

# READY FOR THE **FUTURE**



NETAŞ TELEKOMÜNİKASYON A.Ş.  
ORDINARY GENERAL ASSEMBLY MEETING AGENDA  
MAY 28, 2025

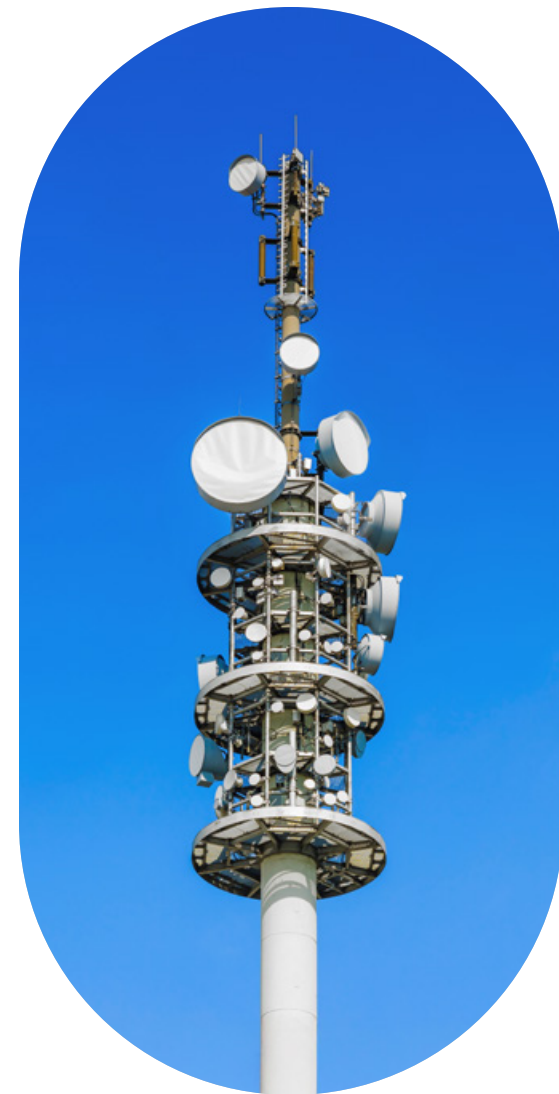
- Opening and formation of the Presiding Council,
- Presentation and discussion of the 2024 Annual Report of the Board of Directors,
- Presentation of the Independent Audit Report summary for 2024,
- Presentation, discussion and approval of 2024 Financial Statements,
- Vote to release Directors and Independent Auditor from their liabilities concerning their activities in 2024,
- Discussion and resolution on proposal of the Board regarding distribution of dividend,
- Presentation of guarantees, pledges, mortgages in favor of third parties,
- Presentation of donations made during 2024, establishing a limit for 2025 donations,
- Presentation of Donation and Aid Policy for approval,
- Presentation of related party transactions during 2024,
- Presentation of selection of External Independent Auditor for approval in accordance with Turkish Commercial Code, Capital Markets Board, Public Oversight Accounting and Auditing Standarts Authority regulations,
- Election to the Board of Directors whose term of office has expired,
- Determination of Directors' fees,
- Discussion and resolution for permitting Board members to engage in activities relating to the business of the company personally or on behalf of others, allowing them to become shareholders in such companies, by virtue of Articles 395 and 396 of the Turkish Commercial Code,
- Wishes and closing.

CONTENTS

010	Message from the Chairman of the Board	058	Managed Services
012	Message from the CEO	061	NETAŞ NETWORK OPERATIONS CENTER (NOC)
016	Company Profile	062	BDH
017	NETAŞ AT A GLANCE	064	Digital Transformation Projects
021	SHAREHOLDING STRUCTURE	068	International Markets
021	OPERATIONAL STRUCTURE	070	Human Resources
022	MILESTONES	076	Sustainability
024	AWARDS AND ACHIEVEMENTS	080	Investor Relations
028	Netaş in 2024	081	INVESTOR RELATIONS AND SHARE PERFORMANCE
034	INDUSTRY DEVELOPMENTS	084	FINANCIAL PERFORMANCE
036	Telecommunication Technologies	089	CORPORATE GOVERNANCE
038	LOCALIZATION	094	CORPORATE GOVERNANCE REPORTING
041	IPTV TECHNOLOGY	098	CORPORATE GOVERNANCE COMPLIANCE REPORT
041	CORE NETWORK SOLUTIONS	109	SUSTAINABILITY COMPLIANCE REPORT
042	Mobile Devices	116	DECLARATION OF INDEPENDENCE
044	R&D	119	Financial Statements and the Independent Auditors' Report
046	DEFENSE TECHNOLOGIES	209	APPROVAL OF THE ACTIVITY REPORT OF THE BOARD OF DIRECTORS
048	DIGITAL TRANSFORMATION - APPLICATION TRANSFORMATION	211	CONTACT INFORMATION
049	TELECOMMUNICATION TECHNOLOGIES		
050	NETAŞ TEST SERVICES CENTER		
054	NEXT-GENERATION TECHNOLOGIES		
056	NATIONAL AND INTERNATIONAL INCENTIVE PROJECTS		
057	SAYEM SMART CITY CONSORTIUM		

# READY FOR THE FUTURE **WITH 5G**

Leveraging the power of ZTE, a global leader in telecommunications infrastructure, Netaş is prepared for the connected future promised by 5G. With ZTE-based 5G infrastructure solutions offering high-speed data transmission, low latency, and wide coverage, operators and enterprises accelerate their digital transformation processes. By unlocking the full potential of future technologies such as the Internet of Things (IoT), artificial intelligence, and cloud computing, businesses enhance their competitiveness and introduce next-generation services.



# READY FOR THE FUTURE **WITH MOBILE DEVICES**

Netaş brings the future of mobile experiences to today with 5G-enabled nubia smartphones. With high-performance processors, advanced camera technologies, and stylish designs, nubia phones deliver the speed and power of 5G to users. Offering limitless possibilities in work, entertainment, and communication, Netaş ensures seamless connectivity anytime and anywhere with its mobile device solutions.



# READY FOR THE FUTURE **WITH LOCAL SERVERS**

By producing local servers, Netaş supports Türkiye's technological independence and digital sovereignty, playing a crucial role in preparing for a secure and sustainable digital future. With high-performance, reliable, and scalable local servers, Netaş ensures the secure storage and processing of critical data, meeting the infrastructure needs of public institutions and private sector organizations while facilitating their digital transformation processes.



# READY FOR THE FUTURE **WITH ARTIFICIAL INTELLIGENCE**

Netaş is set to provide revolutionary solutions to operators and users with ZTE's AI-powered carrier network solutions. With the integration of AI technologies into nubia smartphones, consumers are ushered into a new era of mobile communication. In enterprise applications, Netaş continues software development efforts to optimize business processes and maximize efficiency. This ensures that all its customers maintain a competitive edge and seamlessly adapt to the technologies of the future.



# Message from the Chairman of the Board



Dear Shareholders,

The year 2024, like the preceding years, was marked by rapid transformation in technology and information technologies. Groundbreaking advancements in artificial intelligence, cybersecurity, workforce optimization, and cloud computing brought both significant achievements along with challenges.

