

**(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 CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2026**

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Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries**Condensed Consolidated Statements of Financial Position as of 31 March 2026**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026 unless otherwise stated.)

ASSETS	<i>Notes</i>	Non-Audited	Audited
		Current Period	Prior Period
		31 March 2026	31 December 2025
Current Assets			
Cash and cash equivalents	3	888.127.787	1.729.830.774
Trade receivables		4.095.625.687	4.046.944.077
- <i>Due from related parties</i>	5	8.861.371	9.642.237
- <i>Due from third parties</i>	4	4.086.764.316	4.037.301.840
Other receivables		1.440.330.922	974.944.763
- <i>Other receivables from related parties</i>	5	1.342.054.549	833.075.890
- <i>Other receivables from third parties</i>		98.276.373	141.868.873
Inventories		2.828.851.920	2.538.337.500
Prepaid expenses		5.848.688.589	4.542.796.133
- <i>Due from related parties</i>	5	2.096.133.483	1.663.105.751
- <i>Prepaid expenses, third parties</i>	6	3.752.555.106	2.879.690.382
Current income tax assets		222.803.620	228.289.592
Other current assets		528.056.209	642.975.803
TOTAL CURRENT ASSETS		15.852.484.734	14.704.118.642
Non-current Assets			
Other receivables		4.152.972	4.570.022
- <i>Other receivables from third parties</i>		4.152.972	4.570.022
Right of use assets	8	283.595.301	319.609.072
Property plant and equipment	7	11.639.884.820	11.659.777.936
Intangible assets		27.493.501	29.337.248
Prepaid expenses	6	361.509.320	329.342.158
Deferred tax assets	11	459.290.588	846.464.232
TOTAL NON-CURRENT ASSETS		12.775.926.502	13.189.100.668
TOTAL ASSETS		28.628.411.236	27.893.219.310

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

Condensed Consolidated Statements of Financial Position as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026 unless otherwise stated.)

LIABILITIES	Notes	Non-Audited	
		Current Period	Audited
		31 March 2026	Prior Period 31 December 2025
Current Liabilities			
Short-term borrowings	9	4.990.351.126	6.438.986.491
Short-term portion of long-term borrowings	9	1.321.333.851	1.464.799.673
Lease liabilities	9	93.404.151	99.494.556
- Lease transactions from related parties		37.708.626	39.916.402
- Lease transactions from third parties		55.695.525	59.578.154
Trade payables		5.402.895.703	4.397.679.904
- Due to related parties	5	334.202.909	481.071.262
- Due to third parties	4	5.068.692.794	3.916.608.642
Employee benefits obligations		238.214.843	165.546.476
Other payables		17.574.485	47.354.157
- Other payables to third parties		17.574.485	47.354.157
Deferred income		6.171.478.259	5.990.055.964
- Deferred income from related parties	5	2.915.679.039	2.845.441.405
- Deferred income from third parties	6	3.255.799.220	3.144.614.559
Provisions		51.856.107	42.795.621
- Provisions for employee benefits		36.473.861	28.008.671
- Other short-term provisions		15.382.246	14.786.950
Other current liabilities		217.083.894	212.303.217
TOTAL CURRENT LIABILITIES		18.504.192.419	18.859.016.059
Non-current liabilities			
Long-term borrowings	9	4.815.839.491	3.664.149.090
Lease liabilities	9	203.361.151	250.300.102
- Lease transactions from related parties		114.392.565	136.175.522
- Lease transactions from third parties		88.968.586	114.124.580
Long-term provisions		60.566.742	31.705.769
- Long-term provisions for employee benefits		60.566.742	31.705.769
TOTAL NON-CURRENT LIABILITIES		5.079.767.384	3.946.154.961
Shareholders' Equity			
Paid-in capital	12	1.817.640.000	605.880.000
Adjustment to share capital		883.494.654	1.726.466.512
Treasury shares (-)		(58.778.603)	(58.778.603)
Share premiums		499.090.977	867.879.119
Accumulated other comprehensive income not to be reclassified in profit or loss		519.614.414	518.091.809
- Revaluation Increases of Tangible Fixed Assets		555.146.649	555.146.649
- Gain/(Loss) on remeasurements of the defined benefit plans		(35.532.235)	(37.054.840)
Accumulated other comprehensive income that will be reclassified in profit or loss		(869.030.209)	(769.148.997)
- Foreign currency translation differences		31.624.691	29.199.619
- Gain / (loss) of hedging reserve		(900.654.900)	(798.348.616)
Restricted reserves appropriated from profits		282.759.263	282.759.263
Prior years' profit / (loss)		1.926.016.507	2.404.390.148
Net income/(loss) for the period		62.038.912	(478.373.641)
Non-controlling interest		(18.394.482)	(11.117.320)
TOTAL SHAREHOLDER'S EQUITY		5.044.451.433	5.088.048.290
TOTAL LIABILITIES		28.628.411.236	27.893.219.310

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

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Periods of 1 January-31 March 2026 and 2025

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026 unless otherwise stated.)

		Non-Audited	Non-Audited
	<i>Notes</i>	1 January- 31 March 2025	1 January- 31 March 2024
Revenue	13	2.507.816.637	3.366.843.271
Cost of sales (-)	13	(2.086.792.158)	(2.786.211.996)
GROSS PROFIT		421.024.479	580.631.275
General administrative expenses (-)	16	(196.592.953)	(206.320.796)
Selling, marketing and distribution expenses (-)	15	(49.513.647)	(48.044.773)
Research and development expenses (-)	14	(31.617.194)	-
Other operating income	18	156.152.822	123.230.899
Other operating expenses (-)	18	(171.664.604)	(295.567.082)
OPERATING PROFIT		127.788.903	153.929.523
Expected credit loss according to TFRS 9		(3.215.360)	(5.829.133)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSES		124.573.543	148.100.390
Financial income	19	143.291.019	49.370.461
Financial expenses (-)	19	(618.147.534)	(829.398.711)
Net monetary position gains (losses)	20	822.488.011	451.607.428
PROFIT / (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX		472.205.039	(180.320.432)
Tax Income / (Expense) from Continuing Operations			
Current period tax expense	11	-	-
Deferred tax (expense) / income	11	(417.443.289)	(183.521.351)
PROFIT FROM CONTINUING OPERATIONS		54.761.750	(363.841.783)
NET PROFIT/LOSS FOR THE PERIOD		54.761.750	(363.841.783)
Attributable to:			
Non-controlling interest		(7.277.162)	775.544
Equity holder of the parent		62.038.912	(364.617.327)
Earnings/(Loss) Per Share	21	0,05	(0,60)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not to be reclassified to profit or loss			
- Gain / (loss) arising from defined benefit plans		2.030.141	7.214.457
Taxes on items that will not to be reclassified to profit or loss			
- Remeasurement Gains (Losses) of Defined Benefit Plans, Tax Impact		(507.536)	(1.803.615)
Items that will be reclassified to profit or loss			
- Currency translation differences		2.425.072	7.124.023
- Gains/(Losses) from Cash Flow Hedging Risk		(133.083.465)	(52.508.755)
Taxes on items that will be reclassified to profit or loss			
- Other Comprehensive Income and Tax Effect Related to Cash Flow Hedging		30.777.181	24.582.415
TOTAL OTHER COMPREHENSIVE INCOME/LOSS		(98.358.607)	(15.391.475)
TOTAL COMPREHENSIVE LOSS		(43.596.857)	(379.233.258)
Attributable to:			
Equity holder of the parent		(36.319.695)	(380.008.802)
Non-controlling interest		(7.277.162)	775.544

