ATAŞ CAPITAL

NO. 01 · 2026 · FIRST HALF · JUNE 2026

To Our Partners at Ataş Capital

Letter for the First Half of 2026

Performance

Annualised Net Returns as of 31 May 2026 Periods under one year are not annualised · Inception: 1 January 2024

	Ataş Capital	MSCI ACWI	Difference
Year to date	+19.5%	+12.2%	+7.3%
1 Year	+17.8%	+30.3%	-12.5%
3 Years	—	—	—
5 Years	—	—	—
Since inception (annualised)	+32.1%	+21.8%	+10.3%

Calendar Year Net Returns

	Ataş Capital	MSCI ACWI	Difference
2024	+24.3%	+17.5%	+6.8%
2025	+31.8%	+22.3%	+9.5%
2026 YTD	+19.5%	+12.2%	+7.3%
Cumulative since inception	+95.8%	+61.2%	+34.6%

Returns are time-weighted, net of all costs, and reflect the compounded portfolio since inception on 1 January 2024. The benchmark is the MSCI ACWI Index (net total return, USD). Figures are unaudited. Individual results may vary based on contribution timing. Past performance is not indicative of future results; all investments involve risk, including the partial or total loss of principal.

The index is presented for context only; Ataş Capital is an absolute return fund and this comparison is not our primary measure of success. The cumulative figures since inception look encouraging. In the trailing twelve-month column you will see that we trailed MSCI ACWI by 12.5 percentage points. I will not spend time explaining that gap. Ataş Capital is two and a half years old; please measure us over five years.

Charlie Munger put it plainly: "It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price."

Easy to say. Hard to apply. When you genuinely understand a business — its management, its ecosystem, the shape of its growth runway — you will find no shortage of reasons to defer the price conversation. This period taught me that lesson in practice.

When we first studied Biotrend Enerji (BIOEN, listed on Borsa İstanbul — Turkey's stock exchange), several things stood before us: a company with more than a decade of accumulated expertise in biomass and waste-to-energy; the first business in Turkey to complete a carbon credit sale; a management and ownership group open to learning and growth; the backing of a substantial holding company. And two concrete growth levers:

The first: a roughly $300 million advanced plastics recycling facility to be built in Aliağa, İzmir, in a fifty-fifty partnership with Freepoint Eco-Systems of the United Kingdom. The plant will process 60,000 tonnes of plastic waste annually, converting it into pyrolysis oil used as a naphtha substitute in the petrochemical industry. Environmental impact assessment approval has been granted; TRY 9.2 billion in project-based state incentives and a 120,000 m² land allocation have been secured.

The second: merger negotiations with Kantur-Akdaş Construction, parent of ITC, disclosed to the public on 16 April 2026. ITC holds a 39% share of Turkey's waste-to-energy market and operates 14 facilities across 11 provinces. We believe Ali Kantur's track record in management and capital allocation will meaningfully strengthen the combined entity. Should the merger proceed, the enlarged business will enjoy improved liquidity, the capacity to invest at a global scale, and a profile likely to attract institutional investors. Interest in the biomass and carbon credit space continues to grow.

These were strong arguments. We were right about the business. And we rushed.

In our initial purchases, I did not buy a great company at a cheap price — I want to be direct about that. It will cost us some time. Fortunately, whether the annual column in our performance table shows a positive or negative number is not something I pay close attention to; in capital allocation, I focus on *what* will happen rather than *when*. I would encourage you to look at your own results over a horizon of at least five years.

The Portfolio: Why These Businesses

We made no significant purchases or sales during the period. Our four positions remained unchanged. The allocation: HLGYO 41.6%; OSTIM 36.0%; VKGYO 13.2%; BIOEN 9.2%.

Istanbul Finance Center: A Position Difficult to Replicate

Among the sectors I rarely examine — real estate investment trusts — I found two companies with substantial stakes in the Istanbul Finance Center (IFM) trading at prices I considered quite attractive: HLGYO (Halkbank's REIT, our largest position at 41.6%) and VKGYO (Vakıfbank's REIT, our third-largest position at 13.2%).

For us, the Istanbul Finance Center was never an ordinary office development. The market priced it as one. We thought differently. We believed it would become a uniquely significant location in Turkey — governed by its own legal framework and designed to attract established financial institutions who would, in effect, solve both the tenant quality and vacancy problems in a single stroke. At the time, the conditions offered to financial firms in Turkey's capital markets were insufficient; the state acted by offering a 100% income tax exemption, single-office passporting of operations, and a range of other legal advantages to draw institutions to the centre. Turkish REITs were also required to distribute at least 50% of earnings as dividends, with stock dividends excluded from that threshold. The dividend yields of both companies increased meaningfully as a result.

