporting solar energy equipment; providing engineering, procurement, and construction (EPC) services for solar-powered electricity generation facilities; developing, constructing, commissioning, and selling turnkey solar power plant projects both domestically and internationally.

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Smart GES Enerji Üretim A.Ş.

The company was established on March 5, 2021. Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. is the 100% shareholder of the company. The company operates in the field of energy production under licenses obtained from the Energy Market Regulatory Authority. Its main activities include: establishing, operating, and leasing electricity generation facilities based on renewable energy sources; selling the generated electricity to legal entities holding wholesale or retail sales licenses and to free consumers through bilateral agreements within the framework of relevant legislation; and undertaking project development, engineering, manufacturing, installation, feasibility studies, and contracting activities related to energy generation facilities within Turkey. The company owns the YEKA-4 Niğde Bor Solar Power Plant, located in Bor district of Niğde province, with an installed capacity of 130 MWp. This plant commenced electricity production and sales in 2025. (Note 20)

Smart Sumec Enerji Ekipmanları ve Pazarlama A.Ş.

The company was established on August 8, 2019. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 50% of the shares.

The company's main activity is the supply, purchase, sale, import, and export of solar energy equipment, providing equipment for renewable energy projects, and conducting commercial activities domestically and internationally in this context. The company does not have any active commercial operations.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi Ticaret A.Ş. & IHK Holding A.Ş. Konsorsiyumu

The company was established on May 8, 2020. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. is the 60% owner and leading partner of the company. The company was established within the consortium formed between Smart Solar Energy R&D Production Industry and Trade Inc. and IHK Holding for the Van Arısu Solar Power Plant (GES) 45 MWe/55 MWp Licensed Turnkey Engineering, Procurement and Construction Project. The company does not currently have any active commercial operations.

Icarus Solar Gmbh

The company was founded in Germany in 2019. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 100% of the company. The company's main activity is the wholesale sale of solar energy products (solar panels, inverters, structures, etc.) primarily to European countries through channel management.

Smart Solar Technology Gmbh

The company was founded in Germany in 2019. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 100% of the company. The company was established to provide turnkey installation and engineering services in European countries.

Smart Solar Ukraine

The company was founded in Ukraine in 2019. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 100% of the company. The company was established to provide turnkey installation and engineering services in Eastern European countries. However, due to the current political situation in Ukraine, the company is inactive. All management and operational activities are carried out by the parent company.

Smart Solargize Yeşil Mobilite Enerji Anonim Şirketi

The company was established on November 30, 2023, and is wholly owned by Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş.

The company's main activities include the installation and operation of charging stations and related infrastructure systems for electric vehicles, providing electric vehicle charging solutions, supplying and installing necessary charging units, and providing technical, administrative, and regulatory consultancy services for electric vehicle charging infrastructure.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Notes To the Consolidated Financial Statements as of 31 December 2025
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025, unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Smart Gunes Tecnologias Renovables S.L.

The company completed its incorporation procedures in 2024 and operates in Spain. Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. is the 100% shareholder of the company. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy-based products. The company does not currently have any active commercial operations.

Smart Global Enterprises & Trading B.V.

The company completed its incorporation procedures in 2024 and operates in the Netherlands. Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. is the 100% shareholder of the company. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy-based products, and it also operates as a holding company.

Smart Yeşil Hidrojen Teknolojileri ve Üretim A.Ş.

The company was established on May 31, 2024, and 70% of its shares are owned by Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. The company's business activities include the production, storage, and trading of energy using hydrogen and oxygen to produce gas or liquid fuels based on renewable energy sources.

Smart Solar Technologies AD

The company completed its incorporation procedures in 2024 and operates in Bulgaria. Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. is the 100% shareholder of the company. The company was established to invest in Bulgaria for the production of solar cells and panels, and to engage in energy production, transmission and distribution, as well as the production, supply, sale and trade of renewable energy-based products.

Smart Güneş Paneli Hücre Üretim Teknolojileri A.Ş.

The company was established on November 29, 2023, and is 100% owned by Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. The company's business activities include the production and trading of solar panel cells.

Smart Energy Global Investment and Development B.V.

The company completed its incorporation procedures in 2023 and operates in the Netherlands. Smart Global Enterprises & Trading B.V. is the 100% shareholder. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy-based products, acting as a major partner in companies operating both domestically and internationally.

Smart Energy Bulgaria B.V.

The company completed its incorporation procedures in 2023 and operates in the Netherlands. Smart Energy Global Investment and Development B.V. is the 100% shareholder. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy products, acting as the main partner in companies operating in Bulgaria.

Smart Energy Iberia B.V.

The company was incorporated in 2023 and operates in the Netherlands. Smart Energy Global Investment and Development B.V. is the 100% owner of the company. Beyond its country of origin, the company's activities include energy production, transmission, distribution, and the supply, sale, and trading of renewable energy products, acting as a major partner in companies operating in Spain.

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Smart Energy Romania B.V.

The company completed its incorporation procedures in 2023 and operates in the Netherlands. Smart Energy Global Investment and Development B.V. is the 100% shareholder. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy products, acting as the main partner in companies operating in Romania.

Smart Energy Overseas Investment B.V.

The company completed its incorporation procedures in 2023 and operates in the Netherlands. Smart Energy Global Investment and Development B.V. is the 100% shareholder. The company's business activities include energy production, transmission, and distribution, as well as the supply, sale, and trading of renewable energy products, acting as a major partner in companies operating overseas.

Smart Green Energy Technologies Inc.

With the aim of establishing solar panel manufacturing facilities in the United States, a company named Smart Green Energy Technologies Inc., with a capital of US$50,000, has been incorporated and registered in the state of Delaware, USA, through our wholly owned subsidiary, Smart Global Enterprises & Trading B.V., based in the Netherlands.

Smart Green Energy Trading llc.

For the purpose of selling solar energy cells, panels, and equipment in the United States, a company named Smart Green Energy Trading LLC has been established through Smart Green Energy Technologies Inc., a wholly owned subsidiary of our company based in the USA.

Smart Yeşil Enerji Depolama A.Ş.

The company was established on March 13, 2025. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 100% of the company. The company's field of activity includes establishing production facilities for converting and storing energy sources into electrical energy, obtaining the necessary licenses and permits from the Energy Market Regulatory Authority, generating electrical energy, and selling the generated electrical energy and/or capacity to customers.

Kaizenn Güneş Teknolojileri ve Enerji Üretim A.Ş.

The company was established on June 18, 2025. Smart Solar Energy Technologies R&D Production Industry and Trade Inc. owns 100% of the company. The company's field of activity is to operate in the fields of energy production, transmission, distribution, and consumption by obtaining the necessary licenses from the Energy Market Regulatory Authority; to increase energy efficiency in industrial enterprises, buildings, and energy production facilities; to utilize renewable energy sources; to establish, operate, and lease electricity generation facilities; to sell the generated electricity wholesale or retail; and to provide and/or commission necessary facility, transmission line, project, contracting, engineering, and consulting services within this scope.

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1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Affiliates

Group's subsidiaries included in the consolidated financial statements prepared by period, the countries in which they operate and their fields of activity are listed below;

31 December 2025

Company Title	Main Activity	Owner Share(%)	Country of Establishment
Erseka Solar Park 3 Lot 1 (*)	Establishment, operation and energy production activities of Solar Power Plants	31	Albania
Erseka Solar Park 3 Lot 2 (*)	Establishment, operation and energy production activities of Solar Power Plants	31	Albania

(*) Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş. holds a 31% stake in the companies titled Erseka Solar Park 3 Lot 1 and Erseka Solar Park 3 Lot 2, both established in 2025. The primary activity of these companies is the establishment, operation, and energy generation of solar power plants. These companies were established within the scope of the Solar Power Plant CFD Tender held by the Albanian Ministry of Infrastructure and Energy on June 10, 2024, for the implementation of two separate projects with an installed capacity of 40.3 MW and 20.2 MW, respectively. The projects are planned to be operated initially for 15 years under a PPA (Power Purchase Agreement) with a state-guaranteed purchasing mechanism.

Joint Ventures

The joint ventures, the countries in which they operate and their fields of activity, which are the subject of Group's consolidated financial statements prepared by periods, are as follows:

31 December 2025

Company Title	Main Activity	Owner Share(%)	Country of Establishment
KES Adi Ortaklığı	Energy Transmission Line	33,33	Türkiye

KES Adi Ortaklığı

As of 30.01.2023, the establishment of the company has been completed. One of our Subsidiaries, Smart GES Enerji Üretim A.Ş. owns 33.33% of the relevant company. Within the scope of YEKA SPP – 4 tenders of SPP projects, Bor-1, Bor-2, and Bor-3 SPP projects were awarded to Türkiye Elektrik Üretim A.Ş. was established for the purpose of realizing the necessary Energy Transmission Line investments for its connection to the national grid, based on the connection opinion to be given by the Company.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II. No:14.1. "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué. consolidated financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards.

Consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TMS Taxonomy" published by the KGK on 3 July 2024 and the Financial Statement Samples and User Guide published by the CMB.

Consolidated financial statements for the accounting period 1 January - 31 December 2025 were approved at the Board of Directors meeting dated 6 March 2026. The General Assembly of the Company and the relevant regulatory authorities have the right to demand the amendment of the consolidated financial statements after the publication of the consolidated financial statements.

Comparative Information and Correction of Prior Financial Statements

Current period consolidated financial statements of Group are prepared comparatively with the previous period in order to enable the determination of the financial position and performance trends. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period consolidated financial statements.

Financial Reporting In Hyperinflationary Economy

Following the announcement by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, entities applying IFRS have commenced applying inflation accounting in accordance with IAS 29 Financial Reporting in High-Inflation Economies, starting with their financial statements for the annual reporting period ending on or after December 31, 2023.

IAS 29 applies to the financial statements, including consolidated financial statements, of entities whose operating currency is the currency of a high-inflation economy. In accordance with this standard, financial statements prepared using the currency of a high-inflation economy are prepared at the purchasing power of that currency as of the balance sheet date. For comparison purposes, comparative information in previous period financial statements is expressed in the current unit of measurement at the end of the reporting period. Therefore, the Group has also presented its consolidated financial statements as of December 31, 2024, based on the purchasing power of December 31, 2025.

In accordance with the Capital Markets Board's (SPK) decision dated December 28, 2023, numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by implementing IAS 29, starting with their annual financial reports for the accounting periods ending December 31, 2023.

The adjustments made pursuant to IAS 29 were carried out using the adjustment coefficient obtained from the Consumer Price Index ("CPI") in Turkey, published by the Turkish Statistical Institute ("TÜİK"). As of December 31, 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

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

Financial reporting in hyperinflationary economy (Continued)

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

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

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the statement of financial position date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the statement of financial position, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- Impact of inflation on Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated profit or loss statement

Functional and presentation currency

Group prepares and maintains its legal books and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), accounting principles set forth by tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The valid currency of Group is Turkish Lira ("TL"). These consolidated financial statements are presented in TL, which is the valid currency of Group.

Subsidiaries in foreign country assets and liabilities are translated into TRY from the foreign exchange rate at the reporting date and income and expenses are translated into TRY at the average foreign exchange rate. The retranslation of net assets at the beginning of the period and the exchange differences which resulting from the using of average exchange rates are followed on differences of foreign currency translation account within shareholders' equity. Currency translation differences are recorded under other comprehensive income unless there are translation differences related to non-controlling interests and are presented under foreign currency translation differences under equity. However, if the operation relates to a wholly owned subsidiary, the portion of the non-controlling interest is proportionately classified as a non-controlling interest.

Netting/Offsetting

Financial assets and liabilities are shown in net, if the required legal right already exists, there is an intention to pay the assets and liabilities on a net basis, or if there is an intention to realize the assets and the fulfilment of the liabilities simultaneously.

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

2.2. Changes in accounting policies

Significant changes in accounting policies are applied retroactively, and prior period financial statements are restated. The accounting policies used in the preparation of the consolidated financial statements for the period ended December 31, 2025, are consistent with the accounting policies used in the preparation of the consolidated financial statements for the period ended December 31, 2024.

2.3. Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis, assuming that the Company and its consolidated subsidiaries, joint ventures, joint operations, and affiliates will continue to benefit from their assets and fulfill their liabilities within the next year and in the natural course of their activities.

2.4 New and amended standards and interpretations

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending December 31, 2025, were applied consistently with those used in the previous year, with the exception of the new and amended Turkish Financial Reporting Standards (TFRS) and TFRS interpretations effective as of January 1, 2025, summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

a) Standards, amendments, and interpretations applicable as of 31 December 2025

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

Effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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

2.4 New and amended standards and interpretations (Continued)

Annual improvements to IFRS – Volume 11

Effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Financial Statements; and • IAS 7 Statement of Cash Flows.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

Effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘contracts referencing nature-dependent electricity’

IFRS 18 Presentation and Disclosure in Financial Statements

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, managementdefined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19.

IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

2.4. New and amended standards and interpretations (Continued)

TFRS 17 Insurance Contracts;

It is effective for annual reporting periods beginning on or after January 1, 2023. This standard replaces IFRS 4, which currently permits a wide range of applications. TFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in a letter dated 6 April, 2023, sent by the Public Oversight Authority (POA) to the Insurance Association of Turkey, it was stated that the POA concluded that the application of TFRS 17 from 1 January, 2024, would be appropriate in the consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies, and other companies with partnerships/investments in these companies.

On the other hand, due to the amendment of Article 13(1)(a) of the "Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" by the Insurance and Private Pension Regulation and Supervision Agency (IPRSA), changing the effective date of TFRS 17 from "1 January 2024" to "1 January 2025", the POA, in a letter dated 15 February 2024, sent to the Banks Association of Turkey, stated that the implementation date of TFRS 17 has been postponed to 1 January 2025, for the consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies, and other companies with partnerships/investments in these companies.

Furthermore, due to a further amendment to Article 13(1)(a) of the aforementioned Regulation by the IPRSA, changing the effective date of TFRS 17 from "1 January 2025" to "1 January 2026", the POA, in a letter dated 14 January 2025, sent to the Banks Association of Turkey, stated that the implementation date of TFRS 17 has been further postponed to 1 January 2026, for the consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies, and other companies with partnerships/investments in these companies.

2.4 Summary of Significant Accounting Policies

The principal accounting principles applied in the preparation of the accompanying consolidated financial statements are as follows:

Consolidation Principles

Full Consolidation:

Share capital and balance sheet items of the Company and its subsidiary have been collected. In the collection process, the receivables and payables of the partnership subject to the consolidation method from each other are mutually deducted.

- Share capital of the consolidated balance sheet is share capital of Company, the share capital of the subsidiary is not included in the consolidated balance sheet.
- From all equity group items of the subsidiary within the scope of consolidation, including the paid/issued capital, the amounts corresponding to the parent and non-subsidiary interests have been deducted and shown as the "Non-Controlling Interests" account group after the equity account group of the consolidated balance sheet.
- Current and non-current assets purchased from each other by the partnership subject to the consolidation method, in principle, are included in the consolidated balance sheet over the amounts found before the related transaction, making adjustments to ensure that these assets are shown over the acquisition cost to the corporations subject to the consolidation method.

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

2.4. Summary of Significant Accounting Policies (Continued)

- The income statement items of the Company and its subsidiary are collected separately, and the sales of goods and services made by the partnerships subject to the consolidation method to each other are deducted from the total sales amounts and the cost of goods sold. The profit arising from the purchase and sale of goods between these partnerships regarding the inventories of the partnerships subject to the consolidation method is added to the cost of goods sold by deducting from the inventories in the consolidated financial statements, while the loss is added to the inventories and reduced from the cost of the goods sold. Income and expense items resulting from the transactions of the partnerships subject to the consolidation method are mutually deducted in the relevant accounts.
- The portion corresponding to the shares other than the partnership subject to the consolidation method from the net profit or loss of the subsidiary within the scope of consolidation is shown under the account group name "Non-Controlling Interests" after the net consolidated profit for the period.
- When deemed necessary, adjustments have been made to bring the financial statements of subsidiaries into line with the accounting principles applied by other group companies.

Related Parties

To the accompanying consolidated financial statements, executives and board of directors, their family and controlled or dependent companies, participations and subsidiaries of Group are referred to as related parties.

