



4Q 2025 Financial & Operational Results Conference Call

March 4, 2026, 15:30 (TR Time)

Hosts:

Mr. Çağlar Göğüş – CEO

Mr. Bora Yalınay - CFO

Mrs. Melda Öztoprak - IR Director

Moderator:

Ladies and gentlemen, thank you for standing by and I'd like to welcome you to Doğan Holding's conference call and live webcast to present and discuss the 2025 fourth quarter financial and operational results. We're here with the management team and after the call, there will be an opportunity to ask questions. I would now like to turn the call over to Mrs. Melda Öztoprak, Investor Relations Director. Madam, the floor is yours. Please go ahead.

Melda Öztoprak:

Good afternoon, ladies and gentlemen, and thank you for joining our 2025 full-year results webcast. As the operator said, I'm here with our CEO, Çağlar Göğüş, and CFO Bora Yalınay. Today's remarks will be accompanied by a slide deck which can be downloaded from our IR website. We will then turn the call over to your questions. Before we begin, please kindly be advised of our cautionary statements. The conference call may contain forward-looking management comments, including projections. These should be considered in conjunction with the cautionary language contained in our earnings release. A copy of our earnings release, webcast presentation, and financials are available on our website, both in Turkish and English. Now, let me turn the call over to Mr. Çağlar Göğüş.

Çağlar Göğüş:

Thank you, Melda. Good morning and good afternoon, everyone. Thank you for joining Doğan Holding's 2025 fourth-quarter results' webcast. Let me walk you through our key highlights for 2025. Starting with our net cash position, we closed the year with \$639 million U.S. dollars at the solo level, compared to \$671 million U.S. dollars in 2024. During the year, we allocated \$56 million USD. to capital growth of our certain subsidiaries, including Doğan Investment Bank, Doğan Trend Automotive, and Karel. In addition, we paid \$15 million U.S.D. for direct stake ownership at Daiichi, along with some cash outflows laid out for share buybacks and dividend payments. These outflows were partially offset by \$27 million U.S.D. dividend income, and \$14.5 million U.S.D. proceeds from the Ditaş exit, along with successful fund management

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actions. So, overall, the change in net cash reflects active portfolio management and capital allocation towards priority growth and risk areas, while maintaining a strong liquidity buffer at the holding level. Moving to NAV, our net asset value increased by 9% year-on-year to \$2.8 billion U.S. dollars, in line with our full-year guidance of growing NAV by 5% to 10%. The NAV bridge was shaped by three key dynamics. First, the sale of our 68% stake in Ditaş as part of our portfolio simplification strategy, which resulted in a \$26 million U.S.D. impact based on year-over-year market cap changes. Second, listed asset valuations declined by \$195 million USD, reflecting broader market conditions. Third, and more importantly, unlisted assets appreciated by \$484 million USD, driven by strong operational performance in financial services, particularly Hepiyi and EBITDA improvement at Gümüştaş, our mining subsidiary. This shift continues to increase the relative weight and contribution of our strategic focus areas within the total net asset value. Finally, in terms of market performance, DOHOL delivered a 19% return in 2025, outperforming the BIS100, which returned 15%. We also observed an improvement in shareholder composition. Foreign investor ownership increased from 18% to 24%, and institutional ownership rose from 55.7% to 58%, marking the increased confidence in Doğan Holding thanks to strong discipline execution, transparency in disclosure, and relentless focus on corporate governance. Overall, 2025 reflects disciplined capital allocation, excellent portfolio management, and a net asset value growth supported primarily by operational performance in our strategic focus areas. Next slide, please.