Holding two REIT positions simultaneously creates sector concentration. We are aware of this. But as long as the IFM's structural position and competitive advantage continue to meet our criteria — or until something disrupts that advantage — we intend to hold.

OSTIM: The Runway Is Long

Warren Buffett has spoken of looking for businesses with a long runway ahead of them. The phrase fits OSTIM unusually well.

OSTIM (our second-largest position at 36%) is an industrial investment holding company rooted in the OSTIM Organized Industrial Zone in Ankara. Because it owns real property and generates returns from it, the market generally values it like a REIT. We look at it differently.

What interests us is the integrated ecosystem built over decades, each element feeding the next: manufacturing at the centre, surrounded by education, technology development, entrepreneurship, financing, and social infrastructure. OSTIM Technical University trains the human capital the zone's industry requires; technology parks and entrepreneurship facilities help convert new ideas into commercial products. Residential communities, schools, and social amenities within the zone help workers and their families build long-term roots in the ecosystem.

One can build an industrial zone. Building an organism that unites manufacturing, education, technology, and social life under one roof is something else entirely. I do not believe OSTIM's network effects and accumulated institutional knowledge are easily replicated.

The ecosystem also generates an information advantage. Being at the centre of industrial activity means observing — earlier than most — which sectors are growing, which technologies are spreading, and which companies are building genuine competitive advantage. This translates into better identification of investment opportunities and, potentially, strategic partnerships with portfolio companies.

We believe we saw this advantage when we invested, and it has since begun to prove itself. At the request of the Uzbekistan government, the same ecosystem model was planted on a 100-hectare site — operated jointly with OSTIM's management. This demonstrates that portfolio companies can grow into new markets and access favourable tax treatment. We expect similar requests from other countries.

More recently, comparing export figures between OSTIM's portfolio companies and peers in the same sectors, we observe that products carrying the OSTIM assurance command roughly three times the per-kilogram market price. Quality and reliability are generating a measurable premium. Work that once seemed slow to bear fruit is beginning to do so.

Skilled labour and deep sector knowledge will continue to constitute a difficult-to-cross moat within OSTIM's portfolio companies for a long time to come.

The chairman of the board, Orhan Aydın, also serves as president of the Ankara OSTIM Industrial Zone — himself a businessperson with an industrial background. Given the information advantages of his position, we believe he will continue to add portfolio companies that generate returns for the business; we see no better selector. That said, the combination of roles creates a certain intensity, and we do not know how quickly his plans for the company will materialise.

When we first invested, the market capitalisation was approximately TRY 250 million. It rose to TRY 2.5 billion at its peak; it stands at approximately TRY 1.5 billion today. We are glad the runway ahead is long.

Our assessment of BIOEN appears in the section above.

Mistakes and Lessons

I rushed the entry on BIOEN. I regard this as an error in execution, not in analysis: the thesis was sound; the price discipline was not. The lesson — that finding a great business is not enough; one must also pay a fair price — is one I should have learned from someone else's experience. This period delivered it to me directly.

On OSTIM's gains: I cannot cleanly separate how much of the recovery in its valuation derives from the original ecosystem thesis and how much from broader market conditions. We don't know — and this honesty, the willingness to question why a winner won, is what allows us to trust our process over time.

I would encourage you to ask the same of your own investments: when a position makes money, check whether the gain came from the thesis you actually held. Being right and being right for the right reason are different things. If BIOEN proves correct over the long term, that will not retroactively validate the price discipline error at entry.

Looking Forward: Risks

The suppression of the US dollar exchange rate in Turkey is creating meaningful pressure on the profitability of industrial companies. OSTIM’s portfolio companies, which generate export revenues, carry this risk. We do not know when or how conditions will change; we make no forecast. We are watching closely how these businesses navigate the environment.

We made no significant transactions during the period. I offer this not as an apology but as a straightforward report: there is nothing in the portfolio we wish to be without.

To Our Partners

All of my own capital is invested alongside yours. I want to say this in every letter.

Our annual returns since inception have shown positive figures — but the opposite could just as easily have happened. We do not expect to see the results of our choices in annual performance reports; we are making genuinely long-term investments. We may lag in market rallies. Over the long run, we believe our results will exceed those of the market.

We are not managing your capital to earn a yield or to generate steady, predictable income. We want you to know that we are searching for alpha, that this takes time, that it involves risk, and that when we believe we have found something, we need you to allow time for the market to see it too. When we believe we have found it, we are very reluctant to leave.

This reluctance is the most important feature of our competitive advantage.

You can expect two letters from us each year. We believe this is sufficient to explain what we have done, how, and why, and to allow you to form your own judgement. Daily, weekly, or monthly reports would be inconsistent with how we work — and would, in fact, work against us.

Thank you for your trust and for walking this road with us.

Sincerely,

Aşkın Ataş