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

(i) has control or joint control over the reporting entity,
(ii) has significant influence over the reporting entity,
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity,

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

(i) The entity and the reporting entity are members of the same group,
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
(iii) Both entities are joint ventures of the same third party,
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
(vi) The entity is controlled or jointly controlled by a person identified in (a). A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Cash and Cash Equivalents

Cash and cash equivalents include cash held on hand, deposits held in banks, and other liquid investments with maturities of 3 months or less (footnote 3). Cash and cash equivalents used in cash flow reporting include cash and cash equivalents with maturities of less than 3 months, excluding accrued interest income.

Trade Receivables and Doubtful Trade Receivables

Trade receivables that are created by Group by way of providing goods or services in the ordinary course of business directly to a debtor are recognised initially at fair value and subsequently measured at amortized cost, using the effective interest rate method less provision for impairment. Short-term trade receivables with no specific interest rates are measured at original invoice amount if the effect of interest accrual is insignificant.

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

2.4. Summary of Significant Accounting Policies (Continued)

Impairment

TAS 39, "Financial Instruments" valid before 1 January 2018. Instead of "realised credit losses model" in Accounting and Measurement Standard, "expected credit loss model" was defined in TFRS 9 "Financial Instruments" Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of Group are considered.

Group has chosen to apply the "simplified approach" defined in TFRS 9 within the scope of the impairment calculations of its trade receivables (with a maturity of less than 1 year), which are accounted at amortized cost in its financial statements and do not contain a significant financing component.

Trade Payables

Trade payables are recorded at their fair value and subsequently accounted for at their discounted value using the effective interest rate.

Inventory

Inventory is valued on the basis of the lower of cost and net realizable value. The Group uses the average cost method. The factors that make up the cost of inventory are raw materials, direct labor, depreciation, and general manufacturing expenses. Net realizable value is the estimated selling price that would be in the normal course of business and the remaining selling price after deducting relevant expenses. The Group has set aside an impairment allowance for inventory where the net realizable value is lower than the cost value or where there has been no movement for a long period of time.

Property, plant and equipment and related depreciation

The Group's property, plant and equipment are stated at indexed acquisition cost less accumulated depreciation, except for land held for use, which is measured at fair value under the revaluation model. Land is not subject to depreciation.

Profits and losses from sales of tangible assets are included in other income and expense accounts. If the registered value of the assets is higher than the estimated replacement value, it is reduced to the replacement value by making a provision. Repair and maintenance expenses related to tangible fixed assets are expensed as incurred.

Except for land and investments in progress, tangible fixed assets have been depreciated on a pro-rata basis using the straight-line method in accordance with the useful life principle. Depreciation rates are determined according to the approximate economic lives of tangible fixed assets and are stated below:

	Year
Machinery and Equipment	4-29
Vehicles	5
Furniture and Fixtures	2-50
Leasehold improvements	5-15

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are calculated at cost less accumulated depreciation and impairment losses. This figure is also adjusted if lease liabilities are revalued.

The cost of a right-of-use asset includes:

(a) Initial measurement of lease liability

(b) Amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement date of the lease

(c) All initial direct costs incurred by the Group

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

2.4. Summary of Significant Accounting Policies (Continued)

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset using the straight-line depreciation method from the actual commencement date of the lease to the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment assessment.

Intangible Assets and Amortization

Intangible assets are recognized in the consolidated financial statements based on the criteria of being identifiable, having control over the related resource, and the existence of an expected future economic benefit. Intangible assets are expressed at indexed cost less accumulated amortization and any permanent impairments. These assets are amortized using the straight-line depreciation method according to their expected useful lives. Intangible assets include acquired rights, information systems, and computer software. Development expenses; project costs related to new product development, testing, and design are considered intangible assets if the project is economically and technologically feasible and the project costs are reliably measurable. Other research and development expenses are expensed as they occur. Development costs recorded as expenses in previous periods cannot be capitalized.

The useful lives of intangible assets are as follows:

	Year
Rights	3-30

Impairment of Assets

Assets with an unlimited life, such as goodwill, are not subject to amortization. An impairment test is performed annually for these assets. For assets subject to amortization, an impairment test is performed when circumstances or events occur that make it impossible to recover the carrying amount. An impairment allowance is recorded if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the greater of the fair value after deducting costs to sell or the value in use. For impairment assessment, assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units). Non-financial assets subject to impairment, excluding goodwill, are reviewed at each reporting date for possible reversal of the impairment.

Financial Assets

The classification process for the group's financial assets is carried out at the time of acquisition and is reviewed regularly.

Classification

The Group accounts for its financial assets in three classes: "financial assets recognized at amortized cost", "financial assets recognized at fair value in other comprehensive income" and "financial assets recognized at fair value in profit or loss". Classification is based on the business model used by the entity for managing the financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets at the time of acquisition. Except in cases where the Group's business model for managing financial assets changes, financial assets are not reclassified after their initial recognition; in the event of a change in the business model, financial assets are reclassified on the first day of the reporting period following the change.

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

2.4. Summary of Significant Accounting Policies (Continued)

Impairment

TAS 39, "Financial Instruments" valid before 1 January 2018: Instead of "realised credit losses model" in Accounting and Measurement Standard, "expected credit loss model" was defined in TFRS 9 "Financial Instruments" Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of Group are considered.

Group has chosen to apply the "simplified approach" defined in TFRS 9 within the scope of the impairment calculations of its trade receivables (with a maturity of less than 1 year), which are accounted at amortized cost in its financial statements and do not contain a significant financing component.

Trade Payables

Trade payables are recorded at their fair value and subsequently accounted for at their discounted value using the effective interest rate.

Inventory

Inventory is valued on the basis of the lower of cost and net realizable value. The Group uses the average cost method. The factors that make up the cost of inventory are raw materials, direct labor, depreciation, and general manufacturing expenses. Net realizable value is the estimated selling price that would be in the normal course of business and the remaining selling price after deducting relevant expenses. The Group has set aside an impairment allowance for inventory where the net realizable value is lower than the cost value or where there has been no movement for a long period of time.

Property, plant and equipment and related depreciation

The Group's property, plant and equipment are stated at indexed acquisition cost less accumulated depreciation, except for land held for use, which is measured at fair value under the revaluation model. Land is not subject to depreciation.

Profits and losses from sales of tangible assets are included in other income and expense accounts. If the registered value of the assets is higher than the estimated replacement value, it is reduced to the replacement value by making a provision. Repair and maintenance expenses related to tangible fixed assets are expensed as incurred.

Except for land and investments in progress, tangible fixed assets have been depreciated on a pro-rata basis using the straight-line method in accordance with the useful life principle. Depreciation rates are determined according to the approximate economic lives of tangible fixed assets and are stated below:

	Year
Machinery and Equipment	4-29
Vehicles	5
Furniture and Fixtures	2-50
Leasehold improvements	5-15

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are calculated at cost less accumulated depreciation and impairment losses. This figure is also adjusted if lease liabilities are revalued.

The cost of a right-of-use asset includes:

(a) Initial measurement of lease liability

(b) Amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement date of the lease

(c) All initial direct costs incurred by the Group

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

2.4. Summary of Significant Accounting Policies (Continued)

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset using the straight-line depreciation method from the actual

commencement date of the lease to the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment assessment.

Intangible Assets and Amortization

Intangible assets are recognized in the consolidated financial statements based on the criteria of being identifiable, having control over the related resource, and the existence of an expected future economic benefit. Intangible assets are expressed at indexed cost less accumulated amortization and any permanent impairments. These assets are amortized using the straight-line depreciation method according to their expected useful lives. Intangible assets include acquired rights, information systems, and computer software. Development expenses; project costs related to new product development, testing, and design are considered intangible assets if the project is economically and technologically feasible and the project costs are reliably measurable. Other research and development expenses are expensed as they occur. Development costs recorded as expenses in previous periods cannot be capitalized.

The useful lives of intangible assets are as follows:

	Year
Rights	3-30

Impairment of Assets

Assets with an unlimited life, such as goodwill, are not subject to amortization. An impairment test is performed annually for these assets. For assets subject to amortization, an impairment test is performed when circumstances or events occur that make it impossible to recover the carrying amount. An impairment allowance is recorded if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the greater of the fair value after deducting costs to sell or the value in use. For impairment assessment, assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units). Non-financial assets subject to impairment, excluding goodwill, are reviewed at each reporting date for possible reversal of the impairment.

Financial Assets
The classification process for the group's financial assets is carried out at the time of acquisition and is reviewed regularly.

Classification

The Group accounts for its financial assets in three classes: "financial assets recognized at amortized cost", "financial assets recognized at fair value in other comprehensive income", and "financial assets recognized at fair value in profit or loss". Classification is based on the business model used by the entity for managing the financial assets and the characteristics of the contractual cash flows of the financial asset. The Group classifies its financial assets at the time of acquisition. Except in cases where the Group's business model for managing financial assets changes, financial assets are not reclassified after their initial recognition; in the event of a change in the business model, financial assets are reclassified on the first day of the reporting period following the change.

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

2.4. Summary of Significant Accounting Policies (Continued)

Accounting and Measurement

a) Financial Assets Measured at Amortized Cost
These are non-derivative financial assets held under a business model aimed at collecting contractual cash flows, and which include cash flows consisting only of principal and interest payments on the principal balance on specified dates as per the contract terms. The Group's financial assets accounted for at amortized cost include "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". The relevant assets are measured at their fair value at their initial recognition in the consolidated financial statements; and at their discounted value using the effective interest rate method at subsequent recognitions. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

b) Financial Assets Accounted for at Fair Value

i. Financial Assets Recognized at Fair Value in Other Comprehensive Income

These are non-derivative financial assets held under a business model aimed at collecting contractual cash flows and selling the financial asset, and which, under the terms of the contract, only include cash flows consisting of principal and interest payments on the principal balance on specified dates. Any gains or losses arising from these financial assets, excluding impairment gains or losses and exchange gains or losses, are recognized in other comprehensive income.

If these assets are sold, any revaluation differences classified in other comprehensive income are reclassified as retained earnings. The Group may irrevocably choose, at the time of initial recognition in the consolidated financial statements, to recognize subsequent changes in fair value for investments in equity-based financial assets in other comprehensive income. If such a choice is made, dividends from these investments are recognized in the income statement.

ii. Financial Assets Recognized at Fair Value in Profit or Loss

These consist of financial assets other than those measured at amortized cost and recognized at fair value in other comprehensive income. Gains and losses arising from the valuation of such assets are recognized in the income statement.

Deregistration

The Group deregisters a financial asset when its rights relating to cash flows arising from a contract relating to that financial asset expire or when it transfers its rights, including ownership of all risks and returns associated with that financial asset, through a purchase or sale transaction. Any rights created or held in respect of financial assets transferred by the Group are recognized as separate assets or liabilities.

Impairment
Impairment of financial and contract assets is calculated using the "expected credit loss" (ECL) model. The impairment model applies to amortized cost financial assets and contract assets.
Provisions for losses are measured on the following basis:

- 12-month ECLs: ECLs arising from potential default events within 12 months after the reporting date.
- Lifetime ECLs: ECLs arising from all potential default events over the expected life of a financial instrument.

The lifetime ECL measurement applies if the credit risk associated with a financial asset has increased significantly since the initial recognition date. In all other cases where such an increase has not occurred, the 12-month ECL calculation has been applied. The Group may determine that the credit risk of a financial asset has not increased significantly if the financial asset has a low credit risk at the reporting date. However, the lifetime ECL measurement (simplified approach) is always valid for trade receivables and contract assets without a significant financing element.

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

2.4. Summary of Significant Accounting Policies (Continued)

Financial Liabilities
The Group's financial liabilities and equity instruments are classified according to contractual arrangements and the basis for identifying a financial liability and an equity instrument. A contractual equity instrument is a financial instrument representing a right in the Group's assets remaining after deducting all liabilities. The accounting policies applied to specific financial liabilities and equity instruments are as follows;
Financial liabilities are classified as financial liabilities recognized at fair value in profit or loss or other financial liabilities.

a) Financial Liabilities Recognized at Fair Value in Profit or Loss
Financial liabilities recognized at fair value in profit or loss are recognized at their fair value and revalued at their fair value as of the balance sheet date in each reporting period. Changes in their fair value are recognized in the income statement. Net gains or losses recognized in the income statement include the interest paid on that financial liability.

b) Other Financial Liabilities
Other financial liabilities, including financial debts, are initially recognized at their fair value, adjusted for transaction costs.
Other financial liabilities are subsequently recognized at amortized cost using the effective interest method, together with interest expense calculated at the effective interest rate.
The effective interest method is the method of calculating the amortized cost of a financial liability and allocating the related interest expense to the related period. The effective interest rate is the rate that fully discounts the estimated future cash payments over the expected life of the financial instrument, or over a shorter period if appropriate, to the net present value of the related financial liability.

Financial Leasing
A leasing transaction in which a significant portion of the risks and gains associated with the property belong to the lessee is classified as a financial lease. Other leases are classified as operating leases.

Lease-Lessor Case: Company

Financial lease receivables are recorded up to the amount of the Group's net investment in the lease. Financial lease income is allocated to accounting periods in such a way as to provide a fixed periodic rate of return on the Group's net investment in financial leases. Lease income related to operating leases is accounted for using the straight-line method for the relevant lease period. Direct initial costs incurred in executing and negotiating the lease are included in the cost of the leased asset and amortized over the lease term using the straight-line method.

Lease-Lessor Case: Company
Assets acquired through financial leases are capitalized using the lower of the fair value of the asset at the lease date or the present value of the minimum lease payments. The liability to the lessor is shown as a financial lease liability on the balance sheet.
Financial lease payments are separated into financing expenses and principal payments that reduce the financial lease liability, thus enabling interest to be calculated at a fixed rate on the remaining principal balance. Financial expenses are recognized in the income statement, excluding the capitalized portion of financing expenses, in accordance with the Group's general borrowing policy detailed above. Contingent leases are recognized as expenses in the period in which they arise. Payments for operating leases (including incentives received or to be received from the lessor for the purpose of carrying out the lease transaction, which are recorded in the income statement using the straight-line method over the lease period) are recognized in the income statement using the straight-line method over the lease period. Contingent leases under operating leases are recognized as expenses in the period in which they arise.

Borrowing Costs
General and specific borrowing costs related to the acquisition, construction, and production of qualifying assets that require significant time to be brought to intended use and sale are added to the cost of those assets for the period until they are ready for intended use or sale. Other borrowing costs are recognized in the profit and loss statement in the period in which they arise.

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

2.4. Summary of Significant Accounting Policies (Continued)

Taxes on Corporate Income

Consists of the sum of current tax and deferred tax expense.

Current tax: The current year's tax liability is calculated on the taxable portion of the period's profit.

Deferred tax: Deferred tax is reflected by considering the tax effects arising from temporary differences between the values of assets and liabilities as reflected in financial reporting and their bases in the statutory tax account, taking into account the balance sheet liability method.

Severance Pay Provision

According to the Turkish Labor Law, the employer is obliged to pay severance pay in proportion to the years worked in cases of termination of employment and/or retirement, termination of employment due to marriage for women, and termination of employment due to military service for men. According to the updated IAS 19 Employee Benefits Standard ("IAS 19"), such payments are classified as defined retirement benefit plans. The severance pay liability recognized in the balance sheet represents the present value of the remaining liability after adjustment for actuarial gains and losses not recognized in the income statement.

Operating Expenses

Operating expenses are recognized in the income statement on the date the service is rendered or the expense is incurred. Warranty expenses should be recognized in the consolidated financial statements as a provision expense in the same period as the revenue from the related sale. Recognition of Revenue
The Group recognizes revenue in its consolidated financial statements when it fulfills its performance obligation by transferring a committed good or service to its customer. An asset is transferred when (or when) control of the asset passes to (or is transferred to) the customer. The Group recognizes revenue in its consolidated financial statements in accordance with the following fundamental principles:

(a) Defining contracts with customers,
(b) Defining performance obligations under the contract,
(c) Determining the transaction price under the contract,
(d) Allocating the transaction price to performance obligations under the contract,
(e) Recognizing revenue when each performance obligation is fulfilled.

The Group recognizes a contract with a customer as revenue if all of the following conditions are met:

(a) The parties to the contract have approved the contract (in writing, orally, or in accordance with other commercial customs) and undertake to perform their respective obligations,
(b) The Group can define the rights of each party to the goods or services to be transferred,
(c) The Group can define the payment terms for the goods or services to be transferred,
(d) The contract is commercial in nature,
(e) It is likely that the Group will receive consideration from the customer for the goods or services to be transferred. When assessing whether a payment is likely to be collected, the entity considers only the customer's ability and intention to pay the payment on time.