Let me walk you through our reported financial performance for the fourth quarter of 2025, starting with revenue. We reported 23.7 billion TL in consolidated revenue, reflecting a 5% year-on-year increase, mainly to the strong growth of mining and financing businesses. On a 12-month cumulative basis, revenues decreased by 11%. Excluding Doğan Trend Automotive, which was adversely affected by regulatory barriers to import trades on Chinese-origin vehicles, Doğan Holding's consolidated revenues were 10% higher compared to the same period of the previous year, in line with the annual guidance. Our digital insurance business Hepiyi delivered 58% year-on-year asset under management growth, delivering its annual guidance. In our renewable energy segment, revenue decreased by 19% year-over-year due to 10% decline in electricity production, and TL-based average market price increased, falling short of inflation. Meanwhile, Doğan Trend's passenger car sales dropped by only 18%, a clear improvement versus previous quarter's performance, and we are more optimistic for this year thanks to new tax regime came into effect. Moving to profitability, EBITDA came in at 3.4 billion TL with 172% year-over-year growth, surpassing annual guidance and translating into a 14% margin, with significant improvement from 5% realized in the same period last year. The successful performance is driven by stronger mining performance and Karel turnaround as well as ongoing focus on operational efficiency. On the bottom line, we reported 2.2 billion TL net profit for the quarter, which is up by 56% year-over-year thanks to stronger gains realized from investment activities. This was driven mainly by proceeds from the sale of Ditaş and interest income on securities.

So overall, we are proud and happy to report that our strategic focus areas have delivered on and in several cases exceeded the guidance we set at the beginning of the year. In 2026, our primary focus will



be to accelerate the momentum in our financial performance and ensure the long-term sustainability for the years ahead. Next slide, please.

As we have shared in the previous webcast in great detail, we now group our businesses under two main categories, strategic focus areas and dynamic focus areas. Our strategic focus areas are long-term value drivers and now contribute 51% to net asset value versus 45% a year ago. In contrast, our dynamic focus areas are where we actively pursue value creation opportunities, whether through rapid growth, strategic partnerships, or corporate actions such as new market entries, exits, or IPOs. Accordingly, we define 2025 as a year of simplification and consolidation. As we close the year, they have delivered on that commitment, not only through the robust growth across our strategic focus areas, but also through decisive portfolio actions, including our exits from Boyabat Hydroelectric Power Plant and steering and suspension business, Ditaş. Now Bora will cover 2025's fourth quarter details of these business plans.

Bora Yalınay:

Thank you, Çağlar. Let's start with Galata Wind, which publicly announced its results last week. In the fourth quarter, electricity generation declined by 10% year-on-year, mainly due to the unfavorable climate conditions during the quarter. In addition, TL-based average market clearing price increased by 17% year-on-year in Q425, yet fell shy compared to consumer price index-adjusted revenue growth. Accordingly, revenue declined by 19% year-on-year, 611 million TL. While EBITDA margin slightly up to 62%, with EBITDA of 380 million TL, net profit in Q4 declined to 78 million TL. On the growth side, our total installed capacity stands at 354 megawatts, thanks to the additions in Turkey earlier this year. Importantly, our European expansion is moving at full speed with projects in Italy and Germany reaching ready-to-build stage and further pipeline growth underway in Turkey. Looking ahead, we are targeting 577 megawatts by the end of 2027, with significant contributions from new wind and solar projects, including storage. By 2030, our ambition is to reach over 1 gigawatt of capacity. Overall, Galata Wind continues to combine disciplined capital allocation with high margin generation, strengthening the predictability of cash flows. Next slide, please.

Let's turn to Gümüştaş. Mining has been one of the strongest value contributors of the year. Gümüştaş Mining exceeded its revenue and profitability guidance, supported by a comprehensive efficiency and production improvement program initiated following our acquisition. Ore production increased to 501k tons with 32% year-on-year growth in 2025, while EBITDA margin expanded to 44%, well above the initial 25% to 30% guidance range. Thanks to our increased production and better-than-expected commodity prices, Gümüştaş delivered 2 billion TL in revenue with 81% year-on-year growth and 53% EBITDA margin in the fourth quarter. For the full year, EBITDA margin came in at 44%, well ahead of our full-year guidance of 25% to 30%, driven by strong commodity prices and ore extraction efficiencies realized. With 9 million tons of resources, 12 million tons of minable quantity, 3 mineral generation processing facilities and 69 research licenses, we see substantial growth potential ahead. To unlock this value, we have increased CAPEX program from 9 million USD to be spent in 3 years to 70 million plus USD in just 2026. Throughout

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this investment, we aim to invest in mine exploration, capacity upgrade and processing facilities and efficiency measures. Moving on to the next slide.