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

Condensed Consolidated Statement of Changes in Equity for the Periods of 1 January-31 March 2026 and 2025

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026 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			Attributable to equity holders of the parent	Non-controlling interest	Total equity
	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			
Balance as of 1 January 2025	605.880.000	1.726.466.512	(58.778.603)	867.879.119	(34.879.556)	-	(739.968.974)	6.798.320	234.851.419	1.816.910.578	635.387.414	5.060.546.229	838.947	5.061.385.176
Transfer	-	-	-	-	-	-	-	-	-	635.387.414	(635.387.414)	-	-	-
Total comprehensive income/expense	-	-	-	-	5.410.842	-	(27.926.340)	7.124.023	-	-	(364.617.327)	(380.008.802)	775.544	(379.233.258)
Balance as of 31 March 2025	605.880.000	1.726.466.512	(58.778.603)	867.879.119	(29.468.714)	-	(767.895.314)	13.922.343	234.851.419	2.452.297.992	(364.617.327)	4.680.537.427	1.614.491	4.682.151.918
Balance as of 1 January 2026	605.880.000	1.726.466.512	(58.778.603)	867.879.119	(37.054.840)	555.146.649	(798.348.616)	29.199.619	282.759.263	2.404.390.148	(478.373.641)	5.099.165.610	(11.117.320)	5.088.048.290
Transfer	-	-	-	-	-	-	-	-	-	(478.373.641)	478.373.641	-	-	-
Total comprehensive income/expense	-	-	-	-	1.522.605	-	(102.306.284)	2.425.072	-	-	62.038.912	(36.319.695)	(7.277.162)	(43.596.857)
Capital Increase	1.211.760.000	(842.971.858)	-	(368.788.142)	-	-	-	-	-	-	-	-	-	-
Balance as of 31 March 2026	1.817.640.000	883.494.654	(58.778.603)	499.090.977	(35.532.235)	555.146.649	(900.654.900)	31.624.691	282.759.263	1.926.016.507	62.038.912	5.062.845.915	(18.394.482)	5.044.451.433

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş ve Bağlı Ortaklıkları**Consolidated Statement of Cash Flows for the Periods of 1 January-31 March 2026 and 2025**

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 December 2025 unless otherwise stated.)

	Notes	Non-audited 31 March 2026	Non-audited 31 March 2025
A. Cash flows from operating activities		(594.541.314)	770.535.971
Profit for the period		54.761.750	(363.841.783)
Adjustments to reconcile net profit/loss to net cash:		166.134.799	229.072.304
Adjustments related to depreciation and amortization expenses	7	215.641.430	159.760.168
Adjustments related to provision for employee benefits		41.863.200	35.013.502
Adjustments related to interest expenses		531.860.354	564.827.757
Adjustments related to interest incomes		(143.291.019)	(49.370.461)
Adjustments related to expected provision expenses in trade receivables		5.181.343	5.829.133
Adjustments related to tax income/(expense)	11	417.443.289	183.521.351
Adjustments related to unrealized currency translation differences		59.229.683	110.409.934
Monetary gain/(loss)		(961.793.481)	(780.919.080)
Adjustments related to other increase / (decrease) in working capital		(797.583.744)	911.752.346
Decrease/(increase) in financial investments		-	29.539.434
Decrease/(increase) in inventories		(290.514.420)	667.083.608
Decrease/(increase) in trade receivables from third parties		(54.643.819)	419.768.778
Decrease/(increase) in trade receivables from related parties		780.866	766.343
Decrease/(increase) in other operating receivables from related parties		(508.978.659)	(538.994.447)
Decrease / (increase) in other operating receivables from third parties		44.009.550	606.932.139
(Decrease) / Increase in trade payables to third parties		1.152.084.152	261.777.110
(Decrease) / increase in other operating payables to third parties		(29.779.672)	-
(Decrease) / increase in trade payables to related parties		(146.868.353)	(148.697.353)
(Decrease) / increase in deferred incomes		181.422.295	602.231.504
Decrease / (increase) in other assets related to operations		114.919.594	51.575.432
(Decrease) increase in other liabilities related to operations		78.044.340	(424.970.202)
Decreases / (increase) in prepaid expenses		(1.338.059.618)	(615.260.000)
Cash inflow (outflow) from other operations		(576.687.195)	776.982.867
Taxes paid		(15.347.223)	(3.481.847)
Payments under provisions for employee benefits		(2.506.896)	(2.965.049)
B. Cash flows from investing activities		(183.250.363)	(801.905.150)
Purchases of property, plant and equipment	7	(183.245.128)	(800.113.226)
Purchases of intangible assets		(5.235)	(1.791.924)
C. Cash flows from financing activities		93.949.158	366.075.554
Cash inflows from borrowings		4.105.416.433	1.373.406.724
Cash outflows from borrowings		(2.529.164.808)	(873.925.272)
Cash inflows from issued debt instruments		-	678.056.683
Cash outflows from repayments of issued debt instruments		(617.269.941)	-
Cash outflows from leasing transactions		(41.469.347)	(59.321.912)
Cash outflows related to debt payments arising from lease agreements		(33.429.629)	(48.029.816)
Interest paid		(933.424.569)	(753.481.314)
Interest received		143.291.019	49.370.461
Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		(683.842.519)	334.706.375
D. Inflation impact on cash and cash equivalents		(157.860.468)	(61.636.535)
E. Cash and cash equivalents at the beginning of the year		1.729.830.774	674.157.300
Cash and cash equivalents at the end of the year (A+B+C+D+E)	3	888.127.787	947.227.140

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

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

Notes To the Condensed Consolidated Financial Statements as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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 Borsa Istanbul with the code SMRTG on 24 March 2022 and continues to trade at a rate of 36.55% as of the report date.