Provisions
Provisions are accrued when there is a potential liability arising from past events (legal or structural liability), when a decrease in the assets necessary to fulfill this liability in the future is likely, and when the amount of the liability can be reliably determined. These accrued provisions are reviewed in each balance sheet period and revised to reflect current estimates.

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

2.4. Summary of Significant Accounting Policies (Continued)

Commitments and Potential Liabilities
Transactions giving rise to commitments and potential liabilities refer to situations whose occurrence depends on the outcome of one or more future events. Therefore, some transactions are recognized as off-balance sheet items due to the potential future loss, risk, or uncertainty they carry. When an estimate is made for potential future liabilities or losses, these liabilities are recognized as expenses and liabilities for the Group. However, potential future income and profits are reflected in the consolidated financial statements.

Transactions in foreign currency

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

The periods-end rates used for USD, EURO, UAH and BGN are shown below.

	31 December 2025		31 December 2024	
	Buying	Selling	Buying	Selling
USD	42,8457 TL	42,9229 TL	35,2803 TL	35,3438 TL
EUR	50,2859 TL	50,3765 TL	36,7362 TL	36,8024 TL
BGN	25,6165 TL	25,9517 TL	18,6752 TL	18,9196 TL
UAH	1,0139 TL	1,0139 TL	0,8396 TL	0,8396 TL

Financial Hedging Accounting

The Group hedges against exchange rate risks arising from highly probable future foreign currency sales under its corporate budget by borrowing in the same currency on its balance sheet. Foreign currency borrowings designated as hedging instruments are accounted for as cash flow hedging risks. At the commencement of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with risk management objectives and strategies for managing various hedging transactions. In addition, at the commencement and throughout the hedging transaction, the Group makes the following assessments regarding the effectiveness of the instrument:
• the existence of an economic relationship between the hedged item and the instrument acquired for hedging purposes;
• the credit risk effect does not drive value changes arising from the economic relationship; and
• The hedging ratio of the hedging relationship must be the same as the ratio resulting from the amount of the item actually hedged by the Group and the amount of the hedging instrument actually used to hedge that amount.
If the hedging relationship does not meet the ratios for the effectiveness of the hedging transaction, but the risk management objectives for this defined hedging relationship remain the same, the Company will change the hedging ratio of the hedging relationship to meet the necessary criteria again (such as rebalancing the hedging).
Earnings per share
Earnings per share stated in the profit or loss statement are determined by dividing the net profit attributable to the parent company by the weighted average number of shares held during the relevant period. Companies in Turkey may increase their capital by distributing shares to existing shareholders in proportion to their shares from accumulated profits and equity inflation adjustment differences ("bonus shares"). When calculating earnings per share, this bonus share issue is counted as issued shares. Therefore, the weighted average number of shares used in the earnings per share calculation is obtained by taking into account the issued bonus shares retrospectively.

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

2.4. Summary of Significant Accounting Policies (Continued)

Capital

Common shares

Common shares are classified as paid-in capital. Additional costs directly attributable to the issuance of common shares are accounted for as a decrease in equity after deducting any tax effects.

Government Grants and Assistance

Government grants are recognized at their fair value when there is reasonable assurance that the grants will be received and that the Group will meet the conditions to which it is obliged. Government grants relating to costs are accounted for consistently over the relevant periods in which they match the costs they will cover.

Cash Flow Statement

For cash flow statement purposes, cash and cash equivalents consist of cash and demand bank deposits.

2.5. Significant Accounting Assessments, Estimates and Assumptions

The preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the amounts of income and expenses reported during the accounting period. The Group makes estimates and assumptions for the future. Accounting estimates, by their nature, may not be identical to actual results. Some estimates and assumptions that may result in significant adjustments to the recorded values of assets and liabilities in the future financial reporting period are listed below.

Provision for doubtful receivables: The provision for doubtful receivables reflects the amounts that management believes will cover future losses on receivables that exist as of the reporting date but are at risk of not being collected under current economic conditions. When assessing whether receivables are impaired, the past performance of debtors, their market creditworthiness, their performance from the date of the consolidated financial statement to the date of approval of the consolidated financial statements, and other considerations are taken into account. Furthermore, for impairment calculations of trade receivables with a maturity of less than one year that are accounted for at amortized cost in the consolidated financial statements and do not contain a significant financing component, the "simplified approach" defined in IFRS 9 has been preferred. With this approach, the Group measures provisions for losses on trade receivables at an amount equal to lifetime expected credit losses, in cases where trade receivables are not impaired for specific reasons (excluding realized impairment losses).

Provision for employee termination benefit: Provision for employee termination benefit is determined by actuarial calculations based on a number of assumptions including discount rates, future salary increases and employee turnover rates. Because these plans are long-term, these assumptions contain significant uncertainties.

Litigation provisions: The probability of losing ongoing litigation and the consequences to be incurred if lost are assessed in line with the opinions of the Group's legal counsel, and Group management uses the available data to make its best estimates and sets aside the necessary provision.

Deferred tax: The Group accounts for deferred tax assets and liabilities for temporary timing differences arising from discrepancies between its statutory financial statements and its financial statements prepared in accordance with IFRS. These discrepancies generally involve differences in the taxable amounts of certain income and expense items in the statutory financial statements and the financial statements prepared in accordance with IFRS. This is due to their being in different periods.

Useful life: The Group assesses the nature of the capitalized asset for its tangible and intangible fixed assets in accordance with IAS 16 and IAS 38 standards, and accordingly, the relevant assets are capitalized when they become available for use.

Tangible fixed assets and intangible fixed assets other than goodwill have been amortized over their estimated useful lives. The Company determines the useful life of an asset by considering the estimated usefulness of that asset. The useful lives determined by management are explained in Note 2.6.

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5. TRADE RECEIVABLES AND PAYABLES

Details of Group's trade receivables for the periods are as follows:

Short-term trade receivables	**31 December 2025**	**31 December 2024**
Trade receivables	3.009.894.230	3.269.564.667
Notes receivables	721.448.169	781.638.837
Expected credit loss (-)	(62.475.649)	(55.499.317)
Doubtful receivables (*)	83.069.842	92.739.897
Provisions for doubtful receivables (-)	(83.069.842)	(92.739.897)
	3.668.866.750	**3.995.704.187**

Explanations regarding the nature and level of risks in trade receivables are given in Note 31.

(*) The movement of the provisions for doubtful receivables is as follows:

	1 January-31 December 2025	**1 January-31 December 2024**
Balance at beginning of the period	92.739.897	115.393.022
Current year additions / (Provisions no longer required)	12.217.793	12.816.083
Monetary gain / (loss)	(21.887.848)	(35.469.208)
End of the period	**83.069.842**	**92.739.897**

The movement table of the Group's expected credit loss allow for the ended periods is as follows:

	1 January-31 December 2025	**1 January - 31 December 2024**
Balance at beginning of the period	55.499.317	54.623.479
Current year additions / (Provisions no longer required)	20.074.909	17.665.862
Monetary gain / (loss)	(13.098.577)	(16.790.024)
End of the period	**62.475.649**	**55.499.317**

Details of Group's trade receivables for the periods are as follows:

Short-term trade payables	**31 December 2025**	**31 December 2024**
Trade payables	1.503.189.773	2.892.511.015
Notes payables	2.055.997.969	2.501.572.492
	3.559.187.742	**5.394.083.507**

Explanations regarding the nature and level of risks in trade payables are given in Note 31.

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3. CASH AND CASH EQUIVALENTS

Details of Group's cash and cash equivalents for the periods are as follows:

	31 December 2025	**31 December 2024**
Cash on hand	237.223	239.710
Cash at banks	1.571.733.083	612.395.511
- *Demand deposit*	*812.026.104*	*365.141.362*
- *Time deposits*	*759.706.979*	*247.254.149*
	1.571.970.306	**612.635.221**

(*) Term deposit consist of bank accounts with maturities shorter than three months. Details of the Company's term deposits are as follows.

31 December 2025	**Interest Rate (%)**	**TL Equivalent**
Turkish Lira Deposits	35%	759.706.979
Total		**759.706.979**

31 December 2024	**Interest Rate (%)**	**TL Equivalent**
Turkish Lira Deposits	55%	247.254.149
Total		**247.254.149**

As of December 31, 2025 the Group has a blocked deposits of TL 184.617.724 in its deposit accounts (December 31, 2024: TL 119.847.088).

4. FINANCIAL INVESTMENTS

Details of Group's financial investments by periods are as follows:

Short-Term Financial Investments	**31 December 2025**	**31 December 2024**
Financial assets measured at fair value through profit or loss(*)	-	26.843.731
	-	**26.843.731**

(*) The account for financial assets measured at fair value through profit or loss consists of the Currency Protected Turkish Lira Term Deposit Account. This is a deposit product that offers exchange rate protection in the event that the exchange rate of the US Dollar and Euro in Turkish Lira exceeds the interest rate at maturity.

The Currency Protected Deposit (CPD) program has ended, and there are no new CPD deposits as of the end of the current period.

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6. RELATED PARTY TRANSACTIONS

Details of Group's related party transactions for periods are as follows:

	Trade Receivables	
	31 December 2025	**31 December 2024**
Smart Energy Ukraine	8.762.308	8.352.518
Smart Cukurova Yenilenebilir Enerji Üretim A.Ş.	-	9.100.982
	8.762.308	**17.453.500**

	Other Receivables	
	31 December 2025	**31 December 2024**
Smart Holding A.Ş.	757.051.257	24.401.676
	757.051.257	**24.401.676**

	Prepaid Expenses	
	31 December 2025	**31 December 2024**
Smart Verde Yenilenebilir Enerji A.Ş. (*)	1.503.014.201	781.519.201
KES Adi Ortaklığı	8.320.258	6.544.336
Sumec Energy Holdings Co. Ltd.	-	593.559.912
	1.511.334.459	**1.381.623.449**

(*) These are advance payments given in respect of planned solar energy construction works.

	Short-term Trade Payables	
	31 December 2025	**31 December 2024**
Smart Energy Group AD (Bulgaria)	308.051.201	437.781.477
Sumec Energy Holdings Co. Ltd.	129.118.579	-
	437.169.780	**437.781.477**

	Order Advances Received	
	31 December 2025	**31 December 2024**
Atlas Ges Enerji Üretim A.Ş. (*)	1.492.594.343	-
Asya GES Enerji Üretim San. Tic. Ltd. Şti.(**)	1.093.178.476	-
	2.585.772.819	-

(*) Within the scope of the contract signed between the Group and Atlas Ges Enerji Üretim A.Ş., an advance payment was collected from the employer in accordance with the contract terms for the project concerning the installation and commissioning of solar energy-based storage power generation facilities with a total capacity of 132 MW on the relevant lands.

(**) Within the scope of the contract signed between the Group and Asya GES Enerji Üretim San. Tic. Ltd. Şti., an advance payment was collected from the employer in accordance with the contract terms for the project concerning the installation and commissioning of solar energy-based storage power generation facilities with a total capacity of 90 MW on the relevant lands.

5. TRADE RECEIVABLES AND PAYABLES

Details of Group's trade receivables for the periods are as follows:

Short-term trade receivables	**31 December 2025**	**31 December 2024**
Trade receivables	3.009.894.230	3.269.564.667
Notes receivables	721.448.169	781.638.837
Expected credit loss (-)	(62.475.649)	(55.499.317)
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Explanations regarding the nature and level of risks in trade receivables are given in Note 31.

(*) The movement of the provisions for doubtful receivables is as follows:

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Balance at beginning of the period	92.739.897	115.393.022
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End of the period	**83.069.842**	**92.739.897**

The movement table of the Group's expected credit loss allow for the ended periods is as follows:

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	31 December 2025	**31 December 2024**
Short-term trade payables		
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Notes payables	2.055.997.969	2.501.572.492
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	8.762.308	**17.453.500**

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	31 December 2025	**31 December 2024**
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(*) These are advance payments given in respect of planned solar energy construction works.

	Short-term Trade Payables	
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	437.169.780	**437.781.477**

	Order Advances Received	
	31 December 2025	**31 December 2024**
Atlas Ges Enerji Üretim A.Ş. (*)	1.492.594.343	-
Asya GES Enerji Üretim San. Tic. Ltd. Şti.(**)	1.093.178.476	-
	2.585.772.819	**-**

(*) Within the scope of the contract signed between the Group and Atlas Ges Enerji Üretim A.Ş., an advance payment was collected from the employer in accordance with the contract terms for the project concerning the installation and commissioning of solar energy-based storage power generation facilities with a total capacity of 132 MW on the relevant lands.

(**) Within the scope of the contract signed between the Group and Asya GES Enerji Üretim San. Tic. Ltd. Şti., an advance payment was collected from the employer in accordance with the contract terms for the project concerning the installation and commissioning of solar energy-based storage power generation facilities with a total capacity of 90 MW on the relevant lands.

6. RELATED PARTY TRANSACTIONS (Continued)

Group's transactions with its related parties for periods are as follows:

	Sales		Purchases	
	2025	**2024**	**2025**	**2024**
Atlas Ges Enerji Üretim A.Ş.	282.505.755	-	-	-
Asya GES Enerji Üretim San. Tic. Ltd. Şti.	142.827.540	-	-	-
Smart Solar EOOD (Bulgaria)	25.907.989	231.400.293	24.959.270	482.310.610
Sumec Energy Holdings Co. Ltd.	15.398.933	11.380.542	2.084.599.159	965.372.991
Smart Verde Yenilenebilir Enerji A.Ş.	298.716	-	548.326.898	1.061.247.440
Smart Holding A.Ş.	-	-	149.147.463	209.081.324
Sumec Hong Kong Co. Ltd.	-	-	89.007.744	47.167.172
	466.938.933	**242.780.835**	**2.896.040.534**	**2.765.179.537**

	Interest Income	
	2025	**2024**
Smart Holding A.Ş.	381.600.308	-
Smart Verde Yenilenebilir Enerji A.Ş.	247.981.956	-
	629.582.264	**-**

Key Management Benefits
Total amount of wages and similar benefits provided to Group's President and Vice President of the Board of Directors and other key executives in the current period is 26.997.238 TL (31 December 2024: 31.442.585 TL).

7. OTHER RECEIVABLES AND PAYABLES

The details of the Group's other receivables and payables from unrelated parties by period are as follows:

Other short-term receivables	**31 December 2025**	**31 December 2024**
VAT refund receivables	122.146.073	769.332.974
Deposits and guarantees given	6.776.166	6.082.890
	128.922.239	**775.415.864**

Other long-term receivables	**31 December 2025**	**31 December 2024**
Deposits and guarantees given	4.152.972	5.514.697
	4.152.972	**5.514.697**

Other short-term payables	**31 December 2025**	**31 December 2024**
Tax restructuring payables (*)	38.187.357	-
Deposits and guarantees received	4.845.366	-
	43.032.723	**-**

(*) Consists of installment-based tax debts.

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8. INVENTORIES

The details of the Group's inventory by period are as follows:

	31 December 2025	**31 December 2024**
Raw materials	737.038.985	851.175.909
Finished goods	690.087.917	977.784.060
Commercial goods	894.910.736	1.141.785.225
Provision for impairment in inventory (-)	(15.343.112)	(13.344.325)
	2.306.694.526	**2.957.400.869**

The Group's inventory impairment allowance details by period are as follows:

	1 January-31 December 2025	**1 January - 31 December 2024**
Beginning of period	13.344.325	9.962.471
Provisions set aside during the period	5.148.225	6.444.092
Monetary gain / (loss)	(3.149.438)	(3.062.238)
End of period	**15.343.112**	**13.344.325**

9. PREPAID EXPENSES AND DEFFERED INCOME

The details of short and long-term prepaid expense for the periods are as follows:

Short-term prepaid expenses	**31 December 2025**	**31 December 2024**
Advances given to suppliers (*)	2.522.710.572	3.103.285.667
Prepaid expenses	94.185.739	40.826.421
	2.616.896.311	**3.144.112.088**

(*) Advances given consist of prepayments made by Group to suppliers for raw material purchases.

Long-term prepaid expenses	**31 December 2025**	**31 December 2024**
Advances given to suppliers	232.332.103	159.641.760
Prepaid expenses	66.955.030	77.343.632
	299.287.133	**236.985.392**

Deferred Incomes	**31 December 2025**	**31 December 2024**
Advances received (*)	2.857.644.103	2.887.956.605
	2.857.644.103	**2.887.956.605**

(*) Advances received consist of advances received by Group from customers regarding sales.