In order to offer further clarity to our investors, we are sharing additional information on projection for our mining operation. Accordingly, our target is to reach 1 million tons of extractable mineral volume by 2030. We are moving step-by-step towards this goal. In 2025, average ore grades stand at 1.41% lead, 4.38% zinc and 12.51% pyrite, supporting a solid concentrate output profile. On the production side, we see steady growth across all concentrate types. Total volumes are increasing with zinc and pyrite leading the expansion. By 2026, we expect continuous momentum supported by higher flow output and operational improvement. From a cost perspective, bulk-mine ore production costs declined from 66 USD per ton in 2023 to 56 in 2024 before normalizing to 59 USD in 2025. Overall, we maintain a competitive cost base. Looking at the cost structure, approximately 75% of COGS is TR denominated while 25% is FX linked. This provides a natural hedge given that our revenues are fully FX-based.

Now, let's take a look at our financial services starting with Hepiyi Insurance, Turkey's first fully digital end-to-end insurer. Hepiyi continues to deliver exceptional growth and market momentum, demonstrating how our digital strategy translates into tangible performance. In 2025, assets under management grew by 58% year-on-year, reaching nearly 764 million USD. This reflects both strong consumer acquisition and higher retention rates supported by the platform's seamless digital experience. On the market side, Hepiyi made significant progress in both of its core product lines. In Motor-Owned Damage, MoD, insurance market share increased by 110 basis points year-on-year, reaching 4.2%, positioning Hepiyi as the ninth-largest player, up from 11th place last year. In Motor-Owned Third-Party Liability (MTPL), Hepiyi ranks at sixth position, with solid pricing discipline and expanding policy base. Today, Hepiyi's portfolio is well diversified, with MTPL accounting for about 66% and MoD for 23% of total written premiums, a healthy balance that supports sustainable profitability. Overall, Hepiyi is a true success story in digital insurance, combining technology, AI and data-driven underwriting to win market share in one of the most competitive segments of the financial sector.

Moving on to Hepiyi's financial performance, we continue to see strong and profitable growth across all metrics. Note that all figures are without TAS-29 accounting, as the insurance sector is not subject to this regulation. In the fourth quarter, gross written premium increased by 54% year-on-year, reaching 6.8 billion TL. This growth came despite our underwriting policies, as we further prioritized capital adequacy over volume. At the same time, technical profits rose to 1.2 billion TL, up from 1 billion TL a year ago, driven by disciplined risk management and improved pricing efficiency. This translated into a net profit of 1 billion TL, a solid 50% increase year-on-year. Operational efficiency remains one of Hepiyi's strongest differentiators. Our opex-to-sales ratio stood at just 3.7%, well below the sector average of 6.8%, a clear reflection of Hepiyi's fully digital low-cost operating model. On the claims side, MPTL claims ratio and combined ratio remain below the industry average, highlighting the effectiveness of our data-driven pricing and risk selection. We continue to maintain a prudent balance between growth, profitability, and

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capital strength, which is exactly what we want to see in the sustainable digital insurance model. So overall, Hepiyi continues to set new standards in operational efficiency, AI usage in insurance business, and digital scalability positioning itself as one of the most profitable and innovative insurers in the Turkish market today.

Doğan Investment Bank recorded a remarkable year as the bank closed two M&A and two private placements, along with the busy DCM activity with 31 issuances. As such, the bank grew its revenues by 143% and yet profitability by 9.0% in the last quarter of 2025. Consequently, ROE reached 21% versus 13% a year ago. Note also that since its initiation, the bank led 115 DCM issuances, ranking among the leaders by transaction volume among investment banks in Turkey. In addition, Doruk Factoring continued its profitable growth by recording a generous 62% ROE in 2025. Next slide, please.