The Main Field 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 31.03.2026, the headquarters of the Group is, Energy Plaza Rüzgârlıbahçe Mah. Feragat Sok. No:2 Kat:6 Beykoz/İstanbul. As of 31.03.2026, 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 Aliğa Organize Sanayi Bölgesi (ALOSBİ) Aliğa/İzmir.

As of 31 March 2026 and 31 December 2025 the total number of personnel employed by the Group is 1.120 and 1.121 respectively.

The Subsidiaries

The subsidiaries, the countries in which they operate, and their fields of activity are as follows:

31 March 2026

Company Title	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 Tecnologias 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 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 Ilc	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 Condensed Consolidated Financial Statements as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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 Tecnologias 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 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 Ilc	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

(*) Group's subsidiary operating abroad, Smart Energy Iberia B.V., ceased operations as of February 9, 2026, and was deregistered from the trade 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 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.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

Notes To the Condensed Consolidated Financial Statements as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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.

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 Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

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1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Smart Solar Ukrayna

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 Gunes Tecnologias Renovables Sociedad Limitada

The company completed its incorporation procedures in 2023 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 2023 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 2023 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.

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1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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 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 Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

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(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

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.

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 March 2026

<u>Company Title</u>	<u>Main Activity</u>	<u>Owner Share(%)</u>	<u>Country of Establishment</u>
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 March 2026

<u>Company Title</u>	<u>Main Activity</u>	<u>Owner Share(%)</u>	<u>Country of Establishment</u>
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.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

Notes To the Condensed Consolidated Financial Statements as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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/IFRS") 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 March 2026 were approved at the Board of Directors meeting dated 11 May 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.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of 31 March 2025, and 31 December 2025 on the purchasing power basis as of March 31, 2026.

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 March 31, 2026, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

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Notes To the Condensed Consolidated Financial Statements as of 31 March 2026

(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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

Financial reporting in hyperinflationary economy (Continued)

Year End	Index	Conversion Factor
31 March 2026	3.866,74	1
31 December 2025	3.513,87	1,10042
31 March 2025	2.954,69	1,30868

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.

Translation of Financial Statements of Subsidiaries Operating in Foreign Countries

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.

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

2.2. Summary of accounting policies

According to CMB, the entities have option to prepare interim financial statements prepared according to TAS 34 “Interim Financial Statements” as condensed or full set. Therefore, the Company decided to prepare its interim financial statements as of 31 March 2026 as condensed.

The explanations and notes required to be included in the annual financial statements prepared in accordance with TAS/IFRS based on this communiqué are summarized in accordance with TAS 34 or not included in the financial statements. The accompanying condensed consolidated financial statements should be presented with the audited financial statements and accompanying notes prepared as of 31 December 2025. The results of interim financial statements cannot be solely considered as the results of the entire financial period.

Accounting policies and accounting estimates disclosed in the 31 March 2026 financial statements are applied in the current period.

2.3 New and Revised Turkish Financial Reporting Standards

a) Amendments and interpretations effective from 2026

IFRS 9 and IFRS 7 (Amendments) Classification and Measurement of Financial Instruments

IFRS 9 and IFRS 7 (Amendments) Contracts Based on Naturally Relative Electricity

Annual Improvements Annual Improvements to IFRSs – Volume 11

IFRS 9 and IFRS 7 (Amendments) Classification and Measurement of Financial Instruments

The amendments address issues identified during a post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. These amendments are effective for annual reporting periods beginning on or after 1 January 2026.

IFRS 9 and IFRS 7 (Amendments) Contracts Based on Naturally Affected Electricity

The amendments aim to enable entities to include information on contracts based on naturally affected electricity in their financial statements in a manner that more accurately reflects such contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026.

Annual Updates to IFRS – Volume 11

The announcement includes the following changes:

- IFRS 1: Hedging accounting for first-time applicants
- IFRS 7: Gain or loss from derecognition
- IFRS 7: Disclosure of deferred difference between transaction price and fair value
- IFRS 7: Disclosure of entry and credit risk
- IFRS 9: Derecognition of lease liability by lessee
- IFRS 9: Transaction price
- IFRS 10: Determination of ‘actual agent’
- IAS 7: Cost method

These changes are effective from annual reporting periods beginning on or after 1 January 2026. These changes and improvements do not have a significant impact on the Group’s consolidated financial position and performance.

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(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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

2.3. New and Revised Turkish Financial Reporting Standards (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025

Group has not yet implemented the following standards, which are not yet in effect, nor the following changes and interpretations to existing previous standards:

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a present coverage value, providing a more consistent measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting in insurance contracts. IFRS 17 has been postponed for one year for insurance, reinsurance, and pension companies, and will replace IFRS 4 Insurance Contracts as of January 1, 2027.

IFRS 17 (Amendments) Insurance Contracts and the Initial Application of IFRS 9 with IFRS 17 – Comparative Information

Amendments have been made to IFRS 17 to reduce implementation costs, facilitate disclosure of results, and ease the transition. Additionally, the amendment regarding comparative information allows companies that are first applying both IFRS 7 and IFRS 9 simultaneously to present comparative information on their financial assets as if the classification and measurement requirements of IFRS 9 had already been applied to that financial asset. The changes will be applied when IFRS 17 is first implemented.

IFRS 18 Presentation and Disclosure in Financial Statements

This standard outlines the requirements for the presentation and disclosure of information in financial statements for all entities applying IFRS. This standard is effective for annual reporting periods beginning on or after January 1, 2027.

IFRS 19 Subsidiaries Not Subject to Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements that a eligible subsidiary is permitted to apply in place of the disclosure requirements in other Turkish Financial Reporting Standards. This standard is effective from annual reporting periods beginning on or after January 1, 2027.

IFRS 19 (Amendments) Subsidiaries Not Subject to Public Accountability: Disclosures

The amendments incorporate new or revised Turkish Financial Reporting Standards that were not considered at the time IFRS 19 was first published. These amendments are effective from annual reporting periods beginning on or after 1 January 2027. The potential impact of these standards, amendments and improvements on the Group's consolidated financial position and performance is being assessed.