10. OTHER ASSETS AND LIABILITIES

The details of the Group's other assets and liabilities by period are as follows:

Other Current Assets	31 December 2025	31 December 2024
Deferred VAT	575.886.440	855.598.621
Due from personnel	8.412.837	8.714.923
	584.299.277	**864.313.544**

Other Short-Term Liabilities	31 December 2025	31 December 2024
Taxes and funds payable	192.928.904	926.098.424
	192.928.904	**926.098.424**

11. PROPERTY, PLANT AND EQUIPMENTS

Movement of property, plant, and equipment for the period year ending 31 December 2025:

	1 January 2025	Additions	Disposals (-)	Value Increase / (Decrease)(**)	Transfers (*)	31 December 2025
Cost						
Land	329.033.884	163.477.390	-	515.431.937	-	1.007.943.211
Machinery and equipment	2.613.108.227	372.218.318	-	-	5.137.218.115	8.122.544.660
Vehicles	64.155.063	-	(913.586)	-	-	63.241.477
Furniture and fixtures	170.134.410	29.077.442	-	-	-	199.211.852
Construction in progress (*)	2.674.896.187	3.031.423.849	-	-	(5.137.218.115)	569.101.921
Leasehold improvements	1.789.304.948	65.368.896	-	-	-	1.854.673.844
	7.640.632.719	**3.661.565.895**	**(913.586)**	**515.431.937**	**-**	**11.816.716.965**

	1 January 2025	Current year charge	Disposals	Value Increase / (Decrease)	Transfers	31 December 2025
Accumulated depreciation						
Machinery and equipment	(477.088.584)	(321.895.717)	-	-	-	(798.984.301)
Vehicles	(21.477.445)	(9.644.938)	913.586	-	-	(30.208.797)
Furniture and fixtures	(56.350.090)	(33.471.295)	-	-	-	(89.821.385)
Leasehold improvements	(119.942.981)	(182.026.688)	-	-	-	(301.969.669)
	(674.859.100)	**(547.038.638)**	**913.586**	**-**	**-**	**(1.220.984.152)**
Net book value	**6.965.773.619**					**10.595.732.813**

(*) Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş.'s subsidiary, Smart GES Enerji Üretim A.Ş., won the BOR-1 (130 MWp) tender for the allocation of solar-based renewable energy resource areas and connection capacities, announced by the General Directorate of Energy Affairs of the Ministry of Energy and Natural Resources of the Republic of Turkey in the Official Gazette dated July 14, 2021 and numbered 31541, by submitting the best bid in April 2022. In this context, the majority of the "investments in progress" account consists of costs incurred for the construction of a power plant with an installed capacity of 130 MWp corresponding to 100 MWe of generation capacity. As of the last quarter, a certain part of the facility has become operational, and the amount recognized under the "transfers" account relates to this portion that has been commissioned.

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11. PROPERTY, PLANT AND EQUIPMENTS (Continued)

(**) The Company's land were valued at their fair value as of December 31, 2025. Fair values were determined by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company authorized by the Capital Markets Board. Market approach and cost approach methods were applied in the valuation of the properties. Value increases are reported under the item " Revaluation Increases of Tangible Fixed Assets" within equity. Value decreases are reported under the item " Other operating expenses" within the income statement. (Note 25)

Prior Period	1 January 2024	Additions	Disposals (-)	Transfers (*)	31 December 2024
Cost					
Land	143.688.777	96.453.572	-	88.891.535	329.033.884
Machinery and equipment	1.508.883.332	915.014.413	-	189.210.482	2.613.108.227
Vehicles	66.919.433	110.111	(2.874.481)	-	64.155.063
Furniture and fixtures	102.112.646	68.021.764	-	-	170.134.410
Construction in progress	2.128.627.217	2.451.881.784	-	(1.905.612.814)	2.674.896.187
Leasehold improvements	152.317.096	9.477.055	-	1.627.510.797	1.789.304.948
	4.102.548.501	**3.540.958.699**	**(2.874.481)**	**-**	**7.640.632.719**

	1 January 2024	Current year charge	Disposals	Transfers	31 December2024
Accumulated depreciation					
Machinery and equipment	(314.087.103)	(163.001.481)	-	-	(477.088.584)
Vehicles	(13.593.537)	(10.511.702)	2.627.794	-	(21.477.445)
Furniture and fixtures	(31.290.089)	(25.060.001)	-	-	(56.350.090)
Leasehold improvements	(102.187.738)	(17.755.243)	-	-	(119.942.981)
	(461.158.467)	**(216.328.427)**	**2.627.794**	**-**	**(674.859.100)**
Net book value	**3.641.390.034**				**6.965.773.619**

(*) The Group's transfers consist of leasehold improvements, land, and machinery incurred to make the building structure suitable for production within the scope of the Aliağa Cell Production Facility investment.

As of 31 December 2025, the insurance amount on tangible fixed assets is 6.382.459.828 TL. (31 December 2024: 2.633.067.955 TL) There is a mortgage of USD 18.613.091 on Group's real estate. (31 December 2024: 14.725.387 USD.)

Depreciation and amortization shown in expense accounts associated with tangible and intangible assets and right-of-use assets as of 1 January - 31 December 2025 are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Cost		
Cost of sales (Note 20)	605.918.191	284.663.160
General administrative expenses (Note 23)	35.425.980	20.214.281
	641.344.171	**304.877.441**

12. INTANGIBLE ASSETS

The movements of intangible assets for the year ended December 31, 2025 are as follows:

	1 January 2025	Additions	31 December 2025
Cost			
Rights	38.960.614	4.356.353	43.316.967
Research and development costs	9.360.524	-	9.360.524
	48.321.138	**4.356.353**	**52.677.491**
	1 January 2025	**Current year charge**	**31 December 2025**
Accumulated amortization			
Rights	(18.918.290)	(7.099.204)	(26.017.494)
	(18.918.290)	**(7.099.204)**	**(26.017.494)**
Net book value	**29.402.848**		**26.659.997**

The movements of intangible assets for the year ended December 31, 2024 are as follows:

	1 January 2024	Additions	31 December 2024
Cost			
Rights	38.257.268	703.346	38.960.614
Research and development costs	9.360.524	-	9.360.524
	47.617.792	**703.346**	**48.321.138**
	1 January 2024	**Current year charge**	**31 December 2024**
Accumulated amortization			
Rights	(11.147.665)	(7.770.625)	(18.918.290)
	(11.147.665)	**(7.770.625)**	**(18.918.290)**
Net book value	**36.470.127**		**29.402.848**

13. RIGHT OF USE ASSETS

The movements of usage rights assets for the years ending December 31, 2025 and December 31, 2024 are as follows:

	Buildings	Vehicles	Total
As of 1 January 2025	**258.806.317**	**13.454.925**	**272.261.242**
Additions	-	61.080.343	61.080.343
Changes in leases	48.294.675	(3.987.664)	44.307.011
Depreciation	(73.179.331)	(14.026.998)	(87.206.329)
As of 31 December 2025	**233.921.661**	**56.520.606**	**290.442.267**

	Buildings	Vehicles	Total
As of 1 January 2024	**363.969.192**	**14.806.222**	**378.775.414**
Additions	-	16.788.923	16.788.923
Changes in leases	(35.606.185)	(6.918.521)	(42.524.706)
Depreciation	(69.556.690)	(11.221.699)	(80.778.389)
As of 31 December 2024	**258.806.317**	**13.454.925**	**272.261.242**

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14. FINANCIAL BORROWINGS

Details of financial borrowings for the periods are as follows:

	31 December 2025	31 December 2024
Short-term bank borrowings	3.881.761.148	2.379.664.422
Debt instruments issued	1.772.509.595	739.528.855
Financial lease liabilities	197.108.316	186.045.811
Liabilities arising from leasing transactions (**)	90.414.907	80.388.992
Short-term borrowings	**5.941.793.966**	**3.385.628.080**
Short-term portion of long-term borrowings	1.331.125.348	1.494.844.506
Short-term portion of long-term borrowings	**1.331.125.348**	**1.494.844.506**
Long-term borrowings	3.023.149.235	3.135.780.362
Long-term financial lease liabilities	306.617.846	166.530.944
Liabilities arising from leasing transactions (*)	227.458.277	175.122.018
Long-term borrowings	**3.557.225.358**	**3.477.433.324**
Total financial borrowings	**10.830.144.672**	**8.357.905.910**

(*) Among short-term bank borrowing, there are revolving working capital loans amounting to 2.175.345.460 TL that can be continued without principal repayment. (December 31, 2024: 1.163.916.028 TL)

(**) Liabilities arising from lease transactions consist of the Group's liabilities within the scope of TFRS-16.

Details of currency-based financial liabilities are as follows:

	Interest Rate (%)	31 December 2025
TL bank borrowings	40%	5.576.926.706
EUR bank borrowings	9%	395.218.000
USD bank borrowings	9%	4.540.126.782
		10.512.271.488

	Interest Rate (%)	31 December 2024
TL bank borrowings	37%	4.706.604.706
EUR bank borrowings	11%	368.186.138
USD bank borrowings	10%	3.027.604.056
		8.102.394.900

15. EMPLOYEE BENEFITS

Provision for employee termination benefits

According to current laws in Turkey, the Company and its subsidiaries and jointly controlled entities in Turkey are obligated to pay severance pay to personnel who have completed one year of service and whose employment is terminated without any valid reason, who are called up for military service, who pass away, who have completed 25 years of service for men and 20 years for women, and who have reached retirement age (58 for women, 60 for men). Due to changes in legislation as of September 8, 1999, there are certain transitional obligations regarding the service period related to retirement.

These payments are calculated based on the rate at which the retirement or termination date applies per year worked, up to a maximum of 64,949 TL (December 31, 2024: 46,655 TL) as of December 31, 2025, based on 30 days' salary. The provision for severance pay is calculated on a current basis and reflected in the Consolidated Financial Statements. The provision is calculated in accordance with the severance pay ceiling announced by the Government.

The severance pay liability is calculated based on an estimate of the present value of the potential future liability arising from the retirement of the Group's employees. IAS 19 "Employee Benefits" requires the Group to calculate its liabilities using actuarial valuation methods under defined benefit plans. Accordingly, the actuarial assumptions used in calculating total liabilities are set out below. The basic assumption is that the maximum liability for each year of service increases in line with inflation. Therefore, the discount rate applied represents the expected real interest rate after adjusting for future inflation effects. Consequently, the liabilities in the accompanying Consolidated Financial Statements for the periods ended are calculated based on an estimate of the present value of the potential future liability arising from the retirement of employees.

	31 December 2025	31 December 2024
Discount rate	%4,36	%2,50
Default salary increase/inflation rate	%23,50	%22,70
Turnover rate used in retirement probability calculation	%96,29	%95,78

It is planned that severance pay rights will be paid at the end of the concession agreement. Accordingly, the duration of the concession agreement has been taken into account in calculating the present value of future liabilities.

The Group's long-term provisions for employee benefits over the periods are as follows:

Long-term provisions	31 December 2025	31 December 2024
Severance pay provisions	28.812.372	27.057.167
	28.812.372	**27.057.167**

The Group's severance pay provisions by period are shown in the tables below:

	1 January-31 December2025	1 January-31 December 2024
Provision as of January 1	27.057.167	23.912.282
Service cost	9.604.648	11.171.787
Interest cost	8.323.894	7.540.833
Actuarial (Gain)/Loss	2.635.697	42.406.982
Compensation paid (-)	(12.423.183)	(50.624.621)
Monetary Gain / (Loss)	(6.385.851)	(7.350.096)
Provision as of 31 December	**28.812.372**	**27.057.167**

15. BENEFITS PROVIDED TO EMPLOYEES (Continued)

The Group's short-term provisions for employee benefits on a period basis are as follows:

Short-term reserves	31 December 2025	31 December 2024
Provision for unused vacation	25.452.663	18.793.179
	25.452.663	**18.793.179**

The group's schedule of movements in exchange for provision for unused vacation, by period, is as follows:

	1 January-31 December 2025	1 January-31 December 2024
Provision as of 1 January	18.793.179	13.661.726
Current Year Provision Expenses (*)	11.094.923	9.330.760
Monetary Gain / (Loss)	(4.435.439)	(4.199.307)
End of Period	**25.452.663**	**18.793.179**

(*) Current provisions relating employees for the relevant periods have been accounted for within personnel expenses.

16. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The details of the Group's contributions by period are as follows:

	31 December 2025	31 December 2024
Provision for litigation	13.437.526	6.029.882
	13.437.526	**6.029.882**

The movement table of the Group's provision for litigation by periods are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Beginning of Period	6.029.882	2.943.034
Provision allocated/cancelled during the period	8.830.776	3.991.470
Monetary gain/(loss)	(1.423.132)	(904.622)
End of Period	**13.437.526**	**6.029.882**

a. Guarantees received

As of 31 December 2025, the Group's guarantees received are as follows.

Guarantees Received by the Group	31 December 2025	31 December 2024
Bank Letters of Guarantee	60.655.712	103.048.776
Total	**60.655.712**	**103.048.776**

16. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

b. Guarantees Given

Collaterals/ pledges/ mortgages/bill of guarantees ("CPMB") position of the Group as of 31 December 2025, 31 December 2024, are as follows:

CPMB's given by the Group	31 December 2025	31 December 2024
A. CPMB's given for Group's own legal personality	4.697.350.952	3.685.867.997
B. CPMB's given on behalf of fully consolidated companies	1.107.186.144	2.724.839.654
C. CPMB's given on behalf of third parties for ordinary course of business		
D. Total amount of other CPMB's	-	-
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii)Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	-	-
iii)Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-
Total	**5.804.537.096**	**6.410.707.651**

Given to	31 December 2025	31 December 2024
In Turkish Lira	3.451.291.843	2.685.498.362
In Euro	1.037.160.117	3.529.765.232
In ABD Dollar	1.316.085.136	195.444.057
Total	**5.804.537.096**	**6.410.707.651**

The guarantees provided by the group consist of bank guarantee letters issued to third parties to whom it sells goods or services, and to public institutions within the scope of its activities.

17. LIABILITIES UNDER EMPLOYEE BENEFITS

The Group's liabilities under the scope of employee benefits provided during the periods are as follows:

	31 December 2025	31 December 2024
Social Security contributions to be paid	41.310.784	60.555.380
Debts to personnel	109.128.293	141.080.813
	150.439.077	**201.636.193**

18. INCOME TAX

The details of the Group's current period tax assets by period are as follows:

	31 December 2025	31 December 2024
Current period tax expense	-	(3.491.285)
Prepaid taxes and funds	207.456.397	140.437.397
	207.456.397	**136.946.112**

18. INCOME TAX (Continued)

	1 January- 31 December 2025	1 January- 31 December 2024
Period Tax Expense (-)	-	(3.491.285)
Deferred tax income / (expense)	(601.224.708)	965.556.741
	(601.224.708)	**962.065.456**

Corporate Tax

In Turkey, the corporate tax rate is 25% as of December 31, 2025 (December 31, 2024: 25%). The corporate tax rate is applied to the net corporate income, which is obtained by adding expenses that are not deductible under tax laws to the commercial income of the corporations and deducting the exemptions and deductions included in tax laws.

With the regulation in the sixth paragraph added to Article 32 of the Corporate Tax Law by Article 35 of Law No. 7256, it is stipulated that the corporate tax rate will be applied with a 2-point reduction to the corporate income of corporations whose shares are offered to the public for the first time on the Istanbul Stock Exchange at a rate of at least 20%, for five accounting periods starting from the accounting period in which the shares are offered to the public for the first time. Within the scope of this law, a tax rate of 23% was used in the calculation of period tax and deferred tax for the parent company in the consolidated financial statements as of December 31, 2025. According to the Corporate Tax Law, financial losses shown on the tax return can be deducted from the corporate tax base for a period not exceeding 5 years. Tax returns and related accounting records can be reviewed by the tax authorities within five years, and tax calculations can be revised.

Dividend payments made to joint-stock companies residing in Turkey, excluding those exempt from corporate and income tax, and payments made to natural persons residing or not residing in Turkey, as well as payments made to legal entities residing or not residing in Turkey, are subject to a 15% income tax.