After a challenging 2024, Karel entered 2025 on a firmer ground, demonstrating resilience and agility. Karel operates across five business lines, and corporate projects serving telecom operators account for 54% of our revenues. This segment's gross profit margin increased to 11% thanks to renewed contracts, unlike the negative GP performance last year. Automotive electronics, mainly through our Daiichi subsidiary, make up 16% of revenues. While sales slightly declined year on year, gross profit has improved to 30%. Electronic card production represents 17% of revenues, down from 35% five years ago, in line with our strategic focus shift towards higher EBITDA margin segments. Note that operational streamlining is underway and restructuring costs now largely behind us. Telecom systems now contribute 9% of revenues and defense remains stable at around 4% of revenues. Karel continues to make progress in its transformation program in the fourth quarter of 2025, and unlike the previous eight quarters, the company delivered a net profit in the fourth quarter. Driven by discipline in working capital management and capital advance provided as a part of our subsidiary Karel private placement process, we expect the improvement in the financial output to continue in 2026. As you might recall, we have applied to CMB for a 1.75 billion TL restricted right issue in fourth quarter of 2025 and continue expecting CMB approval. We expect 2026 to mark a visible inflection point in profitability and balance sheet strength, especially after the finalization of restricted right capital issue process. Next slide please.

Our niche scalable and premium flexible packaging business, Sesa packaging continues to deliver strong growth in high margin premium segments supported by successful product launches. Premium products now account 30% of revenues. Among our export markets, USA's contribution grew from 17% to 22, benefiting from new tariff structure. Sesa's revenues in the fourth quarter stood flattish versus same period last year. Despite the softer top line, EBITDA margin declined to 12% due to the inflation accounting impact on inventory. The balance sheet maintained its prudent structure net debt declined by half year-to-year 11 million US dollar, while the net debt to EBITDA ratio stood at a comfortable 0.7x level. Moving on the next slide.



Most business lines performed in line with plan, some exceeded expectations. Dogan Trend Automotive remained the only challenged segment impacted by regulatory changes and competitive pressure. MG sales declined to 616 units in fourth quarter versus 1,770 in the last quarter of 2024; though two new models launched in February, 2026 are expected to support recovery. Suzuki passenger cars showed strong 88% year-on-year growth in the last quarter of 2025 driven by effective campaigns. Motorcycle sales fell to 1,500 units versus 7,049 due to additional customs and surveillance taxes. We implemented the “minimum stock” strategy reduced inventory, injected 20 million US dollar capital and lowered net debt from 169 million to \$78 million by year end 2025. As a result, profitability is showing a steady quarter over and over improvement. Moving to the next slide.

Kanal D Romania maintained strong presence in the media landscape, consistently ranking as the second most watched television channel in the country. The company continues to deliver steady returns during the quarter with robust 46% EBITDA margin. Hepsimlak continues to be the leader in own vertical as online real estate platform. During the quarter, Hepsimlak recorded 20% real revenue growth with a robust 25% EBITDA margin, a significant achievement among online real estate listing platforms. Next slide please.

Last quarter, we have disposed of our M investment in New York in which we used to hold 22% stake. Following this exit, total value of our real estates is 309 million USD. And as for Doğan Holding’s ownership consideration, total value is 274 million USD. Note that our real estate portfolio is independently valued once a year. Among our flagship assets, both Trump Tower and Milta Marina continue to perform strongly with above 90% occupancy rate in the last quarter of 2025. Looking ahead, we will take an opportunistic and value-driven approach to our real estate holdings ready to unlock value when the right opportunities present themselves. Moving on the next slide.