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

2.4. Summary of significant accounting policies

Significant accounting policies applied in the preparation of these consolidated financial statements are summarized below:

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 sale transaction, by making adjustments to ensure that these assets are shown over the acquisition cost to the corporations subject to the consolidation method.

- 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 is 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,

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(Amounts are expressed in TL based on the purchasing power of the Turkish Lira (TL) as of 31 March 2026, unless otherwise stated.)

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

2.4. Summary of significant accounting policies (Continued)

Related Parties (continued)

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)

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 recognized 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.

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.

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.

Smart Güneş Enerjisi Teknolojileri Ar-Ge Üretim San. ve Tic. A.Ş and Its Subsidiaries

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

2.4. Summary of significant accounting policies (Continued)

Maddi duran varlıklar ve amortismanlar

Property, plant and equipment and related depreciation

As of 31 March 2026 the Group's tangible assets are shown by deducting accumulated depreciation from the indexed acquisition cost. Lands are 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:

	<u>Year</u>
Machinery and Equipment	4-29
Vehicles	5
Furniture and Fixtures	2-50
Leasehold improvements	5-15

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 and UAH are shown below.

	<u>31 March 2026</u>		<u>31 December 2025</u>	
	<u>Buying</u>	<u>Selling</u>	<u>Buying</u>	<u>Selling</u>
USD	44,3961 TL	44,4761 TL	42,8457 TL	42,9229 TL
EUR	50,9294 TL	51,0212 TL	50,2859 TL	50,3765 TL
UAH	1,0117 TL	1,0117 TL	1,0139 TL	1,0139 TL

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3. CASH AND CASH EQUIVALENTS

Details of Group's cash and cash equivalents for the periods are as follows:

	<u>31 March 2026</u>	<u>31 December 2025</u>
Cash on hand	242.423	261.045
Cash at banks	887.885.364	1.729.569.729
- Demand deposit	128.178.385	893.571.424
- Time deposits	759.706.979	835.998.305
	<u>888.127.787</u>	<u>1.729.830.774</u>

4. TRADE RECEIVABLES AND PAYABLES

Details of Group's trade receivables for the periods are as follows:

	<u>31 March 2026</u>	<u>31 December 2025</u>
Short-term trade receivables		
Trade receivables	3.342.028.973	3.312.153.954
Notes receivables	810.426.352	793.897.467
Expected credit loss (-)	(65.691.009)	(68.749.581)
Doubtful receivables (*)	85.035.825	91.411.885
Provisions for doubtful receivables (-)	(85.035.825)	(91.411.885)
	<u>4.086.764.316</u>	<u>4.037.301.840</u>

(*) The movement of the provisions for doubtful receivables is as follows:

	<u>1 January- 31 March 2026</u>	<u>1 January- 31 March 2025</u>
Balance at beginning of the period	91.411.885	102.053.025
Current year additions / (Provisions no longer required)	1.965.983	7.558.899
Monetary gain / (loss)	(8.342.043)	(9.330.456)
End of the period	<u>85.035.825</u>	<u>100.281.468</u>

The movement table of the Group's expected credit loss allow for the ended periods is as follows:

	<u>1 January- 31 March 2026</u>	<u>1 January- 31 March 2025</u>
Balance at beginning of the period	68.749.581	61.072.671
Current year additions / (Provisions no longer required)	3.215.360	5.829.133
Monetary gain / (loss)	(6.273.932)	(5.583.724)
End of the period	<u>65.691.009</u>	<u>61.318.080</u>

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4. TRADE RECEIVABLES AND PAYABLES (Continued)

The details of the Group's trade receivables for the periods are as follows:

	31 March 2026	31 December 2025
Short-term trade payables		
Trade payables	2.074.426.671	1.654.143.159
Notes payables	2.994.266.123	2.262.465.483
	5.068.692.794	3.916.608.642

5. RELATED PARTIES

The details of the Group's related party transactions for periods are as follows:

	Trade Receivables	
	31 March 2026	31 December 2025
Smart Energy Ukraine	8.861.371	9.642.237
	8.861.371	9.642.237
	Other Receivables	
	31 March 2026	31 December 2025
Smart Holding A.Ş.	1.342.054.549	833.075.890
	1.342.054.549	833.075.890
	Prepaid Expenses	
	31 March 2026	31 December 2025
Smart Verde Yenilenebilir Enerji A.Ş. (*)	2.010.780.763	1.653.949.956
Sumec Energy Holdings Co. Ltd.	76.747.612	-
KES Adi Ortaklığı	8.605.108	9.155.795
	2.096.133.483	1.663.105.751

(*) These are advance payments given in respect of planned solar energy construction works.

	Advances received	
	31 March 2026	31 December 2025
Atlas Ges Enerji Üretim A.Ş. (*)	1.820.046.679	1.642.483.714
Asya GES Enerji Üretim San. Tic. Ltd. Şti. (**)	1.095.632.360	1.202.957.691
	2.915.679.039	2.845.441.405

(*) 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 within the framework of the contract provisions 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 within the framework of the contract provisions 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.

	Short-term Trade Payables	
	31 March 2026	31 December 2025
Smart Energy Group AD (Bulgaria)	334.202.909	338.986.332
Sumec Energy Holding	-	142.084.930
	334.202.909	481.071.262

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5. RELATED PARTIES (Continued)

The details of the Group's related party transactions for periods are as follows:

	Sales		Purchases	
	March 2026	March 2025	March 2026	March 2025
Sumec Energy Holdings Co. Ltd.	1.050.654	3.398.844	135.974.335	431.712.153
Smart Verde Yenilenebilir Enerji A.Ş.	102.535	-	1.595.254	-
Smart Energy Group AD (Bulgaria)	-	-	102.711.373	-
Sumec Hong Kong Co. Ltd.	-	-	62.905.038	-
Smart Holding A.Ş.	-	-	43.769.539	44.026.230
	1.153.189	3.398.844	346.955.539	475.738.383

	Interest Income	
	31 March 2026	31 December 2025
Smart Holding A.Ş.	121.587.408	26.346.752
	121.587.408	26.346.752

Key management remuneration:

Total amount of wages and similar benefits provided to the Group's President and Vice President of the Board of Directors and other key executives in the current period is 7.493.981 TL (31 March 2025: 7.583.686 TL).