Dividend payments made from joint-stock companies residing in Turkey to other joint-stock companies residing in Turkey are not subject to income tax. Furthermore, if the profit is not distributed or is added to capital, no income tax is calculated.

Dividend income earned by corporations from participation in the capital of another fully taxable corporation (excluding dividends from investment fund participation certificates and investment partnership shares) is exempt from corporate tax. Furthermore, 75% of the gains arising from the sale of shareholdings held in the assets of corporations for at least two full years, as well as founder shares, usufruct shares, and pre-emption rights of real estate (immovable properties) held for the same period, were exempt from corporate tax as of December 31, 2017. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for immovable properties, and this rate is used in tax returns prepared from 2018 onwards.

To benefit from the exemption, the said gain must be held in a fund account in the liabilities section and must not be withdrawn from the business for 5 years. The sale price must be collected by the end of the second calendar year following the year of sale.

In Turkey, there is no practice of reaching an agreement with the tax administration regarding taxes payable. Corporate tax returns are filed within four months following the month in which the accounting period ends. Tax authorities authorized to conduct audits may review tax returns and the underlying accounting records for five years following the accounting period and may reassess taxes based on their findings.

The Group benefited from a tax advantage related to income from other activities related to investment expenditures actually made for the investments covered by the incentive certificates, in accordance with Article 15 of the aforementioned Council of Ministers Decision and Article 32/A of the Corporate Tax Law, due to its Complete New Investment and Expansion Investment in the Kocaeli Gebze Organized Industrial Zone, under Investment Incentive Certificates dated 05.10.2017-B 130930 and 08.01.2020/507856.

18. INCOME TAX (Continued)

The group has benefited from income tax advantages with its completely new investment in the İzmir Aliağa Organized Industrial Zone, under the Investment Incentive Certificate dated 08.12.2023/544854.

Income tax withholding

There is a withholding tax liability on dividend distributions, and this withholding tax liability is accrued in the period in which the dividend payment is made. Dividend payments other than those made to non-resident taxpayer institutions that generate income through a workplace or permanent representative in Turkey and to institutions resident in Turkey are subject to 15% withholding tax. In the application of withholding tax rates regarding profit distributions made to non-resident taxpayer institutions and real persons, the withholding tax rates included in the relevant Double Taxation Avoidance Agreements are also taken into consideration. Addition of retained earnings to capital is not considered profit distribution, therefore it is not subject to withholding tax.

Transfer pricing regulations

In Turkey, transfer pricing regulations are specified in Article 13 of the Corporate Tax Law, titled "Hidden income distribution through transfer pricing". The notified dated 18 November 2007 on hidden income distribution via transfer pricing regulates the details of the implementation.

If the taxpayer buys or sells goods or services with related parties at the price or price, they have determined in peer assessment, the profit is deemed to have been distributed through transfer pricing, in whole or in part. Hidden income distribution through is considered as a non-deductible expense for corporate tax.

Tax applications for the Group's foreign subsidiaries

- Operating in Ukraine, Smart Ukraine LTD is subject to 18% corporate tax.
- Operating in Germany, Smart Solar GmbH and Icarus GmbH are subject to 15,8% corporate tax.
- In accordance with Spanish tax laws, a 15% tax rate will be applied in the first year of Smart Gunes Tecnologias Renovables Sociedad Limitada company operating in Spain. In the following periods, if the revenue amount is below 1.000.000 Euros, the tax rate to be applied will be 23%, and if the revenue is above the relevant amount, 25% tax rate will be applied.
- Operating in the Netherlands, Smart Global Enterprises & Trading B.V., Smart Energy Global Investment and Development B.V., Smart Energy Bulgaria B.V., Smart Energy Iberia B.V., Smart Energy Romania B.V., Smart Energy Overseas Investment B.V. Subject to 20% corporate tax.
- Operating in Bulgaria, Smart Solar Technologies AD is subject to 10% corporate tax.
- Smart Green Energy Technologies Inc. and Smart Green Energy Trading LLC, subsidiaries located in the United States, are subject to a 21% federal corporate tax rate under relevant tax legislation. They are also subject to state corporate tax rates of 5.19% and 8.7%, respectively, in the states where they operate.

Deffered tax assets and liabilities:

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the values of assets and liabilities shown in the consolidated financial statements and the amounts considered in the legal tax base calculation. Deferred tax liability or assets are reflected in the accompanying consolidated financial statements by considering the tax rates that are expected to be valid in the future periods when the temporary differences will disappear. In reflecting the deferred tax asset to the consolidated financial statements, the developments in the sector in which it operates, taxable profit estimates in the future, it considers factors such as the general economic and political situation in Turkey and/or the international general economic and political situation that may affect Group. Group considers factors such as developments in the sector in which it operates, taxable profit estimates in the future, general economic and political situation in Turkey and/or international general economic and political situation that may affect Group while reflecting the deferred tax asset to the consolidated financial statements. Group estimates that it will generate sufficient taxable profits in the future.

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18. INCOME TAX (Continued)

Recognized deferred tax assets and liabilities

Details of deferred tax assets and liabilities for the periods are as follows:

	31 December 2025 Assets / (Liabilities)	31 December 2024 Assets / (Liabilities)
Employee benefits	13.157.346	19.387.855
Trade payables	(24.501.644)	(5.543.188)
Trade receivables	49.238.765	32.378.326
Lease liabilities	73.110.832	58.767.532
Inventories	(79.183.046)	42.839.615
Tangible and intangible assets	(294.780.706)	33.622.828
Assets subject to cash flow hedge accounting	226.178.842	200.877.791
Financial liabilities	20.755.424	26.307.050
Provision for litigation	3.118.201	1.406.591
Right of use assets	(66.801.721)	(62.620.086)
Investment incentives (*)	900.942.502	1.039.456.701
Other	(52.016.986)	23.167.834
Net Deferred Tax Assets	**769.217.809**	**1.410.048.849**
Deferred tax assets	1.286.501.912	1.478.212.123
Deferred tax liabilities	(517.284.103)	(68.163.274)
Net Deferred Tax Assets	**769.217.809**	**1.410.048.849**

(*) Tax advantages obtained under the Investment Incentive:

The profits earned by the Company from investments linked to the incentive certificate are subject to corporate tax at reduced rates from the accounting period in which the investment is partially or fully put into operation until the investment contribution amount is reached. In this context, as of December 31, 2024, a tax advantage of TL 900.942.502 (December 31, 2024: TL 1.039.456.701) that the Company will benefit from in the foreseeable future has been reflected in the financial statements as a deferred tax asset. As a result of the accounting of this tax advantage as of December 31, 2025, a deferred tax expense of TL (138.514.199) has arisen in the profit or loss statement for the period January 1 - December 31, 2025.

The table showing the movement of deferred tax between December 31, 2025 and December 31, 2024 is as follows:

	1 January 2025	Deferred tax income/ (expense)	Other comprehensive income	31 December 2025
Deferred tax assets	1.410.048.849	(601.224.708)	(39.606.332)	769.217.809

	1 January 2024	Deferred tax income/ (expense)	Other comprehensive income	31 December 2024
Deferred tax assets	446.833.906	965.556.741	(2.341.798)	1.410.048.849

18. INCOME TAX (Continued)

The reconciliation of pre-tax profit with the calculated tax revenue amount is presented below:

	1 January-31 December 2025	1 January-31 December 2024
Profit before tax	155.641.206	(394.053.830)
Corporate tax rate	%25	%25
Tax expense calculated using the general corporate tax rate	**(38.910.302)**	**98.513.458**
Non-deductible expenses	(428.169.628)	(174.224.829)
Financial losses not subject to deferred tax	(292.440.596)	-
and other differences	-	243.501.107
Investment incentive deductions	-	45.543.047
The effect of current period adjustments and deferred tax	158.295.818	748.732.673
Current period adjustments and deferred tax effect	**(601.224.708)**	**962.065.456**

19. SHARE CAPITAL

Share Capital

The paid capital structure of the Group for the periods are as follows:

Shareholders	31 December 2025 TL	Share %	31 December 2024 TL	Share %
Smart Holding A.Ş.	384.458.799	63,45	442.458.799	73,03
Public part	221.421.201	36,55	163.421.201	26,97
Total paid-in capital	**605.880.000**	**100**	**605.880.000**	**100**
Adjustment to share capital (*)	1.513.621.812		1.513.621.812	
	2.119.501.812		**2.119.501.812**	

(*) Adjustment to share capital, represent the difference between the inflation-adjusted total amounts of cash and cash equivalent additions to capital and their pre-adjustment amounts.

Between 16.02.2023 and 12.09.2024, Smart Güneş Enerjisi Teknolojileri Ar-ge Üretim San. ve Tic. A.Ş., It has repurchased 520.000 shares of its publicly traded shares. (Ratio to company capital is %0,0858)

Group has switched to the registered capital system with the permission of the CMB dated 23.02.2023 and numbered E-29833736-110.04.04-33704, and the registered capital ceiling is 2.000.000.000 TL

As of 31 December 2025, Group's capital consists of 605.880.000 shares (31 December 2024: 605.880.000). The nominal value of the shares is 1 TL per share (31 December 2024: 1 TL).

As of 31 December 2025, the details of the shares by group are given below. 163.421.201 TL of the bearer B group shares are traded on the BIST.

Grubu	Capital ratio (%)	Total balance
Group A Stocks (Registered)	22,88	138.600.000
Group B Shares (Bearer)	77,12	467.280.000
Issued capital	**100**	**605.880.000**

19. SHARE CAPITAL (Continued)

As of 31 December 2025, the equity items prepared in accordance with the Tax Procedure Laws and the amounts presented in accordance with TAS/TFRS are as follows:

31.12.2025 (TFRS)	Value	Inflation Adjustment Effect	Indexed Value
Capital	605.880.000	1.513.621.812	2.119.501.812
Share Premiums	133.782.358	654.896.064	788.678.422
Restricted Reserves (**)	137.650.626	119.304.662	256.955.288

31.12.2025 (TPL) (*)	Value	Inflation Adjustment Effect	Indexed Value
Capital	605.880.000	892.605.744	1.498.485.744
Share Premiums	133.782.358	447.632.646	581.415.004
Restricted Reserves (**)	113.843.730	83.148.548	196.992.278

(*) In accordance with the relevant legislation, the application of inflation accounting, which is foreseen to be implemented under the Tax Procedure Law, has been postponed, and this application has not been taken into account in the Group's financial statements prepared according to the Tax Procedure Law.

(**) In the restricted reserves appropriated from profit item, a reserve of TL 53.414.600 has been set aside within the scope of repurchased shares according to IFRS/IAS financial statements.

20. REVENUE AND COST OF SALES

Revenue for the periods are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Domestic Sales	10.202.036.792	15.031.901.057
Export Sales	393.090.543	272.863.047
Gross Sales	**10.595.127.335**	**15.304.764.104**
Sales Returns (-)	364.691	14.400.142
Sales Discounts (-)	13.760.981	5.296.854
Net Sales	**10.581.001.663**	**15.285.067.108**
Cost of Goods Solds (-)	5.581.188.341	7.170.780.623
Cost of Trade Goods Sold (-)	1.176.054.401	2.845.982.891
Cost of Services Sold (-)	680.641.388	2.006.638.306
Depreciation and amortization expenses (Note 11) (-)	605.918.191	284.663.160
Gross Profit	**2.537.199.342**	**2.977.002.128**

(*) Details of the Group's gross sales by product type for each period are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Solar panel, solar power plant project equipment and construction revenue	10.380.994.549	15.121.647.914
Electricity sales	154.928.628	-
Transit trade sales	14.384.211	137.647.363
Waste and scrap sales	44.819.947	45.468.827
	10.595.127.335	**15.304.764.104**

21. RESEARCH AND DEVELOPMENT EXPENSES

Details of Group's research and development expenses by period are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Personnel expenses	24.403.913	-
Consulting expenses	23.095.719	-
Other	762.777	-
	48.262.409	**-**

22. SELLING, MARKETING AND DISTRIBUTION EXPENSES

Details of selling, marketing and distribution expenses for the periods are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Personnel expenses	81.529.765	98.874.544
Transportation expenses	46.414.592	35.979.453
Advertising, publicity, and promotional expenses	21.717.694	77.128.404
Taxes, duties, and fees	20.171.605	32.412.714
Meal and travel expenses	8.250.566	6.186.433
Consulting expenses	6.222.112	9.967.849
Export and warehouse expenses	3.194.687	8.770.524
Other	10.336.185	12.948.744
	197.837.206	**282.268.665**

23. GENERAL ADMINISTRATIVE EXPENSES

Details of general administrative expenses for the periods are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Personnel expenses	351.904.474	402.133.358
Consulting expenses	165.261.737	74.395.837
Depreciation and amortization expenses (Note 11)	35.425.980	20.214.281
Tax and duty expenses	24.741.720	12.535.443
Meal and travel expenses	11.365.763	15.152.669
Representation and entertainment expenses	6.003.443	23.862.242
Vehicle expenses	5.982.634	23.881.393
Other (*)	127.686.547	224.343.340
	728.372.298	**796.518.563**

(*) Common expenses allocated by Smart Holding is amounting of 101.462.324 TL (2024: 104.25.583 TL)

Fees for Services Received from Independent Auditors/Independent Audit Firms

The Group's explanation regarding fees for services provided by independent audit firms, prepared in accordance with the Board Decision of the Public Oversight Board (KGK) published in the Official Gazette on March 30, 2022, and based on the KGK letter dated August 19, 2022, is as follows:

	2025	2024
Independent audit fee for the reporting period	2.000.000	1.701.600
	2.000.000	**1.701.600**

Fees excluding VAT have been declared according to the contract amounts.

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24. EXPENSES BY NATURE

Details of Group's expenses by natüre for the periods are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Cost of Goods Solds	5.581.188.341	7.170.780.623
Cost of Trade Goods Sold	1.176.054.401	2.845.982.891
Cost of Services Sold	680.641.388	2.006.638.306
Depreciation and amortization expenses (Note 11)	641.344.171	304.877.441
Personnel expenses	457.838.152	501.007.902
Consultancy expenses	194.579.568	84.363.686
Transportation, cargo, and courier expenses	46.414.592	35.979.453
Tax, charge and duty expenses	44.913.325	44.948.157
Advertising, publicity, and promotional expenses	21.717.694	77.128.404
Meal and travel expenses	19.616.329	21.339.102
Representation and entertainment expenses	6.003.443	23.862.242
Export and warehouse expenses	3.194.687	8.770.524
Other	144.768.143	261.173.477
	9.018.274.234	**13.386.852.208**

25. OTHER OPERATING INCOME AND EXPENSES

The details of the Group's revenues and expenses from core operations, broken down by period, are as follows:

Other operating income	1 January-31 December 2025	1 January-31 December 2024
Exchange rate difference income on trade receivables and payables (**)	853.602.120	1.384.949.519
Incentive income (*)	144.529.206	24.696.323
Other	49.096.828	74.820.444
	1.047.228.154	**1.484.466.286**

(*) A portion of the Group's incentive income amounting to TL 118.412.236 consists of offsetting the investment contribution amount against other tax liabilities in accordance with Article 32/A of the Corporate Tax Law No. 5520. (31.12.2024: None) The remaining balances after this amount consist of Social Security Institution incentive income.

Other operating expenses	1 January-31 December 2025	1 January-31 December 2024
Exchange rate difference expense related to trade receivables and payables (*)	1.105.831.957	1.542.354.688
Impairment expenses related to tangible fixed assets	54.619.584	-
Provision expense	26.196.794	16.807.553
Other	88.453.246	40.243.813
	1.275.101.581	**1.599.406.054**

(**) Exchange rate gains and expenses are presented on a net basis for each company in consolidated subsidiaries.

26. INCOME FROM INVESTING ACTIVITIES

The details of the Group's income from investment activities by period are as follows:

	1 January-31 December 2025	1 January-31 December 2024
Income From Investment Activities		
Interest and exchange rate difference income from currency protected deposits (*)	-	56.326.351
	-	**56.326.351**

(*) The Currency Protected Deposit (CPD) program has ended, and there are no new CPD deposits as of the end of the current period.