Now, let's take a look at our dynamic cash management approach. Holding-only net cash position decreased to 639 million USD as of 2025 versus 671 million USD a year ago. Although there were cash outflows during the year due to participation in the capital increases of various subsidiaries and dividend payments, these outflows were offset through successful fund management actions. On the currency allocation front, we continue to maintain a dynamic and yield-driven allocation strategy. The FX breakdown of holding-only solo cash showed that USD holdings up to 62%, while Turkish Lira share increased from 18% to 20% in order to benefit higher yield-bearing TL instruments. Going forward, we will continue to be prudent and opportunistic to grow the solo cash position so that Doğan Holding can foster further value-enhancing acquisition. Now, back to Çağlar for his closing remarks. Thank you.

Çağlar Göğüş:

Thank you, Bora. As we close out 2025, we observe that our portfolio has evolved into a structurally stronger, more diversified, and balanced earnings model. Our strategic focus areas have profitability

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potential and strong alignment with current macroeconomic trends, coupled with their resilience against cyclical shifts are increasingly contributing to consolidated results. This strategic positioning reinforces our financial visibility and also growth momentum while minimizing volatility. Looking ahead to 2026, our focus shifts from integration efficiency to accelerated value realization. With a strengthened balance sheet, improved operational discipline and results and the more predictable earnings profile, we are entering the next phase of our journey with improved confidence, therefore increasing our 2030 net asset value guidance from US\$4 billion to US\$4.5 billion. As for our strategic focus areas, we also have set certain expectations. For Galata, we expect electricity production to be within 950 to 1,000 gigawatt and EBITDA margin to materialize within 65% to 70% range. As for mining operations, we now anticipate about 40% TL revenue growth and 40% to 50% EBITDA margin for 2026. In addition, thanks to our increased confidence in the asset base and long-term reserve potential, we have improved investment program and now expect and plan to spend US\$70 million plus capex in 2026. For our digital and AI-driven insurance company, Hepiyi, we now anticipate 100 to 130 million asset under management addition in 2026. Next slide, please.

Let me turn to our 2030 roadmap. We remain firmly on track. Since 2020, our NAV has grown from US\$1.5 billion to US\$2.8 billion, delivering a 14% compounded annual growth rate over the past five years. The initial phase of this journey was acquisition-led with eight acquisitions and two Greenfield investments, including Galata Wind, Hepiyi, D Investment Bank, Sesa Packaging, Karel, Daiichi, and Gümüştaş. This period established the foundation of our current portfolio. Today, we are in a simplification and optimization phase. We have exited non-core assets such as Ditaş, Boyabat, and you know others in previous years, and are sharpening our focus on renewable energy, mining, and financial services. The emphasis is now on operational efficiency and value extraction. Looking ahead, the next phase is value enhancement. We aim to unlock value through potential IPOs - notably Hepiyi, Daiichi and Sesa - while pursuing selective M&As, particularly in tech and financial services. With a targeted 10% compounded annual growth rate, we are confident in reaching our US\$4.5 billion NAV goal by 2030 through disciplined execution and focused capital allocation, which we think we have proved so far. With this, now I would like to hand over the call to Closer Agent to open up the Q&A session. Thank you for listening.

Moderator:

Thank you very much. We'll now move to the Q&A part of the call. If you'd like to ask a question, please press star 2 if you're connected from the phone. That is star 2 if you're connected from the phone. And if you're connected from the web, you can type your question in the box provided or request to ask a voice question. We will give it a few moments for any questions to come in.

Okay, so we have a **question from Ezgi Yilmaz from Ak Yatırım**. Thank you for the presentation. Could you provide some color on the potential impacts of the Iran tension on your operations?



Çağlar Göğüş:

In a nutshell, obviously, there are micro effects as well as effects that impact everyone, right? For us, the metal price are going up. Unfortunately, but fortunately, on the other hand, there is a positive impact, right? So increasing stress pushes metal prices up, which positively influences our Gumustas Mining's financials. So this is more short-term impact. On the longer term, obviously, for our subsidiaries, which have debt, the interest rate decline is a high expectation. If it slows down a little bit in March or April, this might maybe increase our cost of funding maybe a little bit, but not that much. As you know, besides Karel, which we are recently increasing the capital, we have minimal debt in our subsidiaries. So, the impact will be minuscule. I think these are the two things. As far as we know from our businesses, we have little risk on logistics from Asia to Turkey, so we don't expect a major impact on our Karel business. So these are, I think, in a nutshell, the micro effects of the Iran crisis.