6. PREPAID EXPENSES AND DEFERRED INCOME

The details of short and long-term prepaid expense for the periods are as follows:

<u>Short-term prepaid expenses</u>	31 March 2026	31 December 2025
Advances given to suppliers (*)	3.666.255.573	2.776.046.318
Prepaid expenses	86.299.533	103.644.064
	3.752.555.106	2.879.690.382

<u>Long-term prepaid expenses</u>	31 March 2026	31 December 2025
Advances given to suppliers	241.258.251	255.663.367
Prepaid expenses	120.251.069	73.678.791
	361.509.320	329.342.158

(*) Advances given consist of prepayments made by the Group to suppliers for raw material purchases.

<u>Deferred Incomes</u>	31 March 2026	31 December 2025
Advances received (*)	3.255.799.220	3.144.614.559
	3.255.799.220	3.144.614.559

(*) Advances received consist of advances received by the Group from customers regarding sales.

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7. PROPERTY, PLANT AND EQUIPMENTS (Continued)

Prior Period	1 January 2025	Additions	Disposals (-)	31 March 2025
Cost				
Land	362.076.140	-	-	362.076.140
Machinery and equipment	2.875.521.890	46.547.952	-	2.922.069.842
Vehicles	70.597.646	-	-	70.597.646
Furniture and fixtures	187.219.654	10.378.737	-	197.598.391
Construction in progress	2.943.514.724	738.860.708	-	3.682.375.432
Leasehold improvements	1.968.990.602	4.325.829	-	1.973.316.431
	8.407.920.656	800.113.226		9.208.033.882
	1 January 2025	Current year charge	Disposals (-)	31 March 2025
Accumulated depreciation				
Machinery and equipment	(524.998.793)	(71.784.890)	-	(596.783.683)
Vehicles	(23.634.254)	(2.742.624)	-	(26.376.878)
Furniture and fixtures	(62.008.880)	(8.695.560)	-	(70.704.440)
Leasehold improvements	(131.987.899)	(49.377.149)	-	(181.365.048)
	(742.629.826)	(132.600.223)	-	(875.230.049)
Net book value	7.665.290.830			8.332.803.833

As of 31 March 2026, the insurance amount on tangible fixed assets is 6.613.413.359 TL. (31 March 2025: 7.000.606.282 TL) There is a mortgage of USD 18.613.091 on Group's real estate. (31 March 2025: 18.613.091 USD.)

Depreciation and amortization shown in expense accounts associated with tangible and intangible assets and right-of-use assets as of 31 March are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Cost		
Cost of sales	206.961.409	150.673.603
General administrative expenses	8.680.021	9.086.565
	215.641.430	159.760.168

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8. RIGHT OF USE ASSETS

The movements of usage rights assets for the years ending March 31, 2026 and March 31, 2025 are as follows:

	Buildings	Vehicles	Total
As of 1 January 2026	257.412.551	62.196.521	319.609.072
Additions	-	-	-
Changes in leases	(12.410.368)	(905.877)	(13.316.245)
Depreciation	(17.572.220)	(5.125.306)	(22.697.526)
As of 31 March 2026	227.429.963	56.165.338	283.595.301

	Buildings	Vehicles	Total
As of 1 January 2025	284.796.177	14.806.094	299.602.271
Additions	-	-	-
Changes in leases	17.020.364	(2.142.284)	14.878.080
Depreciation	(21.484.007)	(3.626.673)	(25.110.680)
As of 31 March 2025	280.332.534	9.037.137	289.369.671

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9. FINANCIAL BORROWINGS

Details of financial borrowings for the periods are as follows:

	31 March 2026	31 December 2025
Short-term bank borrowings	3.656.806.128	4.271.575.529
Financial lease liabilities	204.447.176	216.902.336
Liabilities arising from leasing transactions (*)	93.404.151	99.494.556
Debt instruments issued	1.129.097.822	1.950.508.626
Short-term borrowings	5.083.755.277	6.538.481.047
Short-term portion of long-term borrowings	1.321.333.851	1.464.799.673
Short-term portion of long-term borrowings	1.321.333.851	1.464.799.673
Long-term borrowings	4.534.921.332	3.326.740.054
Long-term financial lease liabilities	280.918.159	337.409.036
Liabilities arising from leasing transactions (*)	203.361.151	250.300.102
Long-term borrowings	5.019.200.642	3.914.449.192
Total financial borrowings	11.424.289.770	11.917.729.912

(*) 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 March 2026
TL bank borrowings	%38	4.084.723.269
EUR bank borrowings	%5	1.244.252.015
USD bank borrowings	%9	5.798.549.184
		11.127.524.468
	Interest Rate (%)	31 December 2025
TL bank borrowings	%40	6.136.973.072
EUR bank borrowings	%9	434.906.599
USD bank borrowings	%9	4.996.055.583
		11.567.935.254

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10. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES**a. Guarantees received**

As of 31 March 2026, the Group's guarantees received are as follows.

Guarantees Received by the Group	31 March 2026	31 December 2025
Bank Letters of Guarantee	107.984.825	66.746.882
Total	107.984.825	66.746.882

b. Guarantees Given

Collaterals/ pledges/ mortgages/bill of guarantees ("CPMB") position of the Group as of 31 March 2026, 31 December 2025, are as follows:

Teminat-Rehin-İpotekler-Kefalet ("TRİK")	31 March 2026	31 December 2025
A. CPMB's given for Group's own legal personality	6.993.307.382	5.169.068.526
B. CPMB's given on behalf of fully consolidated companies	1.353.209.834	1.218.372.038
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	-	-
	8.346.517.216	6.387.440.564

Given to	31 March 2026	31 December 2025
In Turkish Lira	1.167.944.689	1.141.313.854
In Euro	1.486.957.052	1.448.249.093
In ABD Dollar	5.691.615.475	3.797.877.617
Total	8.346.517.216	6.387.440.564

The guarantees given by the Group consist of bank letters of guarantee given to third parties to whom it sells goods or services and to public institutions within the scope of its activities.

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11. INCOME TAX

The details of current period tax assets for the periods are as follows:

Corporation Tax

In Turkey, the corporate tax rate is 25% as of March 31, 2026 (December 31, 2025: 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 March 31, 2026.

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.

Tax expenses included in the statements of comprehensive income for the accounting periods ending 31 March 2026 and 2025 are as follows:

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that it does not exceed 5 years. Declarations and relevant accounting records can be examined by the tax office within five years and tax accounts can be revised.

Dividend payments made from joint stock companies resident in Turkey to those other than those who are not liable for corporate tax and income tax and those who are exempt, and to natural persons who are resident and non-resident of Turkey and legal entities who are not resident in Turkey are subject to 15% income tax.