27. FINANCIAL INCOME AND EXPENSES

Details of finance income and expenses for the periods are as follows:

Financial income	1 January-31 December 2025	1 January-31 December 2024
Related party interest income (Note 6)	629.582.264	-
Bank interest income	76.961.624	137.202.378
	706.543.888	**137.202.378**

Financial Expenses (-)	1 January-31 December 2025	1 January-31 December 2024
Interest expense	2.316.786.603	2.130.993.973
Exchange rate difference expense (*)	499.453.775	769.218.082
Bank transaction and commission expenses	512.852.989	373.438.131
	3.329.093.367	**3.273.650.186**

(*) Exchange rate gains and expenses are presented on a net basis for each company in consolidated subsidiaries.

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

Non-monetary Items	31 December 2025	31 December 2024
Statement of Financial Position Items	**1.198.930.839**	**151.890.520**
Inventories	(803.355)	(43.244.185)
Prepaid expenses	8.064.039	(20.233.773)
Right-of-use assets	(19.769.094)	(45.610.667)
Property, plant and equipment	1.955.959.266	1.344.734.937
Intangible assets	7.034.260	11.236.932
Deferred income	1.017.344	1.574.208
Deferred tax assets	332.790.260	137.326.656
Paid-in capital	(500.230.584)	(651.486.956)
Treasury shares	12.606.555	15.814.216
Share premiums	(186.138.584)	(242.421.922)
Items not to be reclassified to profit or loss	7.480.801	1.594.818
Items to be reclassified to profit or loss	157.246.953	218.214.993
Restricted reserves appropriated from profit	(56.200.915)	(29.690.779)
Retained earnings	(520.126.107)	(545.917.958)
Profit or Loss Statement Items	**264.513.822**	**768.567.838**
Revenue	(926.671.413)	(1.358.520.331)
Cost of sales (-)	906.067.482	1.570.153.890
General administrative expenses (-)	66.863.953	91.621.214
Marketing, selling, and distribution expenses (-)	18.903.949	32.961.552
Research and Development Expenses (-)	2.264.405	-
Other operating income/expenses	9.562.784	(6.814.142)
Income/expenses from investing activities	-	(8.935.984)
Financing income/expenses	187.522.662	448.101.639
Net Monetary Position Gains (Losses)	**1.463.444.661**	**920.458.358**

29. EARNING PER SHARE

Earnings per share calculations are made by dividing the net profit/(loss) for the period in the profit or loss statement given in this report by the weighted average number of shares issued.

	1 January – 31 December 2025	1 January – 31 December 2024
Period profit/(loss) for equity of parent	(434.718.338)	577.403.387
Number of shares	605.880.000	605.880.000
Profit per share	(0,72)	0,95

30. FINANCIAL INSTRUMENTS

Capital Risk Management

Group strives to ensure the continuity of its operations in capital management while simultaneously increasing its profits by utilizing the most efficient balance of debt and equity. Group's capital structure consists of equity items including issued capital, reserves and retained earnings from previous years. A summary table of the Group's net financial debt/invested capital ratio is presented below:

	31 December 2025	31 December 2024
Total financial borrowings	10.830.144.672	8.357.905.910
Less: Cash and cash equivalents and financial investments	(1.571.970.306)	(639.478.952)
Net debt	**9.258.174.366**	**7.718.426.958**
Total equity	4.623.724.440	4.599.494.544
Net debt to equity ratio	**2,00**	**1,68**

Risk Management System

When calculating Group's capital risk management, debts and equity items including cash and cash equivalents, paid-in capital, defined benefit plans remeasurement gains / losses, restricted reserves from profit and retained earnings / (losses) are considered, respectively.

Risks associated with each capital class, together with the group capital cost, are evaluated by the senior management. Based on senior management assessments, it is aimed to keep the capital structure in balance through the acquisition of new debt or repayment of existing debt, as well as through dividend payments.

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31. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Disclosures

Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of Group.

Credit Risk

Credit risk is the risk that a customer or a counterparty will not fulfil its contractual obligations and arises mainly from customer receivables.

	Receivables					
	Trade receivables		Other receivables			
31 December 2025	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash at Banks**	**Financial Investments**
Maximum exposed credit risk as of reporting date,(A+B+C+D)	**8.762.308**	**3.668.866.750**	**757.051.257**	**133.075.211**	**1.571.733.083**	-
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	8.762.308	3.668.866.750	757.051.257	133.075.211	1.571.733.083	
B. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	145.545.491	-	-	-	-
- Impairment (-)	-	(145.545.491)	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-

	Receivables					
	Trade receivables		Other receivables			
31 December 2024	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Cash at Banks**	**Financial Investments**
Maximum exposed credit risk as of reporting date,(A+B+C+D)	**17.453.500**	**3.995.704.187**	**24.401.676**	**780.930.561**	**612.395.511**	**26.843.731**
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	17.453.500	3.995.704.187	24.401.676	780.930.561	612.395.511	26.843.731
B. Net book value of the impaired assets	-	-	-	-	-	-
- Past due (gross carrying amount)	-	148.239.214	-	-	-	-
- Impairment (-)	-	(148.239.214)	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-

31. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Credit Risk (Continued)

Group monitors the collectability of its trade receivables periodically and allocates provision for doubtful receivables for possible losses that may arise from doubtful receivables based on the collection rates of previous years. Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and associated with profit or loss.

Liquidity Risk

Group manages liquidity risk by maintaining adequate funds and available borrowing by regularly monitoring forecast and actual cash flows and matching the maturities of financial assets and liabilities. Prudent liquidity risk management expresses the ability to keep sufficient cash, the availability of sufficient credit transactions, the availability of fund resources and the ability to close market positions.

The funding risk of current and prospective debt requirements is managed by maintaining the availability of sufficient number of high-quality lenders.

The table below shows the maturity distribution of Group's non-derivative financial liabilities:

	31 December 2025					
Contractual maturity	**Carrying Value**	**Contractual cash flows**	**Less than 3 months**	**3- 12 months**	**1- 5 years**	**More than 5 years**
Non derivative financial liabilities	**14.869.534.917**	**16.492.056.569**	**2.564.900.888**	**8.787.588.287**	**4.008.367.217**	**1.131.200.177**
Financial borrowings	10.512.271.488	12.061.538.400	1.872.955.215	5.309.549.192	3.815.824.541	1.063.209.452
Trade payables	3.996.357.522	3.996.357.522	616.358.221	3.379.999.301	-	-
Lease liabilities	317.873.184	391.127.924	32.554.729	98.039.794	192.542.676	67.990.725
Other liabilities	43.032.723	43.032.723	43.032.723	-	-	-

	31 December 2024					
Contractual maturity	**Carrying Value**	**Contractual cash flows**	**Less than 3 months**	**3- 12 months**	**1- 5 years**	**More than 5 years**
Non derivative financial liabilities	**14.189.770.894**	**16.729.618.618**	**1.830.358.486**	**8.916.394.921**	**4.282.366.055**	**1.700.499.156**
Financial borrowings	8.102.394.900	10.578.364.885	912.851.519	3.887.232.075	4.077.782.135	1.700.499.156
Trade payables	5.831.864.984	5.831.864.985	888.484.631	4.943.380.354	-	-
Lease liabilities	255.511.010	319.388.748	29.022.336	85.782.492	204.583.920	-
Other liabilities	-	-	-	-	-	-

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31. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk

For the periods, Group's foreign currency position consists of foreign currency denominated assets and liabilities stated in the table below:

		31 December 2025			31 December 2024		
		TL Equivalent	**USD**	**EUR**	**TL Equivalent**	**USD**	**EUR**
1	Trade payables	2.355.712.384	49.178.269	4.944.428	3.490.135.117	96.540.615	2.290.745
2a.	Monetary financial assets	448.897.767	10.036.000	375.818	124.449.928	3.411.239	111.615
2b	Non-Monetary financial assets	-	-	-	-	-	-
3	Other	1.232.701.697	18.588.258	8.675.887	1.734.389.452	43.805.135	5.142.914
4	**Current assets (1+2+3)**	**4.037.311.848**	**77.802.527**	**13.996.133**	**5.348.974.497**	**143.756.989**	**7.545.274**
5	Trade receivables	-	-	-	-	-	-
6a	Monetary financial assets	-	-	-	-	-	-
6b	Non-Monetary financial assets	-	-	-	-	-	-
7	Other	-	-	-	-	-	-
8	**Non- Current assets (5+6+7)**	**-**	**-**	**-**	**-**	**-**	**-**
9	**Total assets (4+8)**	**4.037.311.848**	**77.802.527**	**13.996.133**	**5.348.974.497**	**143.756.989**	**7.545.274**
10	Trade payables	2.932.035.819	63.584.164	4.026.066	2.982.543.986	80.435.778	3.794.262
11	Financial borrowings	3.182.165.018	66.285.302	6.689.779	1.762.597.406	44.115.830	5.526.169
12a	Other Monetary financial liabilities	-	-	-	-	-	-
12b	Other Non-Monetary financial liabilities	2.102.180.274	42.966.725	5.119.923	2.648.687.883	74.940.666	-
13	**Current liabilities (10+11+12)**	**8.216.381.111**	**172.836.191**	**15.835.768**	**7.393.829.275**	**199.492.274**	**9.320.431**
14	Trade payables	-	-	-	-	-	-
15	Financial borrowings	1.753.179.764	39.488.698	1.155.506	1.633.192.788	41.545.701	4.478.236
16a.	Other Monetary financial liabilities	-	-	-	-	-	-
16b	Other Non-Monetary financial liabilities	-	-	-	-	-	-
17	**Non-Current liabilities (14+15+16)**	**1.753.179.764**	**39.488.698**	**1.155.506**	**1.633.192.788**	**41.545.701**	**4.478.236**
18	**Total liabilities (13+17)**	**9.969.560.875**	**212.324.889**	**16.991.274**	**9.027.022.063**	**241.037.975**	**13.798.667**
19	**Net asset / liability position of off-balance sheet derivatives**	**4.935.344.782**	**105.774.000**	**7.845.285**	**3.395.790.194**	**85.661.531**	**10.004.405**
20	**Net foreign currency asset /(liability)position (9-18+19)**	**(996.904.245)**	**(28.748.362)**	**4.850.144**	**(282.257.372)**	**(11.619.455)**	**3.751.012**
21	**Net foreign currency asset / (liability)position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)**	**(5.062.770.450)**	**(110.143.895)**	**(6.551.105)**	**(2.763.749.135)**	**(66.145.455)**	**(11.396.307)**

31. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk (Continued)

Sensibility analysis

Group's currency risk consists of the value changes of TL against Euro and USD. The basis of the sensitivity analysis to measure the currency risk is to make the total currency statement made throughout the organization. Total foreign currency position includes all foreign currency based short-term and long-term purchase agreements and all assets and liabilities.

The exchange rate sensitivity analysis for the periods are as follows:

	31 December 2025		31 December 2024	
	Profit (Loss)		Profit (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of 10% appreciation of USD against TL			
1- USD net asset/liability	(578.009.626)	578.009.626	(344.740.821)	344.740.821
2- Amount hedged for USD risk (-)	-	-	-	-
3- USD net effect (1+2)	**(578.009.626)**	**578.009.626**	**(344.740.821)**	**344.740.821**
	In case of 10% appreciation of EUR against TL			
4- EUR net asset/liability	(15.215.277)	15.215.277	(23.063.936)	23.063.936
5- Amount hedged for EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	**(15.215.277)**	**15.215.277**	**(23.063.936)**	**23.063.936**
Total net effect (3+6)	**(593.224.903)**	**593.224.903**	**(367.804.757)**	**367.804.757**

Profile

The interest structure of Group's financial items with an interest component as of the reporting date is as follows:

Interest position table		
Fixed-rate financial instruments	**31 December 2025**	**31 December 2024**
Financial assets	-	26.843.731
Financial liabilities	5.765.784.621	4.667.281.247
Financial leases	503.726.162	352.576.755
Issued debt instruments	1.239.324.850	340.093.840
Variable-rate financial instruments		
Financial liabilities	2.470.251.110	2.343.008.043
Issued debt instruments	533.184.745	399.435.015

Cash flow hedge accounting for high probability forecast transaction currency risk

Group provides hedging on the balance sheet by borrowing in the same currency against the foreign currency risks arising from the foreign currency sales amounts that are highly probable to be realized in the future within the scope of the agreements it has made and the corporate budget.

In this context, repayments of foreign currency borrowings that are subject to hedge accounting and determined as hedging instrument are made with foreign currency sales cash flows that will be realized on close dates and determined as hedged item within the scope of hedge accounting.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries
Notes To the Consolidated Financial Statements as of 31 December 2025
(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025, unless otherwise stated.)

31. NATURE AND LEVEL OF RISKS ARISING FROM DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Within the scope of the currency risk management strategy it has determined, Group applies hedging accounting for the purpose of hedging the currency risk component of the highly probable forecast transaction cash flow risk and accounted for the foreign exchange rate fluctuations that have occurred on the hedging instrument but have not yet occurred under equity.

32. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES)

For the periods, the book values and fair values of assets and liabilities are shown in the table below:

		31 December 2025		31 December 2024	
Financial assets	***Notes***	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	3	1.571.970.306	1.571.970.306	612.635.221	612.635.221
Financial investments	4	-	-	26.843.731	26.843.731
Trade receivables	5	3.740.104.707	3.677.629.058	4.068.657.004	4.013.157.687
Other receivables	7	890.126.468	890.126.468	805.332.237	805.332.237
Total financial assets		**6.202.201.481**	**6.139.725.832**	**5.513.468.193**	**5.457.968.876**
Financial liabilities					
Financial borrowings	14	10.830.144.672	10.830.144.672	8.357.905.910	8.357.905.910
Trade payables	5	3.996.357.522	3.996.357.522	5.831.864.984	5.831.864.984
Other payables	7	43.032.723	43.032.723	-	-
Employee benefits	17	150.439.077	150.439.077	201.636.193	201.636.193
Total financial liabilities		**15.019.973.994**	**15.019.973.994**	**14.391.407.087**	**14.391.407.087**
Net		**(8.817.772.513)**	**(8.880.248.162)**	**(8.877.938.894)**	**(8.933.438.211)**

33. SUBSEQUENT EVENTS

Our Group's subsidiary operating abroad, Smart Energy Iberia B.V., ceased operations as of February 9, 2026, and was deregistered from the commercial registry in accordance with the relevant country's legislation. The closure of the subsidiary does not have a significant impact on the Group's financial statements.

The Group's application to the Capital Markets Board (SPK) to increase its issued capital from TL 605.880.000 to TRY 1.817.640.000 (a 200% increase from TL 1.211.760.000) within the registered capital ceiling of TL 2.000.000.000, entirely from internal resources, was approved by the SPK at its meeting on January 23, 2026, and the 200% bonus share issue was finalized on February 2, 2026.

The strike decision taken by the United Metal Workers Union on October 22, 2025, at our Group's Gebze Panel Production Facility has ended following the conclusion of collective bargaining negotiations with the United Metal Workers Union on February 12, 2026, and production activities have resumed. Necessary planning to ensure operational continuity has been completed, and our production and shipment schedules have returned to their normal timetable.

(CONVENIENCE TRANSLATION OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ AR-GE ÜRETİM SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

(CONVENIENCE TRANSLATION OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ AR-GE ÜRETİM SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

Grant Thornton

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ AR-GE ÜRETİM SANAYİ VE TİCARET A.Ş.
VE BAĞLI ORTAKLIKLARI

Eren Bağımsız Denetim A.Ş.
Maslak,Eski Büyükdere Cad.
No.14 Kat :10
34396 Sarıyer / İstanbul,Turkey

T +90 212 373 00 00
F +90 212 291 77 97
www.grantthornton.com.tr

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi ve Ticaret A.Ş.

Görüş

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim Sanayi ve Ticaret A.Ş. ("Şirket" veya "Smart") ve bağlı ortaklıkları (hepsi birlikte "Grup" olarak anılacaktır) 1 Ocak 2025-31 Aralık 2025 hesap dönemine ait tam set konsolide finansal tablolarını denetlemiş olduğumuzdan, bu hesap dönemine ilişkin yıllık faaliyet raporunu da denetlemiş bulunuyoruz.