The world is changing at an unprecedented pace, impacting both daily life and business operations. Large language models, generative AI, the chips that power them, as well as telecommunications and service infrastructures, are all undergoing rapid evolution. These developments are shaping new ways of working and fostering an increasingly strong synergy between humans and machines.

As ZTE and Netaş, we have been at the center of this transformation. In 2024, we maintained our commitment to simplicity and agility, focusing on efficiency and sustainability.

We see ourselves not just as a company inspired by digital innovations, but as one that inspires the world and its ecosystem. Whether in telecommunications, energy, artificial intelligence, or defense, we are committed to creating value in everything we do, shouldering the responsibility of operating in such a strategically vital sector.

I would like to share some of our achievements from the past year and our focus areas for the coming years.

ZTE 5G Summit & User Congress was held in İstanbul this year

The ZTE 5G Summit & User Congress, ZTE's largest annual event with international participation, was held in Türkiye, İstanbul on November 5-6, 2024, at Çırağan Palace, under the theme "Flourish Through Intelligent Innovation." This event brought together leading industry figures, including ZTE CEO Xu Ziyang and Türkiye's Deputy Minister of Transport and Infrastructure, Ömer Fatih Sayan, as well as key representatives from global operators and standardization organizations.

ZTE and Netaş are committed to playing a leading role in "Smart Innovation Development" by fostering long-term partnerships that contribute to Türkiye's digital transformation and economic growth. With its robust ICT infrastructure, skilled workforce, and strong focus on digital transformation, Türkiye has the potential to become a regional innovation hub. Recognizing this, ZTE and Netaş will continue collaborating on telecommunications projects, localization efforts, energy efficiency, data centers, and digital consumer experiences.

Strengthening core networks with AI

At the Summit, In the domain of core networks, we introduced the latest ZTE Intelligent Core solution, developed with AI and 5G-A technologies, incorporating concepts such as Service Intelligence, Network Intelligence, and Operations & Maintenance Intelligence. This next-generation core network, designed for the 5G-A era, is efficient, environmentally friendly, and facilitates the faster deployment of new services.

Cloud and server technologies

As one of the most comprehensive providers of products and services in the information and communication technology industry, we continued to build long-term, stable relationships with top-tier suppliers. Collaborating with key partners, including chip, storage, and memory manufacturers, we made continuous technological breakthroughs.

Our server products lead the way in terms of performance, efficiency, stability, and security and are widely used in sectors such as telecommunications, the internet, and finance in many countries. Notably, approximately over 2,000 Netaş Local servers are positioned in Telco Cloud Platforms.

We also established strategic partnerships with cloud platform providers such as Red Hat, Alibaba Cloud, and Virtuozzo in virtualization and cloud computing services. Through ZTE's hardware infrastructure, E2E integration, and rapid delivery services, we enhanced the stability and security of cloud platforms—a focus we intend to maintain moving forward.

A new era for terminal products

In 2024, we introduced nubia-branded products to consumers in Türkiye through Netaş. Recognized globally for its passion for mobile innovation and photography, nubia reflects the latest advancements in these fields. In the coming year, we will continue to bring these cutting-edge innovations to the Turkish market. Local production capaili well as local production opportunities for Netaş.

Key partnerships with major operators

The year 2024 witnessed strengthened and expanded collaborations with Türkiye's leading telecommunications providers. We conducted Europe's first dynamic RIS (Reconfigurable Intelligent Surface) trial using mmWave spectrum on our operator's 5G Advanced test network. Additionally, we achieved the world's first end-to-end 800GE with SRv6 and EVPN ultra-high-speed field test between different sites in Bursa, demonstrating our advanced technologies and exceptional performance.

Furthermore, we successfully piloted Europe's first "Three-Mode 50G PON + FTTR-B" solution, integrating three different wavelengths on a single fiber and offering high-speed wireless Wi-Fi solutions.

Advancing 5G readiness

By integrating advanced 5G technologies with intelligent features, we aim to empower various industries to operate more efficiently and intelligently. Leveraging our four core capabilities—UBR, FDD Massive MIMO, RAN Computing, and Green Network—we are building the future of efficient, lightweight 5G networks.

Our OTN technology now seamlessly scales up to 800G and holds the capacity to evolve into 1.6T. With Turkcell, we successfully completed the world's first intercontinental ultra-long-distance 800G OTN transmission over 2,000 kilometers.

Commitment to digital intelligence and innovation

Innovation thrives not only on individual breakthroughs but also on close collaboration across industries and symbiotic growth. At ZTE and Netaş, we explore the possibilities of digital transformation by collaborating with global partners, fostering progress in the digital economy. Through close partnerships with customers, industry players, and ecosystem stakeholders, we will continue to promote mutual benefits, drive digital transformation, and contribute to the high-quality development of industries worldwide.

With my warm regards,

Aiguang Peng  
Chairman of the Board

# Message from the CEO



## Dear Shareholders,

We have left behind an extremely dynamic year, both in terms of the global technology agenda and for Netaş. Our engagement with artificial intelligence has deepened further. The shift from globalization to localization and emerging technological barriers have made the concept of technological sovereignty even more critical, emphasizing the importance of developing domestic technology in various aspects, from national security to economic independence. 5G technology has become a crucial infrastructure forming the backbone of modern digital societies, while the widespread adoption of smartphones has brought fundamental transformations to social and economic life.

In 2024, Netaş and ZTE have undertaken initiatives across all these areas. I would like to share some highlights from our activities, which are detailed in our annual report.

## Entering the Turkish market with our 5G-Compatible “nubia” mobile phones

In 2024, Netaş made a strong re-entry into the Turkish mobile phone market under the ZTE umbrella with the nubia brand, introducing innovative 5G-compatible smartphones to consumers. Alongside strategic collaborations with operators, we demonstrated our readiness for the future of mobile communication through extensive sales channels, including our website zteshop.com.tr. Additionally, we initiated local production for certain nubia models, aiming to strengthen Türkiye's position in the technology manufacturing ecosystem.

## Hosting the ZTE 5G Summit in Türkiye

For the first time, Türkiye was selected as the host country for ZTE's 5G Summit and User Congress, one of its most significant global events over the past 11 years. Under the theme “Flourish Through Intelligent Innovation.”, the event provided a global perspective on 5G and digital technologies.

Attended by government officials, Türkiye's leading telecom operators, and international industry players, the summit offered insights into 5G integration into business processes and a closer look at ZTE's innovative solutions. Representatives from sector organizations, standardization bodies, operators, think tanks, industry partners, analysts, futurists, and other global ecosystem players gathered for the event. We also had the opportunity to showcase products from Netaş's domestic portfolio, such as Türkiye's first locally produced server, Netaş Cloud Server, along with our in cabinet device farm solution Visium Shell, the newest product in our Visium software testing product family and V2X intelligent transportation systems solution.