Moderator:

Thank you. Our next **question** is from from **Ata Yatırım**. Your line is now open. Please go ahead.

Cemal Demirtaş:

Thank you for the presentation and all the good results. My question is about outlook for 2026. Concerning the micro risks, you always look for the hedge in terms of positioning and always chasing for some opportunities for the acquisitions, and you have a target for 2030. What are your expectations for 2026? Anything on the line, assuming that this Iran issue will be resolved in that scenario, how do you see in terms of positioning? Anything we should expect for this year? And if you are assuming some asset value appreciation until 2030, could we expect a gradual improvement, or could we expect just after 2027, or should we expect something in 2026? Thank you.

Çağlar Göğüş:

Thanks for the question. We have worked on our NAV guidance on a yearly basis for existing assets and potential simplification actions we have in mind. So on the positive side, what we have seen, even our existing assets, if we keep on investing and keep on doing the right things as we have done so far, we think we can reach our guidance. I don't want to say easily, but we can reach our guidance in a reasonable and realistic way. On top of these, if we can make one or two additional investments, which we might always do, as you know, from the past five, six years, this will take it further and minimize the risk of any downside. I cannot tell anything right now, but to be honest, these kinds of periods, it's a good opportunity for looking at investment opportunities. So we always have that muscle. As you know, Cemal Bey, we have an internal team and muscles to buy and sell. Probably we are the most active investment holding company in the country after the PEs. We have always that type of perspective. But on the good side, even for strategic focus areas and other existing assets, if we keep on doing what we are doing so far, we think we can reach our guidance comfortably. And even in, I would say, conservative scenarios. So we are thinking in that way. I think this is maybe a long answer, but I hope it was helpful.

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Bora Yalınay:

In terms of cash position, Cemal, we have increased our TL position up to 20%. And it seems that the high interest rate environment will continue over the years. So we might think about increasing our TL position a little bit higher. So that's another thing to consider. But for the 2026 outlook, we expect roughly inflation to end around 25% by the end of the year. As I already mentioned, we expect high interest rates to continue. So we have prepared our budgets according to these expectations.

Cemal Demirtaş:

Thank you. And as a follow-up, we look at the net asset value, and we see a deep discount in the whole, around 55%. That's the perspective we have. But regarding your earnings, the analysis, do you have any recommendations for us to look at in 2026? Because this year, in the first three quarters, the picture was different. Now, in the fourth quarter, we see the earnings. At least, in order to better view the quarterly movements, what should be set as purpose or assuming that the current situation will continue, which I mean in terms of the gradual decline in the inflation, stable Turkish lira, except for the war effect. I'm putting it at that side because we are just in the middle of it. We don't know where it goes. But at least there's a perspective. When we look at your income statement, what could be the picture for 2026? I know it's not very easy, but at least, you know, how should we evaluate the quarterly movements? Because let's say in the third quarter, this was weak, but it wasn't, you know, we are not looking at that. We rather look at the net asset value. And in this quarter, you have better earnings, and maybe we shouldn't take it just as a very good number. But now, both earnings and the net asset value side is supporting. So, for 2026, could you give us any hint regarding the first quarter or, you know, for the full year as a chance of where we are heading? So, thank you.