Görüşümüze göre, Yönetim Kurulu'nun yıllık faaliyet raporu içinde yer alan konsolide finansal bilgiler ile Yönetim Kurulu'nun Grup'un durumu hakkında denetlenen konsolide finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set konsolide finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

Görüşün Dayanağı

Yaptığımız bağımsız denetim, Sermaye Piyasası Kurulu ("SPK") düzenlemeleri çerçevesinde kabul edilen ve Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Denetim Standartları'nın bir parçası olan Bağımsız Denetim Standartlarına ("BDS"lere) uygun olarak yürütülmüştür. Bu standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Bağımsızlık Standartları Dâhil) ("Etik Kurallar") ve Sermaye Piyasası Kurulu mevzuatında ve diğer ilgili mevzuatta bağımsız denetimle ilgili olarak yer alan etik hükümlere uygun olarak Grup'tan bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

Tam Set Konsolide Finansal Tablolara İlişkin Denetçi Görüşümüz

Grup'un 1 Ocak 2025-31 Aralık 2025 hesap dönemine ilişkin tam set konsolide finansal tabloları hakkında 06 Mart 2026 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

Grant Thornton

Yönetim Kurulunun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Grup yönetimi, 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 514 ve 516 ncı maddelerine ve Sermaye Piyasası Kurulu'nun II-14.1 No'lu "Sermaye Piyasasında Finansal Raporlamaya İlişkin Esaslar Tebliği" ("Tebliğ") hükümlerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

a. Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.
b. Yıllık faaliyet raporunu; Grup'un o yıla ait faaliyetlerinin akışı ile her yönüyle konsolide finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtacak şekilde hazırlar. Bu raporda finansal durum, konsolide finansal tablolara göre değerlendirilir. Raporda ayrıca, Grup'un gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.
c. Faaliyet raporu ayrıca aşağıdaki hususları da içerir:
   - Faaliyet yılının sona ermesinden sonra Grup'ta meydana gelen ve özel önem taşıyan olaylar, - Grup'un araştırma ve geliştirme çalışmaları,
   - Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, ayni ve nakdî imkânlar, sigortalar ve benzeri teminatlar.

Yönetim kurulu, faaliyet raporunu hazırlarken Ticaret Bakanlığının ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK hükümleri ve Tebliğ çerçevesinde yıllık faaliyet raporu içinde yer alan konsolide finansal bilgiler ile Yönetim Kurulunun Grup'un durumu hakkında denetlenen finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin, Grup'un denetlenen konsolide finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtıp yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan konsolide finansal bilgiler ve Yönetim Kurulu'nun denetlenen konsolide finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin konsolide finansal tablolarla ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıtıp yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

Eren Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International

Nazan HİLMİET
Sorumlu Denetçi

İstanbul, 06 Mart 2026

Doğrulama Beyanları

CERTIFICATION & INSPECTION

Greenhouse Gas Verification Statement

Sera Gazı Doğrulama Beyanı

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ ARAŞTIRMA GELİŞTİRME ÜRETİM SANAYİ VE TİC. A.Ş.

Organizational Boundaries / Organizasyonel Sınırlar

Merkez Ofis - Rüzgarlıbahçe Mah., Feragat Sk. Energy Plaza No: 2, 34805 Beykoz/İstanbul
Gebze Üretim Tesisi - GOSB Tembelova Alanı, Cadde 3200, N3207, Gebze/ Kocaeli
Aliağa Güneş Hücresi & Güneş Paneli Entegre Üretim Tesisi - Aliağa OSB, Çoraklar Mah., 5024. Sk., No: 10 Aliağa/İzmir

The Greenhouse Gas emissions inventory has been verified to meet the standard requirements specified below according to ISO 14064-3:2019 / *Sera Gazı emisyonları envanterinin, ISO 14064-3:2019'a göre aşağıda belirtilen standart gerekliliklerini karşıladığı doğrulanmıştır.*

ISO 14064-1:2018

Category 1- Direct emissions / *Doğrudan emisyonlar*	1.624,46	t CO_2 eq
Category 2- Purchased energy emissions (Location based) / *Satın alınan enerji emisyonlar (Lokasyon bazlı)*	29.344,21	t CO_2 eq
Category 3- Emissions from transportation / *Ulaşım kaynaklı emisyonlar*	15.769,11	t CO_2 eq
Category 4- Emissions from products, service used / *Kullanılan ürün - hizmet kaynaklı emisyonlar*	47.636,09	t CO_2 eq
Category 5- Emissions from associated with the use of the product / *Ürün kullanımı kaynaklı em.*	2.638,94	t CO_2 eq
Category 6- Other Emissions / *Diğer emisyonlar*	2.366,47	t CO_2 eq
Total Location Based Emissions / *Toplam Lokasyon Bazlı Emisyonlar*	**99.379,28**	**t CO_2 eq**
Total Market Based Emissions / *Toplam Market Bazlı Emisyonlar*	**70.035,07**	**t CO_2 eq**
Biogenic Emissions / *Biyojenik Emisyonlar*	-	t CO_2 eq
Purchased renewable energy emission allowance / *Satın alınan yenilenebilir enerji emisyon karşılığı*	29.344,21	t CO_2 eq
Category 2- Purchased energy emissions (Market based) / *Satın alınan enerji emisyonlar (Market bazlı)*	0	t CO_2 eq
Renewable energy references / *Yenilenebilir enerji referansları:* I-REC Referance Number */ I-REC Referans Numarası:* 01.01.2025-31.12.2025 / 3 8 1 4 4 0 4 2 01.01.2025-31.12.2025 / 8 8 0 5 9 9 7 5 01.01.2025-31.12.2025 / 3 6 6 1 2 7 2 9		
Credits from GHG Scheme / Satın alınan krediler	-	t CO_2 eq
Credits references / Kredi referansları		

Level of Assurance *Güven Seviyesi*	:	Reasonable / Makul	Verification Report Date *Doğrulama Rapor Tarihi*	:	16.03.2026
Reporting Period *Raporlama Periyodu*	:	01.01. 2025 – 31.12. 2025	Statement No *Beyan Numarası*	:	SG-GNL-216 / 2025

Approved by / Onaylayan
Okay Kayhanlı – Genel Müdür

TÜRKAK
Carbon Verified Company

QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya – Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

CERTIFICATION & INSPECTION

Greenhouse Gas Verification Statement

Sera Gazı Doğrulama Beyanı

SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ ARAŞTIRMA GELİŞTİRME ÜRETİM SANAYİ VE TİC. A.Ş.

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GHG PROTOCOL

Scope 1 - Direct emissions / *Doğrudan emisyonlar*	1.624,46	t CO_2 eq
Scope 2- Location based purchased energy emissions / *Lokasyon bazlı satın alınan enerji emisyonlar*	29.344,21	t CO_2 eq
Scope 3- Other indirect emissions / *Diğer dolaylı emisyonlar*	68.410,62	t CO_2 eq
Total Location Based Emissions / *Toplam Lokasyon Bazlı Emisyonlar*	**99.379,28**	**t CO_2 eq**
Total Market Based Emissions / *Toplam Market Bazlı Emisyonlar*	**70.035,07**	**t CO_2 eq**
Biogenic Emissions / *Biyojenik Emisyonlar*	-	t CO_2 eq
Purchased renewable energy emission allowance / *Satın alınan yenilenebilir enerji emisyon karşılığı*	29.344,21	t CO_2 eq
Scope 2- Market based purchased energy emissions / *Market bazlı satın alınan enerji emisyonlar*	0	**t CO_2 eq**
Renewable energy references / *Yenilenebilir enerji referansları:* 01.01.2025-31.12.2025 / 3 8 1 4 4 0 4 2 01.01.2025-31.12.2025 / 8 8 0 5 9 9 7 5 01.01.2025-31.12.2025 / 3 6 6 1 2 7 2 9		
Credits from GHG Scheme / Satın alınan krediler	-	t CO_2 eq
Credits references / Kredi referansları		

Level of Assurance *Güven Seviyesi*	:	Reasonable / Makul	Verification Report Date *Doğrulama Rapor Tarihi*	:	16.03.2026
Reporting Period Raporlama Periyodu	:	01.01. 2025 – 31.12. 2025	Statement No Beyan Numarası	:	SG-GNL-216 / 2025

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QSI Belgelendirme, Muayene ve Test Hizmetleri Ltd. Şti.
Beytepe Mah. 5397 Sokak, Mira Ofis B1 Blok D:2, Çankaya – Ankara
Tel : +90 312 472 60 67 Faks : +90 312 472 60 68
E-mail: info@qsi.com.tr Web: www.qsi.com.tr

Environmental Performance Indicators

Energy Metrics

Energy Type	Consumption	Energy (GJ)
Electricity	67.613.385,03 kWh	243.408
Diesel	23.719,99 liters	915,6
Gasoline	146.349,67 liters	5.005
Total Energy Consumption		**249.329**

Metric	Description
Total energy consumed (2025)	249.329 GJ
Share of grid electricity	98%
Share of renewable energy	98% (All grid electricity is offset through I-REC)

**This represents the percentage within total energy consumption.*

Emission Metrics

Greenhouse Gas Emissions	2023	2024	2025
Scope 1 (tCO_2e)	282.46	845.41	1,624.46
Scope 2 (tCO_2e)	7,499.56	12,426.72	29,344.21
Scope 3 (tCO_2e)	37,516.24	58,322.32	68,410.62
Total (tCO_2e)	**45,298.26**	**71,594.45**	**99,379.28**

Water Metrics

Water Withdrawal	Unit	2023	2024	2025
Grid Water Consumption	m^3	9,448	80,713	408,665
Total Water Withdrawal	**m^3**	**9,448**	**80,713**	**408,665**

Wastewater Discharge	Unit	2023	2024	2025
Third-party water (Sewage)	m^3	9,292	73,463	368,559
Total Water Discharge	**m^3**	**9,292**	**73,463**	**368,559**

Water Consumption	Unit	2023	2024	2025
Third-party water (Grid water)	m^3	156	7,250	40,106
Total Water Consumption	**m^3**	**156**	**7,250**	**40,106**

Water Intensity	Unit	2023	2024	2025
Water Intensity (Water Withdrawn per Unit of Production)	L/unit	1.64	7.36	4.18

Waste Metrics

Waste by Type	Unit	2023	2024	2025
Paper / Cardboard	kg	205,266	393,750	394,240
Plastic	kg	192,379	259,170	247,064
Metal	kg	48,390	85,919	327,206
Glass	kg	105,522.00	146,880.00	370,740
Electronic Waste	kg	3,800.00	31,320.00	100
Other Waste (Landfill)	kg	773,637	1,693,002	2,057,813
Total Waste Volume	**kg**	**1,328,994**	**2,610,041**	**3,397,163**

Total Waste by Type	Unit	2023	2024	2025
Hazardous Waste	kg	36,191	191,049	795,485
Non-Hazardous Waste	kg	1,292,803	2,418,992	2,601,678
Total Waste	**kg**	**1,328,994**	**2,610,041**	**3,397,163**

Employees by Working Hours	2023	2024	2025
Part-time	-	-	**0**
Female	-	-	**0**
Male	-	-	**0**
Full-time	-	-	**1,121**
Female	-	-	**446**
Male	-	-	**675**

Number of Employees by Location	2023	2024	2025
Headquarters	0	0	**108**
Female			**31**
Male			**77**
Factory - Gebze	0	0	**315**
Female			**143**
Male			**172**
Factory - Aliağa	0	0	**698**
Female			**272**
Male			**426**
Total Number of Employees	**0**	**0**	**1,121**

Employees Subject to Collective Labor Agreements	2023	2024	2025
Total Number of Employees Included in Collective Bargaining Agreements (CLA)	**857**	**870**	**843**
CLA Coverage Rate (Blue Collar Basis)	98.28%	100%	100%
CLA Coverage Rate (Total Employee Basis)	74%	75%	75%

Diversity Metrics

Number of Employees by Gender	2023	2024	2025
Female	602	673	446
Male	559	491	675
Total Number of Employees	**1,161**	**1,164**	**1,121**

Employee Distribution by Age	2023	2024	2025
Under 30 years old	387	430	**359**
Share of employees under 30	33.33%	36.94%	**32.02%**
Female	133	154	**120**
Male	254	276	**239**
Between 30–50 years old	733	697	**718**
Share of employees aged 30–50	63.14%	59.88%	**64.05%**
Female	414	325	**309**
Male	319	372	**409**
Over 50 years old	41	37	**44**
Share of employees over 50	3.53%	3.18%	**3.93%**
Female	12	12	**17**
Male	29	25	**27**
Total Number of Employees	**1,161**	**1,164**	**1,121**

Foreign Employees (Expat)	2023	2024	2025
Female	-	-	1
Male	-	-	42
Total Number of Foreign Employees	**-**	**-**	**43**

Employees with Disabilities	2023	2024	2025
Female	8	7	9
Male	14	12	21
Total Number of Employees with Disabilities	**22**	**19**	**30**

Employment and Turnover Metrics

New Hires and Employee Turnover	2023	2024	2025
Number of newly hired employees	841	491	**124**
White Collar – Female	81	38	**10**
White Collar – Male	203	74	**52**
Blue Collar – Female	267	124	**14**
Blue Collar – Male	290	255	**48**
Number of employees leaving employment	287	488	**167**
White Collar – Female	24	30	**27**
White Collar – Male	57	85	**52**
Blue Collar – Female	88	193	**41**
Blue Collar – Male	118	180	**47**
Net change in employee numbers	**554**	**3**	**-43**

Employee Turnover by Age Group	2023	2024	2025
Under 30 years old			
Hired	-	236	**55**
Left	-	153	**57**
30–50 years old			
Hired	-	251	**69**
Left	-	317	**84**
Over 50 years old			
Hired	-	4	0
Left	-	18	6
Total number of employees	**-**	**3**	**-43**

Average Tenure (Years)	2023	2024	2025
All Employees	-	2.13	**2.74**
Average Tenure by Employment Type (Years)			
White Collar (Office)	-	2	**2.59**
Blue Collar (Field)	-	2.18	**2.8**
Average Tenure by Gender (Years)			
Female	-	2.42	**3.03**
Male	-	1.91	**2.55**
Average Tenure by Location (Years)			
Headquarters	-	1.91	**2.73**
Factory - Gebze	-	4.07	**4.97**
Factory - Aliağa	-	0.99	**1.81**

Employee Turnover Rate (%)	2023	2024	2025
Female	20%	18.5%	15.1%
Male	29.1%	18.9%	14.5%
Voluntary turnover	17.8%	11.4%	6.4%

Training Metrics

	Unit	2023	2024	2025
Total employees receiving training	**Person**	**788**	**1,280**	**5,162**
Female	Person	411	553	2,007
Male	Person	377	727	3,155

	Unit	2023	2024	2025
Total employees receiving training	**Person**	**788**	**1,280**	**5,162**
Office employees	Person	136	143	1,159
Field employees	Person	652	1,137	4,003

Average Training Hours per Employee	Unit	2023	2024	2025
Office employees – Female	Hour	6.49	27.62	61.15
Field employees – Female	Hour	8.01	21.8	14.33
Office employees – Male	Hour	6.25	8.15	21.11
Field employees – Male	Hour	6.44	15.49	12.70

All Training Programs by Type	Unit	2024	2025
Occupational Health and Safety	Person	1,280	3,135
Personal Data Protection (KVKK) Training	Person	675	0
Information Security Awareness Training	Person	674	0
Sustainability	Person	-	447
Environment (Waste, Water, Emissions)	Person	1,675	700
Anti-Corruption	Person	-	0
Ethics	Person	13	0
Social Compliance Chief Auditor	Person	12	0
Professional Development	Person	-	1,239
Personal Development	Person	-	115
Total Training Participants	**Person**	**4,329**	**5,636**

Total Training Hours by Type	Unit	2024	2025
Occupational Health and Safety	Hour	14.27	189.28
Personal Data Protection (KVKK) Training	Hour	2	-
Information Security Awareness Training	Hour	1.5	-
Sustainability	Hour	-	5.50
Environment (Waste, Water, Emissions)	Hour	0.803	12.15
Anti-Corruption	Hour	-	-
Ethics	Hour	19.5	-
Social Compliance Chief Auditor	Hour	32	-
Professional Development	Hour	-	94.83
Personal Development	Hour	-	6.00
Total Training Hours	**Hour**	**70.073**	**307.76**

Total Person-Hours by Training Type	Unit	2024	2025
Occupational Health and Safety	Person*Hour	18,265.60	19,243
Professional Development	Person*Hour	1,350.00	1,959
Personal Development	Person*Hour	1,011.00	40
Sustainability	Person*Hour	-	205
Environment (Waste, Water, Emissions)	Person*Hour	1,345.03	864,5
Anti-Corruption	Person*Hour	-	-
Total	**Person*Hour**	**21,971.63**	**22,312**