## Showcasing 50 years of R&D at SAHA EXPO

Celebrating 50 years of R&D, Netaş took part in SAHA EXPO 2024, one of the leading global events in the defense, aerospace, and aviation industries. Held at the Istanbul Expo Center from October 22-26, the event provided a platform for us to present our innovative and domestically produced products and showcase Türkiye's advancements in these sectors.

As a key player in defense communications, Netaş develops land, air, and naval communication systems that meet international standards. Additionally, we signed a strategic collaboration agreement with TAAC Aviation Technologies, a joint venture of TUSAŞ and Altınay Defense, reinforcing our commitment to critical aviation technologies and the development of essential systems for defense sector projects. With this collaboration, we will take on a critical role in aviation technologies and make significant contributions to the development of the systems needed for defense sector projects.

## Breaking speed records in live networks

In partnership with ZTE and one of Türkiye's leading operators, Netaş successfully conducted the world's first live network test of a 1.2 Tbps single-carrier data transmission using 800GE+400GE Ethernet interfaces. This test demonstrated the feasibility of providing ultra-high-speed 800GE services with high spectral efficiency and low power consumption per bit. The success of the test has once again reinforced that both parties are industry leaders in optical network technology, while laying the technical foundations for the development and advancement of future optical network technologies.

Additionally, we set a new world record by achieving over 2,000 km transmission distance at 800 Gbps using terrestrial fiber networks in Istanbul. Utilizing ZTE's ZXONE 9700 optical transmission product, we deployed the first pluggable, commercially available 800G module, reducing power consumption per gigabit by 68% and lowering operational and maintenance costs.

## Strengthening our position at the core of telecom networks

Through our expanding collaboration with ZTE, Netaş has been growing its presence in radio access, transmission, and access networks for telecom operators. We continue to support operators with our domestic power supply units and microwave transmission products, contributing to both product diversity and sales growth.

By integrating locally produced power supply units into existing operator infrastructures, we secured approval as an official supplier for a third major operator in 2024. Additionally, Netaş made a first-of-its-kind sale of domestic rectifier units to an operator network and positioned itself as an approved supplier of lithium-ion batteries.

Netaş continues to respond to its expanding customer segment with product diversity by providing AMD-based products to an operator customer for the first time, in addition to Intel-based products in its domestic server product family. The Netaş NCS Cloud Server product line achieved double-digit growth in both volume and revenue in 2024.

## Ready for 5G

In preparation for the upcoming 5G auction, Netaş accelerated operator network infrastructure readiness. Working alongside ZTE, we deployed 5G pilot systems at operator sites across Türkiye, proving our full readiness for the next generation of telecommunications.

## Expanding into international markets

In Kazakhstan, Netaş secured multiple key agreements to modernize telecommunications infrastructure and launch 5G networks. We also doubled our existing contract volume, maintaining our leading position in LTE CPE sales. Furthermore, we successfully expanded ZTE's DC power systems in Kazakhstan, signing two new framework agreements to supply indoor and outdoor cabinets and DC Power Systems to the country's largest telecom operator.

## Key achievements in the enterprise market

As part of our corporate strategy, we executed successful projects with key technology partners to support the digital transformation of our customers. In 2024, we were honored as Microsoft Partner of the Year and secured a major new Microsoft client in Kazakhstan. Additionally, we were recognized as an Elite Partner by Hitachi, implementing data storage solutions in several financial institutions. Our strategic collaboration with Cisco resulted in the renewal of a five-year enterprise licensing agreement with one of Türkiye's leading banks.

## Leading in software testing with VisiumLabs

Netaş's VisiumLabs products have continued to be the preferred choice among financial and telecom customers in Türkiye.

In a milestone international achievement, Visium Farm was selected by Indonesia's largest bank, marking another global success for Netaş.

Sincerely,

**Sinan Dumlu**  
CEO

## SENIOR MANAGEMENT MEMBERS

### **Sinan Dumlu**

Chief Executive Officer  
(CEO)

### **Alp Söker**

Chief People Officer  
(CPO)

### **Alper Acındı**

Chief Financial Officer  
(CFO)

### **Böргеhan Köksal**

Chief Compliance Officer  
(CCO)

### **Burhan Metin**

Board Member Responsible  
for Public & Defense

### **Bülent Elönü**

Carrier Networks Business  
Unit General Manager

### **Ersin Öztürk**

R&D General Manager

### **Koray Otyam**

BDH General Manager

### **Mei Bowen**

Chief Operations Officer  
(COO)

### **Dr. Xi Guang Qing**

Chief Technical Officer  
(CTO)



## Company Profile



## A pioneer in smart digital transformation, a versatile technology company

With extensive sectoral experience, Netaş is a system integrator and manufacturer that leads digital transformation across industries in Türkiye and international markets. Bringing cutting-edge technologies to the market, Netaş redefines the mobile experience by introducing nubia smartphones to Turkish consumers.



## NETAŞ AT A GLANCE

Established in 1967 through a partnership between PTT and Northern Electric, Netaş has been at the forefront of ICT solutions and services for 57 years. The company went public on Borsa Istanbul (BIST) in 1993 and has been a subsidiary of ZTE Cooperatief U.A. since July 2017. Today, Netaş continues to achieve significant milestones as a leading technology company in Türkiye.

Aiming to be the leading technology company for digital transformation implementation, Netaş operates across three main business lines: information technologies, communication technologies, and mobile technologies. Its extensive R&D experience, spanning over 50 years, and its Information Support Services (BDH) subsidiary, a leader in after-sales and end-user services, support these core business areas.

### INFORMATION TECHNOLOGIES SYSTEM INTEGRATOR BUSINESS UNIT

As a system integrator, Netaş provides services to the finance, general sector, telecom operators, and alternative operators in the corporate sector with its sales and solution teams. Collaborating with over 120 technology manufacturers in its ecosystem, Netaş meets customers' IT infrastructure needs with an integrated and holistic approach based on its five-pillar strategy. It offers innovative solutions in cloud computing, artificial intelligence, big data analytics, and cybersecurity, serving as a strategic partner in their digital transformation journey.

### COMMUNICATION TECHNOLOGIES TELECOM INFRASTRUCTURE SOLUTIONS BUSINESS UNIT

As a manufacturer, Netaş, under its telecom division and with its main shareholder ZTE, develops technology infrastructure solutions for telecom operators. Netaş positions ZTE's world-class telecom solutions in Türkiye and international markets. Additionally, Netaş produces ZTE's world-record-breaking servers, customer premise equipment (CPE), direct current power supply, and base stations locally through its R&D unit, offering them under the Netaş brand in the domestic market. By leading in 5G and beyond, Netaş is shaping the future of communication infrastructure.

### MOBILE TECHNOLOGIES NUBIA SMARTPHONES

Netaş prepares for the 5G experience end-to-end by introducing nubia smartphones, which feature superior performance and innovative features, to the Turkish market. With advanced camera technologies, powerful processors, and stylish designs, nubia sets a new standard in mobile experiences. Catering to diverse needs and budgets with a broad product range, nubia brings the future of mobile communication to consumers today. Sales of nubia smartphones began in 2024, also available through the newly launched e-commerce platform of Netaş, zteshop.com.tr.