Dividend payments made from joint stock companies resident in Turkey to joint stock companies resident in Turkey are not subject to income tax. Additionally, if the profit is not distributed or added to the capital, income tax is not calculated.

Dividend earnings obtained by institutions from participation in the capital of another institution subject to full liability (except dividends obtained from participation certificates of investment funds and shares of investment trusts) are exempt from corporate tax. In addition, 75% of the profits arising from the sale of the participation shares that have been in the assets of the institutions for at least two full years, as well as the founding shares, usufruct shares and priority rights of the real estate (immovable properties) they have owned for the same period, are exempt from corporate tax as of 31 December 2017. However, with the amendment made by Law No. 7061, this rate was reduced from 75% to 50% for real estate, and this rate is used as 50% in tax returns to be prepared as of 2018.

In order to benefit from the exemption, the earnings in question must be kept in a passive fund account and must not be withdrawn from the business for 5 years. The sales price must be collected by the end of the second calendar year following the year in which the sale was made.

In Turkey, there is no practice of reaching an agreement with the tax administration regarding the taxes to be paid. Corporate tax returns are submitted within four months following the month in which the accounting period closes. Authorities authorized for tax inspection may examine tax returns and the accounting records underlying them during the five years following the accounting period and make re-assessments as a result of their findings.

The Group, due to the Complete New Investment and Expansion Investment made in Kocaeli Gebze Organized Industrial Zone within the scope of Investment Incentive Certificates dated 05.10.2017-B 130930 and 08.01.2020/507856, is in compliance with the 15th article of the said Council of Ministers Decision and the Corporate Tax Law. Pursuant to the Reduced Corporate Tax Application in accordance with the provisions of Article 32/A, it has benefited from the tax advantage regarding the income obtained from other activities due to the investment expenditures actually made for the investments subject to the incentive certificate during the certification period.

The Group will benefit from the income tax advantage with the Complete New Investment it will make in Izmir Aliaga Organized Industrial Zone within the scope of the Investment Incentive Certificate dated 08.12.2022/544854.

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11. INCOME TAX (Continued)

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 Güneş Enerjisi 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.

Deferred 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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11. INCOME TAX (Continued)

Recognized deferred tax assets and liabilities

Details of deferred tax assets and liabilities for the periods are as follows:

	31 March 2026	31 December 2025
	Assets / (Liabilities)	Assets / (Liabilities)
Employee benefits	21.830.933	14.478.634
Trade payables	(2.382.053)	(26.962.149)
Trade receivables	28.815.597	54.183.422
Lease liabilities	68.256.019	80.452.771
Inventories	(104.701.158)	(87.134.769)
Tangible and intangible assets	(476.287.761)	(324.383.186)
Assets subject to cash flow hedge accounting	220.513.099	248.892.183
Financial liabilities	(54.481.586)	22.839.726
Provision for litigation	3.566.576	3.431.337
Right of use assets	(65.226.919)	(73.510.086)
Investment incentives (*)	900.942.502	991.416.988
Other	(81.554.661)	(57.240.639)
Net Deferred Tax Assets	459.290.588	846.464.232
Deferred tax assets	1.243.924.726	1.358.454.422
Deferred tax liabilities	(784.634.138)	(511.990.190)
Net Deferred Tax Assets	459.290.588	846.464.232

(*) 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 March 31, 2026, a tax advantage of TL 900.942.502 (December 31, 2025: TL 991.416.988) 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 March 31, 2026, a deferred tax expense of TL (90.474.486) has arisen in the profit or loss statement for the period January 1 - March 31, 2026.

The table showing the movement of deferred tax between March 31, 2026 and March 31, 2025 is as follows:

	1 January 2026	Deferred tax	Other	31 March 2026
		income/ (expense)	comprehensive income	
Deferred tax assets	846.464.232	(417.443.289)	30.269.645	459.290.588

	1 January 2025	Deferred tax	Other	31 March 2025
		income/ (expense)	comprehensive income	
Deferred tax assets	1.551.648.835	(183.521.351)	22.778.800	1.390.906.284

	31 March 2026	31 March 2025
Tax Income / (Expense)		
Period tax provisions (-)	-	-
Deffered tax income / (expense)	(417.443.289)	(183.521.351)
Total	(417.443.289)	(183.521.351)

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12. SHARE CAPITAL

Share Capital

The paid capital structure of the Group for the periods are as follows:

Shareholders	31 March 2026	Share	31 December 2025	Share
	TL	%	TL	%
Smart Holding A.Ş.	1.153.376.396	63,45	384.458.799	63,45
Public part	664.263.604	36,55	221.421.201	36,55
Total paid-in capital	1.817.640.000	100	605.880.000	100
Adjustment to share capital (*)	883.494.654		1.726.466.512	
	2.701.134.654		2.332.346.512	

(*) 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 1.560.000 shares of its publicly traded shares. (Ratio to company capital is %0,086)

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 March 2026, Group's capital consists of 1.817.640.000 shares (31 December 2025: 605.880.000). The nominal value of the shares is 1 TL per share (31 December 2025: 1 TL).

Group	Capital ratio (%)	Total balance
Group A Stocks (Registered)	22,88	415.800.000
Group B Shares (Bearer)	77,12	1.401.840.000
Issued capital	100,00	1.817.640.000

As of 31 March 2026, the equity items prepared in accordance with the Tax Procedure Laws and the amounts presented in accordance with TAS/IFRS are as follows:

31.03.2026 (IFRS)	Value	Inflation		Indexed Value
		Adjustment	Effect	
Capital	1.817.640.000	883.494.654		2.701.134.654
Share Premiums	76.934.179	422.156.798		499.090.977
Restricted Reserves Allocated from Profit(**)	137.650.626	145.108.637		282.759.263

31.03.2026 (TPL) (*)	Value	Inflation		Indexed Value
		Adjustment	Effect	
Capital	1.817.640.000	42.605.744		1.860.245.744
Share Premiums	76.934.179	142.720.825		219.655.004
Restricted Reserves Allocated from Profit(**)	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 58.778.603 has been set aside within the scope of repurchased shares according to IFRS/IAS financial statements.