Employee Performance Evaluation Metrics

Employee Performance Evaluation Metrics	Unit	2023	2024	2025
Blue Collar – Female	Person	480	480	382
White Collar – Female	Person	0	21	33
Blue Collar – Male	Person	392	501	461
White Collar – Male	Person	0	51	139
Total Number of Employees	**Person**	**872**	**1,053**	**1,015**

Employee Engagement Metrics

Employee Engagement	Unit	2024	2025
Employee Satisfaction Score	%	72.8	68.41
Employee Loyalty Score	%	78.5	80.29
Employee Motivation Score	%	83.6	80.97
Orientation and Retention Program Success Rate for Newly Hired Employees (0–2 years)	**%**	**-**	**76**

Parental Leave Metrics

Parental Leave	Unit	2024	2025
Number of employees who earned parental leave	11	16	49
Female	11	16	7
Male	0	0	42
Number of employees taking parental leave	11	16	49
Female	11	16	7
Male	0	0	42
Number of employees returning to work after parental leave	1	4	49
Female	1	4	7
Male	0	0	42
Number of employees remaining employed 12 months after returning from parental leave	1	4	48
Female	1	4	6
Male	0	0	42

Occupational Health and Safety Metrics

OHS Committee	Unit	2025 Aliağa	2025 Gebze	2025 Headquarters
Number of OHS Committees	#	2	1	1
Number of OHS Committee Members	#	11	8	5
Minimum Required Number of OHS Committee Members	#	7	5	12

OHS Performance	Unit	2023 Aliağa	2023 Gebze	2024 Aliağa	2024 Gebze	2025 Aliağa	2025 Gebze	2025 Headquarters
Number of occupational accidents	#	22	48	82	60	42	7	0
Female	#	7	-	27	-	16	5	0
Male	#	15	-	55	-	26	2	0
Working hours	Hour	1,147,560	1,246,320	992,156	1,091,908	1,071,319	606,218	426,240
Female	Hour	-	604,800	426,627	545,954	475,365	303,109	144,300
Male	Hour	-	641,520	565,529	545,954	595,954	303,109	281,940
Lost workdays	Day	136	352	266	234	192	46	0
Female	Day	63	71	84	86	102	10	0
Male	Day	73	281	182	148	90	36	0
Lost time	Hour	1,088	2,816	2,128	1,872	1,536	368	0
Female	Hour	504	568	672	688	816	80	0
Male	Hour	584	2,248	1,456	1,184	720	288	0
Accident frequency rate	%	19.17	38.51	82.65	54.95	39.20	11.55	0
Female	%	-	21	63	55	34	16	0
Male	%	-	55	97	55	44	7	0
Accident severity rate	%	0.12	0.28	0.27	0.22	0.18	0.08	0
Female	%	-	0	0	0	0	0	0
Male	%	-	0	0	0	0	0	0

R&D Metrics

R&D Team	Unit	2023	2024	2025
Number of employees in the R&D team	Person			2
R&D expenditures	**Unit**	**2023**	**2024**	**2025**
R&D expenditures	TRY	4,953,163	408,234	712,766,44
R&D expenditures	USD			1,824

Supply Chain Metrics

Payments Made to Suppliers	Unit	2025 Aliağa	2025 Gebze	2025 Headquarters
Imported procurement amount	USD	-	-	71,272,984
Domestic procurement amount	USD	-	-	92,984,357
Total procurement amount	**USD**	**-**	**-**	**164,257,341**

Payments Made to Suppliers	Unit	2025 Headquarters
Total Number of Local Suppliers	#	1,025
Total Number of Foreign/Global Suppliers	#	109
Total Number of Suppliers	**#**	**1,134**
Total Number of New Suppliers	#	443
Share of International Suppliers	%	9.6%
Share of Local Suppliers	%	90.4%

Suppliers Receiving Business Ethics Training

Suppliers	Unit	2024	2025
Total number of contractors receiving business ethics training	#	5	16
Total number of suppliers receiving business ethics training	#	21	21

Governance Performance Indicators

Board of Directors Structure	2023	2024	2025
Total number of Board members	**11**	**11**	**11**
Female	5	5	5
Male	6	6	6
Female Board member ratio	**45%**	**45%**	**45%**
Age 18–30	0	0	0
Age 30-50	2	2	2
Age 50+	9	9	9
Number of independent members	4	4	4
Independent member ratio	**36%**	**36%**	**36%**

Employees by Management Category – Senior Management	2023	2024	2025
Total number of senior executives	**20**	**16**	**15**
Female – Number	5	3	3
Female – Ratio	25%	18.75%	20%
Male – Number	15	13	12
Male – Ratio	75%	81.25%	80%
Age (Female)	**5**	**3**	**3**
18 - 30	0	0	0
30 - 50	2	3	3
50+	3	0	0
Age (Male)	**15**	**13**	**12**
18 - 30	0	0	0
30 - 50	9	8	8
50+	6	5	4

Employees by Management Category – Middle Management	2023	2024	2025
Total Number of Middle Managers	**60**	**61**	**53**
Female – Number	13	14	13
Female – Ratio	21.67%	22.95%	24.53%
Male – Number	47	47	40
Male – Ratio	78.33%	77.05%	75.47%
Age (Female)	**13**	**14**	**13**
18 - 30	1	2	0
30 - 50	12	12	13
50+	0	0	0
Age (Male)	**47**	**47**	**40**
18 - 30	1	4	2
30 - 50	41	39	34
50+	5	4	4

Financial Performance Indicators

	Unit	2023	2024	2025
Revenue generated from products or services – Net sales revenue	TRY	8,093,257,032	11,677,588,216	10,581,001,663
Value generated from economic impact	TRY	6,797,984,701	10,227,377,249	9,018,274,234
Operating profit	TRY	1,704,169,168	1,362,398,510	1,334,854,002
Taxes paid		6,444,021,671	10,227,377,249	9,018,274,234
Employee wages and benefits paid		353,963,030	382,783,381	457,838,152
Payments to shareholders		69,512,923	2,667,295	0
Donations, sponsorships and social investments		14,630,876	1,471,318	1,045,190
Net debt		**3,034,691,580**	**5,896,775,661**	**9,258,174,368**
Return on Equity (ROE)	%	0.48%	0,13%	-0.09%
Return on Assets (ROA)		10,550,691,463	17,462,319,742	25,347,746,821
Total investment amount		1,495,650,057	2,705,245,407	3,661,565,895
R&D		1.439.715.133	1.683.133.282	2,204,071,600
Environmental activity and investment expenditures		946,782	-2,800,000	-
Revenue generated from investments in products or services		8,093,257,032	11,677,588,216	10,581,001,663

Sustainable Financing	2023	2024	2025
Average financing cost	TL: 7.50% - 60.00% EUR: 7.00% - 9.50% USD: 4.75% - 12%	TL: 37% EUR: 11% USD: 10%	TL: 40% EUR: 9% USD: 9%

Financial Assistance Received from Government	Unit	2023	2024	2025
Tax incentives / Credits	TRY	1,443,408,343	372,594,827	304,162,584

GRI Content Index

Statement of Use	Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim San. ve Tic. A.Ş. has reported in accordance with the GRI Standards for the period 1 January 2025 – 31 December 2025.
Applicable GRI 1	GRI 1: Foundation 2021

GRI Standard	Disclosure	Topic Title	Page Number(s), Source and/or Direct Answers	Additional Information and Reasons for Omission
General Disclosures				
GRI 2: General Disclosures 2021				
2-1	Organizational details	About the Report, About Smart Solar Technologies, Subsidiaries	4-13 14-41 21	
2-2	Entities included in the organization's sustainability reporting	About the Report, About Smart Solar Technologies	4 14-41	
2-3	Reporting period, frequency and contact point	About the Report	4	
2-4	Restatements of information			No information has been restated.
2-5	External assurance			This report has not been subject to an external audit.
2-6	Activities, value chain and other business relationships	About Smart Solar Technologies, Subsidiaries, Products, Services and Investments, Sustainable Supply Chain Management	14 21 28-31 36 160-167	
2-7	Employees	Employee Rights and Satisfaction, Diversity, Equality and Inclusion, Career Management and Training, Occupational Health and Safety, Social Performance Indicators	136-141 142-145 146-151 152-159 265-274	
2-8	Workers who are not employees	Employee Rights and Satisfaction, Occupational Health and Safety, Sustainable Supply Chain Management	136-141 152-159 160-167	
2-9	Governance structure and composition	Board of Directors and Committees, Senior Management	48-58 59	
2-10	Nomination and selection of the highest governance body	Board of Directors and Committees	48-58	
2-11	Chair of the highest governance body	Board of Directors Members	49	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure	75	
2-13	Delegation of responsibility for managing impacts	Sustainability Governance Structure	75	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	75	
2-15	Conflicts of interest	Business Ethics and Legal Compliance	61	
2-16	Communication of critical concerns	Human Rights, Business Ethics and Legal Compliance	134-135 61	
2-17	Collective knowledge of the highest governance body	Activities Undertaken with Senior Management Participation in 2025	40-41	
2-18	Evaluation of the performance of the highest governance body			The Company does not have a specific process for evaluating the performance of its highest governance body.
2-19	Remuneration policies	Employee Rights and Satisfaction	136-141	
2-20	Process to determine remuneration	Employee Rights and Satisfaction	136-141	
2-21	Annual total compensation ratio	Employee Rights and Satisfaction	136-141	
2-22	Statement on sustainable development strategy	Message from the Chair of the Sustainability Committee	10-13	
2-23	Policy commitments	Our Sustainability Approach, Business Ethics and Legal Compliance	72-73 61	
2-24	Embedding policy commitments	Our Sustainability Approach, Sustainability Governance Structure	72-73 75	
2-25	Processes to remediate negative impacts	Business Ethics and Legal Compliance	61	
2-26	Mechanisms for seeking advice and raising concerns	Corporate Risk Management	134-135	
2-27	Compliance with laws and regulations	Business Ethics and Legal Compliance	61	
2-28	Membership associations	Our Corporate Memberships	32	
2-29	Approach to stakeholder engagement	Stakeholder Communication	84	
2-30	Collective bargaining agreements	Employee Rights and Satisfaction	136-141	
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Materiality Analysis	86	
3-2	List of material topics	Our Material Topics	87	
Economic Performance				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Economic Performance	92-95	
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	Economic Performance	92-95	
201-2	Financial implications and other risks and opportunities due to climate change	Corporate Risk Management	62	
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Employee Rights and Satisfaction	136-141	

GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	Our Investments	36-37	
203-2	Significant indirect economic impacts	Economic Performance	92-95	
Sustainable Supply Chain Management				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Sustainable Supply Chain Management	160-167	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Sustainable Supply Chain Management	160-167	
GRI 308: Supplier Environmental Assessment 2016				
308-1	Çevresel kriterler kullanılarak taranan yeni tedarikçiler	Sürdürülebilir Tedarik Zinciri Yönetimi Sosyal Performans Göstergeleri	160-167 265-274	
308-2	Tedarik zincirindeki olumsuz çevresel etkiler ve alınan aksiyonlar	Sürdürülebilir Tedarik Zinciri Yönetimi	160-167	
GRI 414: Tedarikçi Sosyal Değerlendirmesi 2016				
414-1	New suppliers screened using social criteria	Sustainable Supply Chain Management, Social Performance Indicators	160-167 265-274	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain Management	160-167	
Business Ethics and Legal Compliance				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Business Ethics and Legal Compliance	61	
GRI 205: Anti-Corruption 2016				
205-1	Operations assessed for risks related to corruption	Business Ethics and Legal Compliance	61	
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Legal Compliance, Social Performance Indicators	61 265-274	
205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Legal Compliance	61	
Circular Economy				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Circular Economy and Waste Management	122-129	
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Circular Economy and Waste Management	122-129	
301-2	Recycled input materials used	Circular Economy and Waste Management	122-129	
301-3	Reclaimed products and their packaging materials	Circular Economy and Waste Management	122-129	

GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	Waste Management	123	
306-2	Management of significant waste-related impacts	Waste Management	123	
306-3	Waste generated	Hazardous Waste Management, Environmental Performance Indicators	124-125 262-264	
306-4	Waste diverted from disposal	Waste Management, Environmental Performance Indicators	123 262-264	
306-5	Waste directed to the disposal process.	Waste Management, Environmental Performance Indicators	123 262-264	
Energy Management and Emissions				
GRI 3: Material Topics 2021				
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GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy Management and Emissions, Environmental Performance Indicators	100-107 262-264	
302-3	Energy intensity	Environmental Performance Indicators	262-264	
302-4	Reduction of energy consumption	Energy Management and Emissions	100-107	
302-5	Reductions in energy requirements of products and services	Energy Management and Emissions	100-107	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Energy Management and Emissions, Environmental Performance Indicators	100-107 262-264	
305-2	Energy indirect (Scope 2) GHG emissions	Energy Management and Emissions, Environmental Performance Indicators	100-107 262-264	
305-3	Other indirect (Scope 3) GHG emissions	Energy Management and Emissions, Environmental Performance Indicators	100-107 262-264	
305-4	GHG emissions intensity	Environmental Performance Indicators	262-264	
305-5	Reduction of GHG emissions	Energy Management and Emissions	100-107	
Water and Wastewater Management				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Water and Wastewater Management	114-121	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	Water and Wastewater Management	114-121	
303-2	Management of water discharge-related impacts	Water and Wastewater Management	114-121	
303-3	Water withdrawal	Environmental Performance Indicators	262-264	
303-5	Water consumption	Water and Wastewater Management	114-121	

Protection of Biodiversity and Ecological Impacts				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Protection of Biodiversity and Ecological Impacts	108-113	
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protection of Biodiversity and Ecological Impacts	108-113	
304-2	Significant impacts of activities, products and services on biodiversity	Protection of Biodiversity and Ecological Impacts	108-113	
304-3	Habitats protected or restored	Protection of Biodiversity and Ecological Impacts	108-113	
Employee Rights and Governance				
GRI 3: Material Topics 2021				
3-3	Management of material topics	Employee Rights and Satisfaction	136-141	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Social Performance Indicators	265-274	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Satisfaction	136-141	
401-3	Parental leave	Employee Rights and Satisfaction Social Performance Indicators	136-141 265-274	
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GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Health and Safety	152-159	
403-2	Hazard identification, risk assessment, and incident investigation		152-159	
403-3	Occupational health services	Health and Safety	152-159	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety	152-159	
403-5	Worker training on occupational health and safety	Health and Safety Social Performance Indicators	152-159 265-274	
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety	152-159	
403-8	Workers covered by an occupational health and safety management system	Health and Safety	152-159	
403-9	Work-related injuries	Health and Safety Social Performance Indicators	152-159 265-274	
403-10	Work-related ill health	Health and Safety Social Performance Indicators	152-159 265-274	

Career Management and Training				
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GRI 404: Training and Education 2016				
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404-2	Programs for upgrading employee skills and transition assistance programs	Career Management and Training	146-151	
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Diversity, Equality and Inclusion				
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GRI 405: Diversity and Equal Opportunity 2016				
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3-3	Management of material topics	Diversity, Equality and Inclusion	134-135	
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	136-141	
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GRI 413: Local Communities 2016				
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GRI 3: Material Topics 2021				
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3-3	Management of material topics	Clean Energy Technology R&D and Innovation	176-183	

Company General Information

Our company's website address is **https://www.smartsolar.com.tr/,** and the company's commercial information is as follows:

Trade Name	Smart Güneş Enerjisi Teknolojileri Araştırma Geliştirme Üretim Sanayi ve Ticaret Anonim Şirketi
Reporting Period	01.01.2025 – 31.12.2025
Establishment Date	11.08.2014
Trade Registry Office	İstanbul
Trade Registry Number	934086-0
Headquarters Address	Energy Plaza, Rüzgarlıbahçe Mah. Feragat Sok. No:2 Kat:6 Beykoz/Istanbul
Vergi Dairesi ve Vergi Numarası	Beykoz Tax Office / 7720708996

İletişim:
Smart Güneş Teknolojileri Merkez Ofis
Rüzgarlıbahçe Mah., Feragat Sk. Energy
Plaza No:2, 34805 Beykoz/İstanbul
T +90 (216) 225 72 00 F 0850 225 7209
info@smartsolar.com.tr
www.smartsolar.com.tr

Raporlama Danışmanı: KPMG Yönetim Danışmanlığı A.Ş.

Rapor Tasarımı : Begüm Durak