### R&D

Having surpassed 50 years in R&D, Netaş has been developing specialized products and projects in the telecom domain, particularly for the defense industry, and continues to be one of its critical suppliers. Through numerous successful e-government projects in the public sector, Netaş contributes to the five-pillar approach of digital transformation while also maintaining mass production of local products at its R&D production facility in Orhanlı. In this regard, R&D collaborates with all other business units and supports telecom, system integration, and mobile divisions through resource investments in next-generation technologies such as artificial intelligence, AR/VR, blockchain, and the Internet of Things. In 2024, Netaş R&D entered the aviation sector as well, offering tailored technological solutions for private sector, public sector, defense, telecommunications, and individual customers.

### IT Support Services (BDH)

Under its IT Support Services division, Netaş provides end-to-end critical services required by the IT industry, such as after-sales professional services and managed services, encompassing multiple manufacturers. Through its global agreement with ZTE, Netaş is steadily advancing towards becoming a regional hardware support center, continuously expanding the number of countries it serves. BDH, which continues to grow its end-user support services via the ZTE channel, also plays an active role in the support and distribution operations of nubia, Netaş's new mobile phone brand.

SMART DIGITALIZATION AND SMART TRANSFORMATION  
THROUGH FIVE PILLARS

Approaching digital transformation holistically through five main pillars, Netaş builds its corporate strategies around this framework. The company aims to offer customized solutions for public and private sector organizations under the categories of application transformation, IT infrastructure transformation, network transformation, security transformation, and endpoint device transformation.

1. Application transformation

By designing enterprise applications using microservices and container architectures aligned with modern technologies and cloud compatibility, Netaş enhances the application experience for its customers.

2. IT infrastructure transformation

To adapt data center components—such as servers, storage, virtualization, and data backup—to new-generation applications requiring high computational power, like artificial intelligence, Netaş integrates cloud computing and hyper-converged infrastructures to modernize organizations with the latest technologies.

3. Network transformation

With the growing need for high-speed and high-performance networks, network infrastructure modernization has become a key focus. Netaş enhances corporate networks by providing solutions that improve performance, agility, and security.

4. Security transformation

To protect digital assets and strengthen resilience against cyber threats, Netaş offers cybersecurity solutions tailored to organizations' needs, guiding them through their digital security transformations.

5. Endpoint device transformation

Providing modern and up-to-date solutions for all types of mobile and endpoint devices used in corporate digital work environments, Netaş serves as a solution partner for organizations managing multiple endpoint devices.



STRATEGY

Becoming a leading information technology company by leveraging advanced technologies with strategic partners

Becoming a leading telecom infrastructure solutions provider by utilizing ZTE’s global expertise and leadership

Becoming a key player in the best-selling segment of the mobile phone market with ZTE’s nubia brand smartphones

Deepening and innovating in key business areas

With its entry into the consumer market through the nubia brand in 2024, Netaş continues to maintain its presence across all areas of technology. Through its five-pillar approach to digital transformation, Netaş collaborates closely with over 120 strategic suppliers, collectively transforming the industry’s IT infrastructure. By deepening its expertise in core business areas, Netaş aims to become the most preferred and trusted brand by offering the best solutions to market needs.

Preparing Türkiye for 5G infrastructure

For many years, Netaş has been working on 5G infrastructure in collaboration with its main partner, ZTE, preparing for the 5G experience. In addition to supporting telecom operators with 5G-compatible infrastructure technologies, Netaş is also introducing end-users to 5G through nubia-branded smartphones that support this next-generation connectivity.

Increasing market share in ZTE solutions and Netaş servers

With ZTE’s support, the world’s performance-leading Netaş server has been localized, and plans are underway to expand its market share and enter the European market. By positioning ZTE telecom technology products in both Türkiye and international markets, Netaş aims to strengthen its customer base while attracting new clients to its portfolio.

Integrating AI into future business operations

Through its in-house R&D efforts, Netaş explores AI integration into business operations across all industries it serves. Beyond investing in next-generation technologies like artificial intelligence, Netaş collaborates with industry pioneers to proactively address future needs. It is also working alongside its partner ZTE to harness the groundbreaking potential of AI within 5G-powered telecommunications infrastructure.

VISION

Being the leading technology company shaping the future in our country and region.

MISSION

Offering the most innovative information and communication technologies for the benefit of private and public institutions, the defense industry, and consumers.

VALUES

Perseverant  
Bold  
Innovative  
National  
Collaborative  
Inclusive  
Passionate

NETAŞ'S COMPETENCIES



**Comprehensive service network**

- Over 1,000 specialized staff supported by a nationwide distribution and service network covering all 81 provinces of Türkiye.



**Strong R&D expertise**

- 300+ engineers.
- Embedded software and hardware design and product development capabilities.
- Domestic and international digital transformation projects.
- Project leader and partner in EU 5G and beyond initiatives.



**Strong presence in the technology ecosystem**

- A global ecosystem with over 120 world-class vendors.
- Strategic partnerships with industry leaders.



**Expertise in international markets**

- Recognized as Türkiye's software export champion.
- Proven ability to design and implement solutions for complex system integration projects.



**Advanced system integration expertise**

- Capability to design and implement complex system integration projects.
- A pioneering system integrator with customer-specific product and solution development expertise.
- Deep understanding of customer needs and complex project execution.
- End-to-end solution-oriented approach.



**High brand reputation**

- A well-established and trusted business partner for leading companies across all industries, public institutions, and the defense sector in Türkiye.



**Large and resilient corporate structure**

- A robust organization with top-tier Turkish engineers, an extensive business portfolio, and deep expertise.



**Rich talent pool**

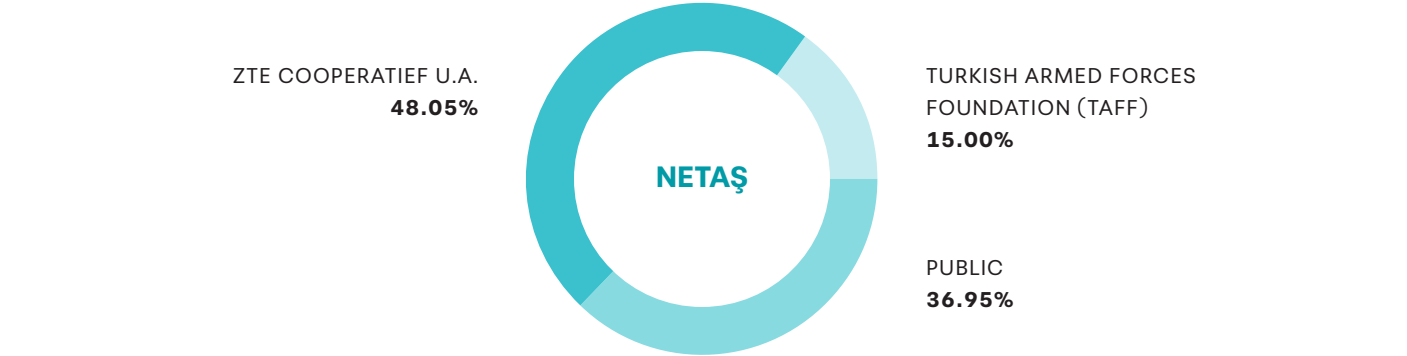
- A strong talent base with specialists in various next-generation technologies.