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13. REVENUE AND COST OF SALES

Revenue for the periods are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Domestic Sales	2.499.829.812	3.321.753.267
Export Sales	7.986.825	47.656.119
Gross Sales	2.507.816.637	3.369.409.386
Sales Returns (-)	-	(225.093)
Sales Discounts (-)	-	(2.341.022)
Net Sales	2.507.816.637	3.366.843.271
Cost of Sales (-)	2.086.792.158	2.786.211.996
Gross Profit	421.024.479	580.631.275

14. RESEARCH AND DEVELOPMENT EXPENSES

Details of Group's research and development expenses by period are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Personnel expenses	15.555.335	-
Consulting expenses	16.025.740	-
Other	36.119	-
	31.617.194	-

15. SELLING, MARKETING AND DISTRIBUTION EXPENSES

Details of selling, marketing and distribution expenses for the periods are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Personnel expenses	20.211.994	28.735.728
Shipping, cargo, courier expenses	11.893.097	8.716.430
Consulting expenses	2.887.849	1.951.689
Taxes, duties, and fees	2.579.688	727.454
Advertising, publicity, and promotional expenses	2.191.983	2.075.807
Export and warehouse expenses	2.119.632	326.005
Meal and travel expenses	320.919	953.503
Other	7.308.485	4.558.157
	49.513.647	48.044.773

16. GENERAL ADMINISTRATIVE EXPENSES

Details of general administrative expenses for the periods are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Personnel expenses	104.124.365	120.150.488
Consulting expenses	40.891.138	20.454.179
Depreciation and amortization expenses (Note 8)	8.680.021	9.086.565
Tax and duty expenses	6.071.559	3.467.575
Representation and entertainment expenses	1.828.190	1.426.398
Vehicle expenses	1.308.654	1.441.300
Meal and travel expenses	1.151.181	2.615.792
Other (*)	32.537.845	47.678.499
	196.592.953	206.320.796

(*) As of March 31, 2026 Common expenses allocated by Smart Holding is amounting of 28.943.681 TL (March 31, 2025: 30.087.709 TL)

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17. EXPENSES BY NATURE

Details of Group's expenses by nature for the periods are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Cost of Sales	1.879.830.749	2.635.538.393
Depreciation and amortization expenses (Note 7)	215.641.430	159.760.168
Personnel expenses	139.891.694	148.886.216
Consulting expenses	59.804.727	22.405.868
Shipping, cargo, courier expenses	11.893.097	8.716.430
Taxes, duties, and fees	8.651.247	4.195.029
Advertising, publicity, and promotional expenses	2.191.983	2.075.807
Export and warehouse expenses	2.119.632	326.005
Representation and entertainment expenses	1.828.190	1.426.398
Meal and travel expenses	1.472.100	3.569.295
Other	41.191.103	53.677.956
	2.364.515.952	3.040.577.565

18. OTHER OPERATING INCOME AND EXPENSES

The details of other operating income and expenses for the periods are as follows

	1 January- 31 March 2026	1 January- 31 March 2025
Other operating income		
Foreign exchange gain (*)	143.672.293	98.818.671
Other	12.480.529	24.412.228
	156.152.822	123.230.899
Other operating expenses		
Foreign exchange loss (*)	160.492.811	236.338.639
Provision expenses	3.910.703	11.135.188
Other	7.261.090	48.093.255
	171.664.604	295.567.082

(*) Currency difference income and expenses are netted presented on a company basis in consolidation subsidiaries.

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19. FINANCIAL INCOME AND EXPENSES

The details of finance income and expenses for the periods are as follows:

	1 January- 31 March 2026	1 January- 31 March 2025
Finance income		
Interest income	143.291.019	49.370.461
	143.291.019	49.370.461
	1 January- 31 March 2026	1 January- 31 March 2025
Finance expenses		
Interest expense	396.717.046	564.827.757
Foreign exchange loss (*)	86.287.180	175.970.663
Bank transaction and commission expenses	135.143.308	88.600.291
	618.147.534	829.398.711

(*) Currency difference income and expenses are netted presented on a company basis in consolidation subsidiaries.

20. EXPLANATIONS ON NET MONETARY POSITION GAINS/(LOSSES)

Non-monetary Items	31 March 2026	31 March 2025
Statement of Financial Position Items	756.608.874	414.469.217
Inventories	31.790.263	26.021.810
Prepaid expenses	(2.999.735)	1.018.902
Right-of-use assets	17.766.968	(1.485.297)
Property, plant and equipment	1.095.464.181	710.965.075
Intangible assets	2.679.166	2.958.187
Deferred income	-	(4.199.648)
Deferred tax assets	77.246.423	141.863.416
Paid-in capital	(219.872.842)	(213.240.674)
Treasury shares	5.364.003	5.373.982
Share premiums	(72.172.555)	(79.348.041)
Items not to be reclassified to profit or loss	(47.279.894)	3.188.952
Items to be reclassified to profit or loss	70.190.808	67.031.979
Restricted reserves appropriated from profit	(25.803.975)	(21.471.885)
Retained earnings	(175.763.937)	(224.207.541)
Profit or Loss Statement Items	65.879.137	37.138.211
Revenue	(53.679.710)	(42.224.372)
Cost of sales (-)	98.092.500	68.195.552
General administrative expenses (-)	3.018.728	3.597.288
Marketing, selling, and distribution expenses (-)	818.518	1.159.748
Research and Development Expenses (-)	728.283	-
Other operating income/expenses	(130.982)	(5.225.879)
Financing income/expenses	17.031.800	11.635.874
Net Monetary Position Gains (Losses)	822.488.011	451.607.428

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21. 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 March 2026	1 January– 31 March 2025
Period profit/(loss) for equity of parent	62.038.912	(364.617.327)
Number of shares	1.332.936.000	605.880.000
Profit per share	0,05	(0,60)

22. 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 March 2026	31 December 2025
Total financial borrowings	11.424.289.770	11.917.729.912
Less: Cash and cash equivalents and financial investments	(888.127.787)	(1.729.830.774)
Net debt	10.536.161.983	10.187.899.138
Total equity	5.044.451.433	5.088.048.290
Net debt to equity ratio	2,09	2,00

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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23. 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				Cash at Banks
	Trade receivables		Other receivables		
	Related Party	Third Party	Related Party	Third Party	
31 March 2026					
Maximum exposed credit risk as of reporting date,(A+B+C+D)	8.861.371	4.086.764.316	1.342.054.549	102.429.345	887.885.364
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	8.861.371	4.086.764.316	1.342.054.549	102.429.345	887.885.364
B. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	150.726.834	-	-	-
- Impairment (-)	-	(150.726.834)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-