Çağlar Göğüş:

First, thanks, Cemal Bey. I think, to be honest, what we think, we are in a very special and I think lucky position right now. I think, and this is not a coincidence, obviously. We have been working on this for the last maybe five years, right? We have been waiting for this moment. So, we have our core strategic focus areas and dynamic focus areas. They are all fitting into good growth trajectories, which also works well with the micro trends. Mining, for instance. This is an industry that everyone wants to be in right now. We are already in. We have started to build capacity, and we keep on investing in the capacity. With this \$70 million plus investment program we planned, we budgeted for 2026. So, we expect increasing contribution from our mining subsidiary, and we can anticipate this even from today because of the way mining sector works with long-term contracts and price stability about the metal prices. Our, insurance subsidiary, we have gained a very strong foothold in Turkey's motor insurance, both cost and mandatory traffic insurance. Good market share, profitable market share, which is also bringing technical profitability, not just financial profitability, and also increasing customer satisfaction. Our NPS score is now 62, which is way above the Western peers. Like, and in Turkey, no one announces it, but we think it is above the

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expectations. Our payment speed... we're paying 18 days on average. This is the second fastest in the industry right now. So, our renewal rates are going up. Our digital and AI-based infrastructure is one of its kind in Turkey. Our opex to sales ratio is 3.7%, which is one-third of the sector average. So, these all make Hepiyi in a good position to keep on producing good and predictable profit. And Galata Wind, we have a very clear investment path, almost minimal zero leverage, room to borrow. Now, more investments in Europe, but also keep on investing in Turkey, and the predictable growth. I think the core assets, they're all having a positive trajectory. And also on the dynamic focus areas, we have mostly completed the transformation of Karel. We are injecting additional capital. We also restructured the senior management, sorted some contracts out. So, you can see the margin improvements of Karel quarter over quarter in our presentations and also in their presentations. So, Karel, we also start to contribute. And also, one of our subsidiaries, which was pulling down good results was automotive, which we also sorted out with maybe doing a minimal capital contribution, but also scaling down transformation. Now, it is not contributing too much right now, but at least not negatively impacting the group's overall performance. And then, besides this, we are good at restructuring and buying and selling. We will keep on doing simplifications where we find the right, I would say, right opportunities. So, putting all of these together, we are living in Turkey. You never know, but I think putting all of these things together, I think we have a positive outlook for 2026. This is why I keep telling accelerated financial results, improvement and making them sustainable, right? So, I think this is kind of the first year for this new era for us. I think now we have been done with the first phase of transformation. Now, it is the second phase, and this is the first year of it, where we start to deliver higher, bigger, and more sustainable financial results.

Cemal Demirtaş:

I think, and the last question regarding Karel. I see that, you know, after you made the acquisition, it was not very easy, and we perceived from Karel's performance. And as far as I understand, you see some improvement in the operations, and in fourth quarter also, compared to last year, we see a real growth in their revenues, right? And as far as I remember, I don't, you know, remember the details, but they were working for the white goods industry most of the time. You know, the major customers were in that area, as far as I remember. Did you make any change on that side, you know? So, for you, sector or industrial sectors, what was the portion of that? What was the impact of that on its overall performance? Possibly after acquisitions, you know, you see good things and difficult things, and it's very difficult always in any acquisition. You may come up with surprises, but in this stage, I understand you see the improvement. But in addition to internal things, any sectorial trend change had some effect on the performance of Karel. We can also talk to Karel about this, but as a shareholder, should we become more positive, you know, putting the sectors aside, they are, you know, servicing or giving products, or still their performance will depend on the sectors they are working. And I see from your presentation, and you are also telling in telecom, defense, automotive, electronic cars was, I think, the area I was mentioning, and I see, I know that actually the answer is on this chart. Thank you.



Çağlar Göğüş:

No, it's a great question. Thank you. Obviously, the profile of Karel has changed significantly between 2020 and now, right? And at the time of acquisition, the production, and mostly at that time, electronic cards, which was mainly for white goods, as you rightfully remember, was around 35%, right? Now, the electronic card production share is 17%. And within that 17%, only, I would say, less than half is white goods. Obviously, the reality is in this type of economic environment, you cannot compete on a low-valued product. So, we reduced production section's share. Unfortunately, you know, did some significant personnel reduction, and we will keep on doing if necessary. But now, we have done most of it. And then the profile of production has changed from mostly white goods to health, defense, and then maybe one-fifth telecoms, and then the remaining white goods. So, 35% is now 17%. So, we have done that type of transformation. And over every quarter in the last eight quarters, our gross margin and also EBITDA margin have improved. For example, in 2024, first quarter, our gross margin was 12.1% in Karel. It came down to minus 1.9 in last quarter of 2024. In the first quarter of 2025, it was 6.9. Second, 8.4. Third quarter, 11.1. And final quarter, last quarter, 15.3%. So, we have seen a significant improvement in gross margin. The same reflects in EBITDA margin. Our EBITDA margin was 7.6%, quarter one of 2024. It went down to minus 7.4% in last quarter of 2024. And this year, from first quarter, 3.2. Second, 5.6. Third, 9.5. And last quarter, 7.7. So, a significant improvement. Still room to go. And then we also improved the networking capital as well. Net cash cycle of working capital reduced from 90 days of 2024 to 63 as of 2025. And mainly thanks to the improvement in days payables. We still have things to do on days receivables and inventory. Our CEO has joined four months ago. A very senior person coming from the sector who knows the sector. So, we are on the right track. On the good side, Daiichi subsidiary and our telecom subsidiary businesses are going very well. Our projects department with Turkcell, Vodafone, Türk Telekom, it goes very well. Our old legacy business is now a more modern telecoms business. We are the only local telecom provider in Turkey, equipment provider. Daiichi subsidiary has about \$425 million of backlog right now. And we have also reduced reliance on Stellantis Group, which is a great customer. But we have also brought in other clients. So, a lot of good things are happening in Karel. Still hard work in 2026. But obviously in a better position to start. There is one other question from Mr. Orkun Gödek. I think I've explained Karel, right?

Cemal Demirtaş:

Thank you. Thank you.

Melda Öztoprak:

Maybe I can voice out the question.

Çağlar Göğüş:

Sure. Can you do so?



Melda Öztoprak:

Congratulations on the presentation and your strong performance. I have a few specific questions. How would you evaluate your current satisfaction level with Karel? Do you agree with the sentiment that the defense business is somewhat under-recognized? And furthermore, do you believe the mining cooperations are accurately understood and priced in by analysts and an investor community? Thank you,
Orkun Gödek - Deniz Yatırım

Çağlar Gögüş:

I think, Orkun Bey, about Karel, I provided a lot of information. I think, I hope this is helpful. Otherwise, let me know. I can give you more information. On the mining, on the defense, you are right. Our defense business is under-recognized. You are rightfully telling this. We have been focusing so much on transformation in 2024 and 2025. We were not able to talk what we have been doing on defense segment. We will take this as homework and do more this year. For example, we have a small startup under Karel's Defense, Karel Advanced Technologies, which we have started to build electronic warfare solutions. And it has been now a prototype product, right? We have even signed a very small first contract. So these are the things we have been investing. But to be honest, we didn't communicate too much. But I think now, started by this year, we will do more. On the mining side, you are right. I think it's not still understood perfectly. Obviously, we have been very close to investment community. And all of you have been supporting us tremendously in the last two years. I think you have been listening to us. And mining, we have to talk more. We have 12 million mineable quantity and a very talented team. After the acquisition, we have also increased the capacity and the number of, I would say, metallurgy experts, geology experts, and also production experts, and increasing capacity. This year, we have planned a \$70 million investment, not only in capacity, but also in areas of efficiency. We are going to be the first mine who is going to start DMS investments in Turkey, meaning we will carry less from the mine to the processing facility with this investment. These are to make Gümüştaş ready for days when the metal prices could go down again, so that we are efficient and profitable not only in 2026, but in the upcoming years as well. But, we need to talk more and give more information about mining, I think, in 2026 and also onward.

Moderator:

Thank you very much. We'll just give it a few more moments for any further questions to come in. Okay, looks like we have no further questions. We would like to thank everyone for participating today. We will now be concluding the call and closing the lines. Thank you very much and have a nice day.