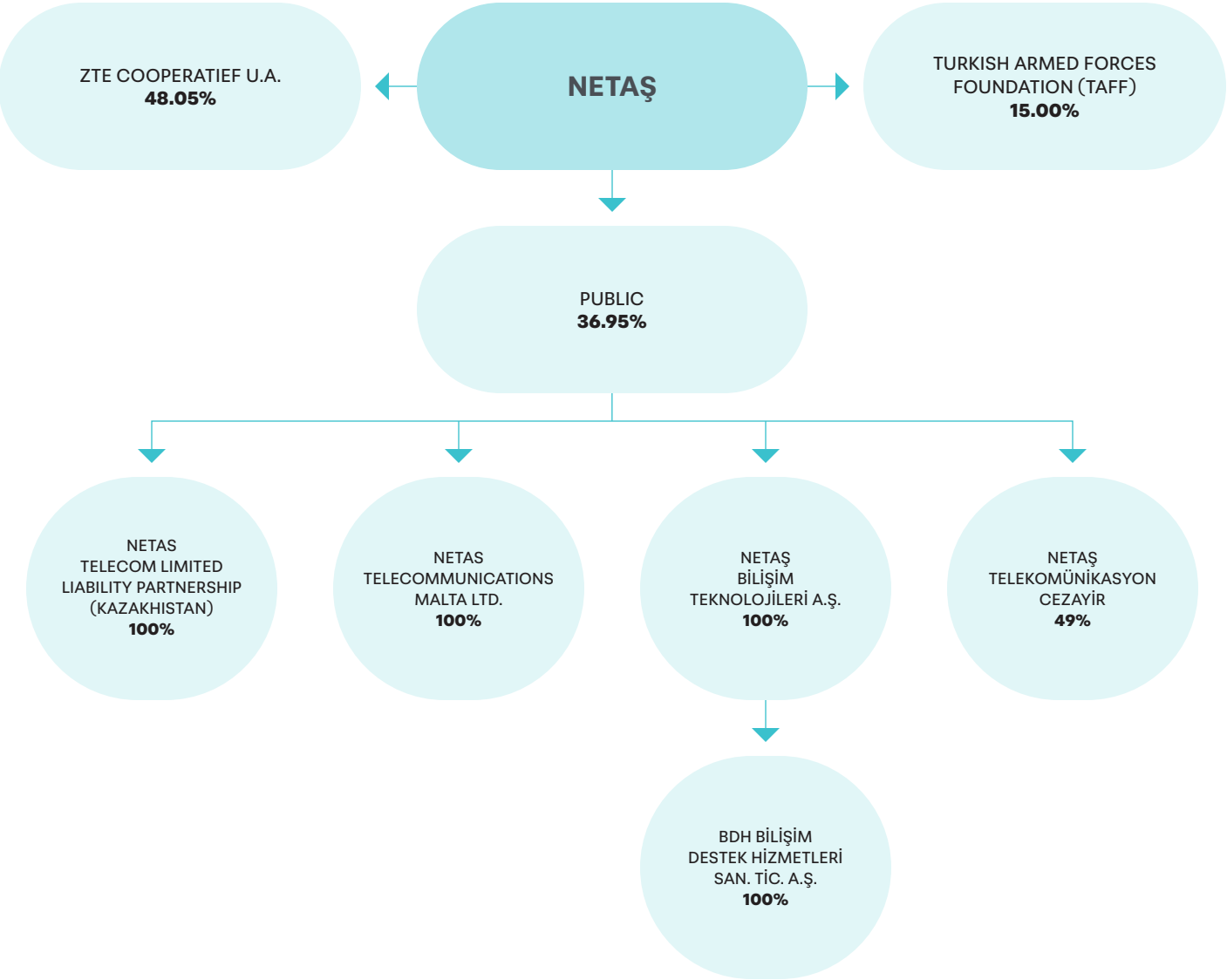
**Technology production capabilities**

- A technology manufacturing and local production facility in Orhanlı, Istanbul, enabling in-house technology production.

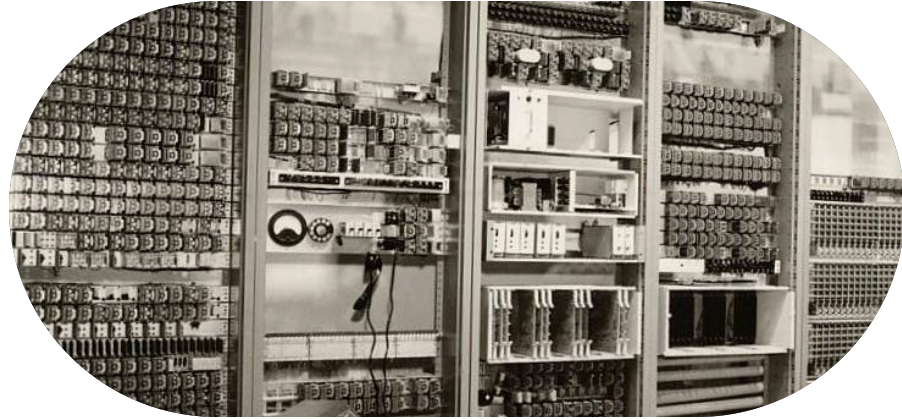
SHAREHOLDING STRUCTURE



OPERATIONAL STRUCTURE



## MILESTONES



### 1967

- Establishment of Netaş under the partnership agreement between PTT and Northern Electric.

### 1973

- Commissioning of Türkiye's first private telecom R&D.

### 1982

- Development of Türkiye's first electronic exchange: "SpaceNet."

### 1983

- Netaş switches into digital technologies.
- Foundation of Printed Circuit Board plant.

### 1986

- Commissioning of Netaş Training Center featuring computer-aided training facilities and modern test devices.

### 1993

- Listed on Istanbul Stock Exchange, IPO for 23% of its shares.
- Started production of IFF Mod 4 through technology transfer.

### 1996

- The R&D for defense industry begins.
- Started the production of TASMUS (Tactical Field Communications System) for Turkish Land Forces.

### 1997

- Netaş becomes the first Turkish information technology company to receive ISO 14001 environmental certificate.

### 2006

- Named as Nortel's global R&D center.

### 2008

- Türkiye's software export champion.

### 2010

- OEP RHEA Türkiye Teknoloji BV acquires 53.13 per cent of Nortel's shares in Netaş.

### 2011

- Acquisition of Probil (Netaş Bilişim) and BDH.

### 2012

- Named as "Genband R&D Center of Excellence".
- Netaş Kazakhstan office established.

### 2013

- Acquisition of 10 per cent Group A shares of Kron, Turkish software developer.
- Celebrating the 40<sup>th</sup> anniversary in R&D, Netaş moves to its new technology base in Kurtköy.
- Awarded the contract for the fourth generation (4G) communications technology development project (ULAK)



- for military, public security, and civilian applications under the leadership of the Undersecretary for Defense Industries.
- Becomes the highest growing company in the Turkish information technologies industry.