	Receivables				Cash at Banks
	Trade receivables		Other receivables		
	Related Party	Third Party	Related Party	Third Party	
31 December 2025					
Maximum exposed credit risk as of reporting date,(A+B+C+D)	9.642.237	4.037.301.840	833.075.890	146.438.895	1.729.569.729
- Secured portion of the maximum credit risk by guarantees	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	9.642.237	4.037.301.840	833.075.890	146.438.895	1.729.569.729
B. Net book value of the impaired assets	-	-	-	-	-
- Past due (gross carrying amount)	-	160.161.466	-	-	-
- Impairment (-)	-	(160.161.466)	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-

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23. 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 March 2026						
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	16.844.759.958	18.287.549.158	1.760.181.318	10.108.434.032	5.644.247.899	774.685.908
Financial borrowings	11.127.524.468	12.490.080.261	862.681.528	5.449.003.449	5.403.709.376	774.685.908
Trade payables	5.402.895.703	5.402.895.703	846.969.276	4.555.926.427	-	-
Lease liabilities	296.765.302	376.998.709	32.956.029	103.504.156	240.538.523	-
Other liabilities	17.574.485	17.574.485	17.574.485	-	-	-
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	16.362.763.973	18.148.222.563	2.822.473.472	9.670.055.845	4.410.895.638	1.244.797.608
Financial borrowings	11.567.935.254	13.272.782.713	2.061.041.202	5.842.744.963	4.199.017.433	1.169.979.116
Trade payables	4.397.679.904	4.397.679.904	678.254.172	3.719.425.732	-	-
Lease liabilities	349.794.658	430.405.789	35.823.941	107.885.150	211.878.205	74.818.492
Other liabilities	47.354.157	47.354.157	47.354.157	-	-	-

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23. 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 March 2026			31 December 2025		
	TL Equivalent	USD	EUR	TL Equivalent	USD	EUR
1 Trade payables	3.648.178.721	79.973.408	1.917.778	2.592.277.831	54.116.851	5.440.958
2a. Monetary financial assets	661.551.428	3.455.686	9.977.193	493.976.998	11.043.836	413.558
2b. Non-Monetary financial assets	-	-	-	-	-	-
3 Other	1.342.038.342	14.179.924	13.990.053	1.356.492.118	20.454.929	9.547.137
4 Current assets (1+2+3)	5.651.768.491	97.609.018	25.885.024	4.442.746.947	85.615.616	15.401.653
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)	5.651.768.491	97.609.018	25.885.024	4.442.746.947	85.615.616	15.401.653
10 Trade payables	3.328.629.163	73.186.085	1.442.489	3.226.476.843	69.969.416	4.430.372
11 Financial borrowings	3.188.898.256	59.210.648	10.886.447	3.501.724.526	72.941.807	7.361.580
12a. Other Monetary financial liabilities	-	-	-	-	-	-
12b. Other Non-Monetary financial liabilities	3.036.919.009	62.408.673	5.119.923	2.313.285.509	47.281.531	-
13 Current liabilities (10+11+12)	9.554.446.428	194.805.406	17.448.859	9.041.486.878	190.192.754	11.791.952
14 Trade payables	-	-	-	-	-	-
15 Financial borrowings	3.853.902.943	71.163.851	13.500.514	1.929.237.656	43.454.234	1.271.544
16a. Other Monetary financial liabilities	-	-	-	-	-	-
16b. Other Non-Monetary financial liabilities	-	-	-	-	-	-
17 Non-Current liabilities (14+15+16)	3.853.902.943	71.163.851	13.500.514	1.929.237.656	43.454.234	1.271.544
18 Total liabilities (13+17)	13.408.349.371	265.969.257	30.949.373	10.970.724.534	233.646.988	13.063.496
19 Net asset / liability position of off-balance sheet derivatives	7.042.801.199	130.374.499	24.386.961	5.430.962.182	116.396.041	8.633.124
20 Net foreign currency asset / (liability) position (9-18+19)	(713.779.681)	(37.985.740)	19.322.612	(1.097.015.405)	(31.635.331)	10.971.281
21 Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(6.061.700.213)	(120.131.490)	(13.934.479)	(5.571.184.196)	(121.204.770)	(7.208.980)

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23. 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 March 2026		31 December 2025	
	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	(749.581.547)	749.581.547	(636.054.533)	636.054.533
2- Amount hedged for USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(749.581.547)	749.581.547	(636.054.533)	636.054.533
	In case of 10% appreciation of EUR against TL			
4- EUR net asset/liability	(26.076.541)	26.076.541	(16.743.226)	16.743.226
5- Amount hedged for EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(26.076.541)	26.076.541	(16.743.226)	16.743.226
Total net effect (3+6)	(775.658.088)	775.658.088	(652.797.759)	652.797.759

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 March 2026	31 December 2025
Financial assets	7.713.762.428	6.344.796.486
Financial liabilities	485.365.335	554.311.372
Financial leases	218.413.975	1.363.780.381
Variable-rate financial instruments		
Financial liabilities	1.799.298.883	2.718.318.770
Issued debt instruments	910.683.847	586.728.245

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.

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.

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24. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES)

For the periods, the book values and fair values of assets and liabilities are shown in the table below:

	Notes	31 March 2026		31 December 2025	
		Book value	Fair value	Book value	Fair value
Financial assets					
Cash and cash equivalents	3	888.127.787	888.127.787	1.729.830.774	1.729.830.774
Trade receivables	4	4.161.316.696	4.095.625.687	4.115.693.658	4.046.944.077
Other receivables		1.444.483.894	1.444.483.894	979.514.785	979.514.785
Total financial assets		6.493.928.377	6.428.237.368	6.825.039.217	6.756.289.636
Finansal yükümlülükler					
Finansal borçlar	9	11.424.289.770	11.424.289.770	11.917.729.912	11.917.729.912
Trade payables	4	5.402.895.703	5.402.895.703	4.397.679.904	4.397.679.904
Other payables		17.574.485	17.574.485	47.354.157	47.354.157
Employee benefits		238.214.843	238.214.843	165.546.476	165.546.476
Total financial liabilities		17.082.974.801	17.082.974.801	16.528.310.449	16.528.310.449
Net		(10.589.046.424)	(10.654.737.433)	(9.703.271.232)	(9.772.020.813)

25. SUBSEQUENT EVENTS

The Capital Markets Board has approved the amendment of Article 6, titled "Capital," of the Company's Articles of Association, to increase the registered capital ceiling from 2.000.000.000 TL (two billion Turkish Lira) to 10.000.000.000 TL (ten billion Turkish Lira). This approval was received by the Company on May 7, 2026, with letter number 90744. The application process to the Ministry of Trade for the necessary permits related to this amendment to the Articles of Association is ongoing.