### 2014

- It has grown in the region with orders of 100 million dollars.

### 2015

- 4G LTE (ULAK) Baseband Unit was developed at Netaş R&D.
- The foundations of the "Netaş Healing Forest" project were laid.

### 2016

- The "5G Technologies Consortium Cooperation Agreement" is signed with ASELSAN and HAVELSAN, under the leadership of the Turkish Armed Forces Foundation (TAFF).



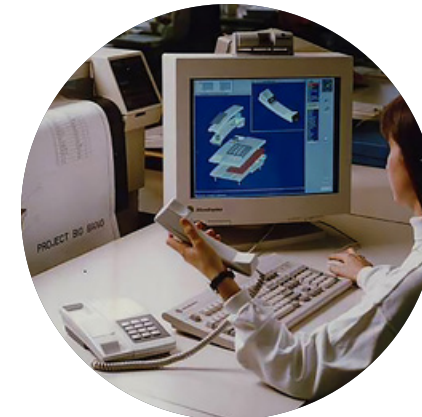
- The number of its employees since its foundation exceeds 10,000 people.
- Elected to the board of directors of NetWorld2020, which aims to steer the research of future mobile and fixed communication systems.

### 2017

- Celebrated its 50<sup>th</sup> anniversary with the motto of "Proud of its Past, Ready for the Future".
- World leader in telecommunication technologies
- ZTE acquired 48.04 percent of Netaş shares through its subsidiary ZTE Cooperatief U.A.
- Launch of a horizontal cloud-based IoT (Internet of Things) platform, ION by Netaş that provides the infrastructure for the IoT applications of objects.
- Opening of Netaş Cyber Security Operations Center, in order to provide cybersecurity operation services (SOC), network operation services (NOC), consultancy, and managed services.

### 2018

- Foundation of a representative office in Azerbaijan.
- 86 patents and 19 brand applications are made.
- Domestic Product Certificate is obtained for two software products/solutions: Nova V-Gate and Mobi-fi.



### 2019

- Foundation of a local subsidiary in Algeria.
- Listed in Borsa Istanbul's Sustainability Index.
- Participates in European Union's Health 5G Consortium, thanks to its expertise in cloud computing, IoT, and digital transformation.
- Reigniting its localization efforts, obtained Domestic Product Certificate for ZTE's FTTx fiber infrastructure systems.

### 2020

- Renewed its corporate logo with a new icon, with the motto "Future is at our core", referring to its core values and technology.
- According to Türkiye Patent Map Report, ranked in the top 10 among institutions with 358 applications.

### 2021

- Next generation communication technologies center: N.visionLab, which aims to play a leading role in the development of 5G technology.
- With FTTx, the number of Domestic Goods certified products increased to five: Domestic server, VDSL Modem, New Generation Base Station with Multiple RadiomTechnology, WiFi 6.

### 2022

- Netaş secured the first Turkish order for ZTE's R5300 G4 and R5300 G4X server products. Localized by Netaş, these servers broke performance records.
- An agreement was signed with ZTE to establish Netaş as a Regional Hardware Technical Support Center, providing hardware support for ZTE cards.
- For the first time, Netaş exported military and civilian recognition/traffic management solutions for land, air, and naval platforms.
- Netaş expanded its domestic telecommunications product portfolio with the addition of IPTV client software.

### 2023

- Netaş's R&D department celebrated its 50<sup>th</sup> anniversary.
- Netaş achieved a landmark domestic sale - the first server for the enterprise segment and defense sector.
- The Kağıthane-Istanbul Airport subway, utilizing Türkiye's first domestic subway signaling system, commenced operation.
- Netaş developed the Automatic Train Supervision (ATS) solution for this system.

### 2024

**Completed the first sale of Visium Farm Product Family, Visium Labs , to Indonesia's largest bank.**

**Activated 5G pilot sites for Türkiye's two leading operators as part of its 5G readiness efforts.**

**Signed a strategic partnership agreement with TAAC Aviation Technologies, a joint venture of TUSAŞ and Altınay Defense.**

AWARDS AND ACHIEVEMENTS

1996

European Quality Achievement Award

1998

European Quality Achievement Award

2007

Türkiye’s “Software Export Champion”

2008

Türkiye’s “Software Export Champion”

2010

Türkiye’s “Software Export Champion”

2011

“Microsoft - Enterprise Sales Partner of the Year” Award

2012

Recognized by the Ministry of Science, Industry, and Technology as the “Most Successful R&D Center in the Telecommunications Sector”

2013

Cisco’s “Enterprise Market Global Partner of the Year” Award

Recognized again as the “Most Successful R&D Center in the Telecommunications Sector” by the Ministry of Science, Industry, and Technology

Ranked second in the telecommunications sector and seventh nationwide in the “Most Domestic Patent Applications” list by the Turkish Patent Institute

“Türkiye’s System Integrator of the Year” Award from Microsoft

2015

First place in the “Network Hardware,” “Software Export,” and “System Integration and Hardware” categories in the “Top 500 IT Companies” research by BT Haber

First place in both the “Most Successful R&D Center in the Telecommunications Sector” and “R&D Employment” categories at the 4<sup>th</sup> Private Sector R&D Centers Summit organized by the Ministry of Science, Industry, and Technology

Awards from HP for “Most Investment in Expertise” and “Fastest Growing Partner in Server Group”

2017

First place in the “Most Efficient Industrial Facility” category at the Industrial Energy Efficiency Project Competition organized by the Ministry of Energy and Natural Resources

2018

Named System Integrator of the Year in the “Hardware,” “IoT & M2M,” “Network Hardware,” “Service Export,” and “Data Backup & Storage Hardware” categories in Türkiye’s Top 500 IT Companies Research

Special Award for Contribution to the Economy in “IT Service Export”

Cisco’s “Enterprise Partner of the Year” and “Architectural Excellence” awards

Ranked in the top 10 in the “Companies with the Highest R&D Expenditure” and “Companies Employing the Most R&D Personnel” lists in the Turkishtime R&D 250 research

Ranked as Türkiye’s second-largest IT service exporter in the 500 Largest Service Exporters research by the Turkish Exporters Assembly (TİM)

2019

“IT Services Export Champion” in the Top 500 IT Companies Research, along with awards in the “Business Applications,” “Network Hardware,” and “500+ System Integrator IoT & M2M” categories

Recognized again as Türkiye’s second-largest IT service exporter in the 500 Largest Service Exporters research

Awarded in the “Quality Education” category for Netaş NextCoders and Coding Hour projects at the 11<sup>th</sup> Corporate Social Responsibility Summit & SDG Awards

“Public Sector Digital Transformation Award” at Microsoft Partner Summit 2019

First place and third place in different categories at the Hitachi Vantara EMEA Customer Care Cup

“Supply Chain Professionals Award” from the Supply Chain Professional Club for the blockchain-based project tracking and operations system

“Corporate Sector Partner of the Year” award from Fortinet for highest sales

BDH received the “Best Progress in Supplier Excellence Program” award in the HP Supplier Excellence competition

BDH awarded “Best Guaranteed Service Provider” by Vatan Bilgisayar

2020

Ranked 14<sup>th</sup> in R&D expenditure, 2<sup>nd</sup> with 36 patents, and 6<sup>th</sup> in female R&D employment in Turkishtime’s R&D 250 research

Awards in the “IoT & M2M - Special Contribution to the Turkish Economy,” “Network Hardware,” and “Telecom Infrastructure Hardware” categories in the Top 500 IT Companies Research

2021

“Innovative Product Award” for Visium Farm in the Large Company Category at the 19<sup>th</sup> TESİD Innovation and Creativity Awards

Named the top revenue-generating partner at the Turkcell Digital Business Services Partner Summit

Ranked in the top 10 in multiple categories in Turkishtime’s “Companies with the Highest R&D Expenditure” research

“Excellence Award” at the Information Technology for European Advancement (ITEA) for leading the BIMy project in smart cities

“Highest Growth Partner of the Year” award at VMware Partner Connect

Seven awards in the Top 500 IT Companies Research, including “Software,” “Telecommunications & Infrastructure Hardware,” “Data Backup & Storage Hardware,” “Virtualization Software,” “Cloud Services,” and “Export Services”

“Cloud Transformation” category finalist in the 2021 SAP Quality Awards for the Gear Up 4HR Project

“Best Culture of Learning” award at the LinkedIn Talent Awards

2022

BDH awarded “Service Partner with the Highest Customer Satisfaction” at the Lenovo Partner Awards

Ranked in the top eight in nine categories in the Patent Effect Türkiye Patent Report

Awards in the “Telecom Infrastructure Hardware,” “Data Backup & Storage Hardware,” and “Installation & Maintenance Support Services” categories in the Top 500 IT Companies Research

“Mobility Technology (Product) Award” at the 3<sup>rd</sup> International Intelligent Transportation Systems Summit for the V2X Communication Unit developed at Netaş R&D

“Enterprise Partner of the Year” award from Hitachi

2023

“Oldest Software Work” award at the YASAD Awards

“Jury Special Award” at the 21<sup>st</sup> TESİD Innovation and Creativity Awards

Awards in the “Network Hardware,” “Data Backup & Storage,” “Telecommunications & Infrastructure,” and “Various Business Applications” categories in the Top 500 IT Companies Research

Ranked 64<sup>th</sup> in Turkishtime’s “Companies with the Highest R&D Expenditure” research, with high rankings in women employment, patents, and R&D personnel

Netaş CHRO Alp Söker named one of Türkiye’s 50 most admired CHROs and received the “Golden Leader 2023 Award”



### Microsoft Partner of the Year Award

Netaş was awarded the 2024 Microsoft Partner of the Year Award.



### Hitachi Elite Partner Award

Netaş was named a 2024 Elite Partner by Hitachi Vantara



### 22<sup>nd</sup> TESİD Jury Special Award

Netaş received the Jury Special Award for its Visium Manage product



### Hitachi's Highest Revenue-Generating Partner Award

Netaş was awarded by Hitachi Vantara, and Sales Director Esra Atılğan received the "Sales Manager of the Year" award



### Place in Türkiye in the Top 100 Talent Program

Netaş' COOP Internship Program was recognized as the second-best in Türkiye in the Top 100 Talent Program 2024 by Toptalent.co



### Three Awards in the Top 500 IT Companies Research of Bilişim 500

Netaş received three awards for its pioneering role in digital transformation in the 2024 Informatics Research, one of Türkiye's most important sectoral researches, organized for the 25<sup>th</sup> time..

- Hardware Category - Network Hardware Award
- Hardware Category - Telecommunications Infrastructure Hardware Award
- Software Category - Various Business Applications Award



### Ranked among the top in the R&D 250 Research by Turkishtime

Netaş ranked 29<sup>th</sup> in Turkishtime's 2024 study on Türkiye's Companies with the Highest R&D Spending. Other rankings in which Netaş was included in this important study are as follows:

- 3<sup>rd</sup> in Sectoral R&D Expenditure
- 15<sup>th</sup> in the Number of Postgraduate R&D Employees
- 7<sup>th</sup> in Female R&D Employment
- 8<sup>th</sup> in Total R&D Employment

# Netaş in 2024



## Netaş brings a fresh perspective to the mobile phone market

As of 2024, Netaş has made a strategic entry into the 5G-compatible mobile phone market under the nubia brand, which operates within ZTE. Offering all the advantages of 5G technology, nubia sets new standards in mobile communication with its high-speed connectivity, superior performance, and modern design. Through strategic partnerships with telecom operators, Netaş ensures that nubia products reach a broad audience while continuing to expand its distribution network through various sales channels. Thanks to its existing mobile communication infrastructure and extensive service network, Netaş provides comprehensive technical and end-user support for nubia smartphones. Additionally, the

digital sales platform launched via Zteshop.com.tr enhances consumer accessibility, supporting Netaş's forward-looking steps in mobile communication.

With its strategic approach to technological innovation, Netaş aims to deliver the full potential of 5G technology to its users. Moreover, the local production initiative launched for certain nubia models reinforces Türkiye's role in the technology manufacturing ecosystem. By integrating local production, Netaş contributes to economic growth and technological independence goals, aligning strategic partnerships with innovative technologies to adapt to market dynamics. With its 5G-compatible product portfolio and sustainable strategies, Netaş continues to offer groundbreaking solutions in the mobile phone market.



## ZTE 5G Summit and User Congress at Çırağan

With its deep-rooted expertise in information and communication technologies, Netaş, together with its main shareholder ZTE, hosted the ZTE 5G Summit and User Congress 2024 on November 5-6 at the Çırağan Kempinski in Istanbul. The event, which brought together telecommunications industry leaders and participants from around the world, attracted significant attention.

At the summit, ZTE CEO Xu Ziyang delivered a speech titled "The Digital Bridge of Civilization: Link Across Carbon and Silicon," while T.R. Deputy Minister of Transport and Infrastructure Ömer Fatih Sayan gave the opening speech.

With over 700 participants from over 40 countries across Europe, Asia-Pacific, and Latin America, the summit provided insights into ZTE's latest technological innovations in telecommunications, IT, and consumer devices. Visionary leaders and analysts from prestigious organizations such as GSMA, 3GPP, the FTTH Council Europe, and GTI (Global TD-LTE Initiative), along with leading industry partners like Qualcomm and top-tier telecom operators, came together for knowledge exchange. Panel discussions and presentations throughout the event facilitated discussions on innovative strategies shaping the industry.

The summit featured high-profile speakers, including senior executives from major telecom organizations and global futurists, discussing new opportunities brought by 5G, artificial intelligence, and next-generation network technologies. Industry experts shared real-world 5G application scenarios, evaluating sectoral advancements and future prospects.



## Netaş Stands Out at the Summit

During the Smart Innovation panel, Netaş shared its vision for the telecommunications and IT sectors, emphasizing three key "convergences" observed in recent years. The panel highlighted that while the impact of new technologies often appears rapid yet relatively small at first, their long-term effects are profound and transformative. At the Server Technologies Session, discussions revolved around cloud computing, artificial intelligence, and the growing demand for servers as core computing power. The session also underlined the importance of Netaş's locally produced server solutions.

Netaş leveraged this prestigious event to reaffirm its technological strength in partnership with ZTE and showcased its ambitions to bring locally developed products and solutions to global markets. The summit also provided an opportunity to introduce ZTE's cutting-edge products to Turkish customers while presenting Netaş's complementary solutions to international telecom operators and enterprises.

By integrating AI, 5G, and advanced technologies into every aspect of the digital world, ZTE continues to drive innovation and digital transformation. Hosting this significant summit in Türkiye—a region with a strategic geographical position—further highlights



the company's commitment to strengthening Türkiye's role in digital transformation and fostering cross-industry collaborations. ZTE, which continues to offer solutions integrating AI, 5G, and advanced technologies to drive progress in every aspect of the digital world, is hosting this significant summit in a strategically positioned region like Türkiye, underscoring its importance. Recognizing the strengthening of Türkiye's role in digital transformation and fostering cross-sector collaboration as key priorities, ZTE aims to build an ecosystem—together with Netaş—that accelerates digital transformation and extends the benefits of intelligent innovation to all. Netaş's local insights, R&D capabilities, and technological advancements significantly enhance ZTE's collaboration efforts.



### Netaş at SAHA EXPO

Netaş showcased its domestic and national products at SAHA EXPO 2024, one of the region's and the world's leading events in the defense, aerospace, and aviation industries. Held at the Istanbul Expo Center from October 22-26, the exhibition highlighted Netaş's innovative products and solutions while demonstrating the advanced stage Türkiye has reached in these sectors.

Celebrating 50 years of innovation in R&D, Netaş marked this milestone with a special event during SAHA EXPO 2024. The event emphasized the significant value Netaş has contributed to both Türkiye and the industry, thanks to the dedication of thousands of engineers over the years.

Designing high-tech, world-class communication systems for the defense sector, primarily in Türkiye and the surrounding region, Netaş introduced its domestic and national tactical field communication solutions, tactical ship communication solutions, navigation systems, smart transportation solutions and IT solutions at the exhibition. Our local server with domestic goods certificate, produced by Netaş, also took its place at the event.

### Strategic partnership in the defense industry

Netaş has signed a strategic cooperation agreement with TAAC Aviation Technologies, a leading company in the defense industry, which is a joint venture between TUSAŞ and Altınay Defense in SAHA EXPO. This agreement aims to increase the local production rate in the defense industry and to provide advanced technological solutions in strategic areas. The cooperation between the two companies, which has been ongoing since the past, has now been expanded to include areas such as electronics, electromechanical device technologies and integrated system technology.

With this agreement, Netaş, which is preparing to undertake an important role in aviation technologies, aims to contribute to the development of systems needed for projects in the defense sector and to increase Türkiye's international competitiveness in line with its technological independence goals.



### The world's first live network data transmission test

Netaş, in collaboration with ZTE and one of Türkiye's leading operators, successfully conducted the test of a 1.2Tbps single-carrier DWDM channel on a live network using 800GE and 400G Ethernet interfaces. This test demonstrated the feasibility of delivering ultra-high-speed 800GE services with high spectral efficiency and low power consumption per bit.

Conducted on the operator's commercial network, this test proved that OTN equipment is ready for 800GE Ethernet interfaces in live networks, achieving the highest Ethernet interface speed in the industry. The success of this test reinforced the leadership of both parties in optical network technology, laying the technical foundation for the future advancement of optical network technologies.

### High demand for the local server

The Netaş Cloud Server product family, which Netaş locally produced and rapidly expanded within its portfolio, has started serving new customers across all segments in the Turkish market. In 2024, it achieved double-digit growth in both unit sales and revenue.

At the ZTE 5G Summit and User Congress, new models of the domestic server product family were introduced, and its production capacity was increased in 2024. In the same year, AMD-processor-based products were sold for the first time. Additionally, domestic servers were sold to operators for use in data center (IDC) infrastructure, covering various solutions, including cloud computing, virtualization, and IT infrastructure.

Primarily focusing on the defense sector, Netaş carries out hardware production for its projects at its Orhanlı manufacturing facility. In 2024, the company launched a new production line at this facility, increasing its annual local server production capacity to 12,000 units.

### Record for the longest distance at high speed in optical transmission lines

As a global leader in information and communication technology solutions, ZTE collaborated with Türkiye's leading telecommunications company, Netaş, and one of Türkiye's top operators to set a new world record in tests conducted on February 6 in Istanbul. The test achieved a transmission distance of 2,000 km at 800G data speed on a single carrier, without the need for regeneration.

By playing a key role in strengthening the infrastructure of a major operator, Netaş and ZTE marked a significant milestone in these tests with their pioneering technologies.





### Key updates from strategic business partners

With numerous successful projects in the enterprise segment, Netaş continues to support the technological transformation of Türkiye's leading finance, public sector, and telecom operators and their customers. In 2024, Netaş renewed a five-year Microsoft enterprise agreement with one of Türkiye's leading banks. Additionally, it expanded its business volume by acquiring various general sector customers under new Microsoft agreements. Internationally, Netaş has also grown its Microsoft business in Kazakhstan. In 2023, Netaş was entitled to join the CSI (Cyber Security Investment) Partnership Program.

Netaş also carried out successful projects with Cisco, one of its strategic business partners, and renewed a five-year Cisco enterprise license agreement with a leading Turkish bank.

### Netaş Named Microsoft Partner of the Year

Thanks to its successful projects, extensive partnerships, and innovative solutions, Netaş was awarded the 2024 Microsoft Partner of the Year. The Microsoft Partner Awards were selected from over 4,700 candidates from more than 100 countries. This prestigious award underscores the global recognition of Netaş's expertise in developing and implementing innovative solutions based on Microsoft technologies.

Microsoft is a key technology partner for Netaş, especially in modern workplaces, cloud computing, cybersecurity, and artificial intelligence. As a Microsoft partner not only in Türkiye but also abroad—especially in Kazakhstan—Netaş aims to further advance its operations and achieve new milestones.

### Netaş Named a Hitachi Elite Partner

Netaş was selected as Hitachi's 2024 Elite Partner and was awarded the Highest Revenue-Generating Partner of the Year.

In 2024, Netaş successfully implemented data storage projects across multiple banks in the financial sector and continues to execute them with excellence.

### Netaş plays an active role in the telecom sector infrastructure

By combining ZTE's technological expertise in telecommunications with Netaş's diverse technological capabilities, Netaş is rising as a key supplier for telecom operators' carrier network infrastructures alongside its main shareholder, ZTE.

Netaş continues to expand its radio access network, transmission network, and access network business in collaboration with ZTE while also supporting operators' energy infrastructures with local solutions. By deploying its locally produced direct current power units and microwave transmission products in operator networks, Netaş has increased both its product portfolio and sales volume. Currently serving two operators, Netaş was also approved as a supplier for a third operator with its local power unit solutions. Additionally, it achieved a first in rectifier unit production by securing sales to an operator's network and was recognized as an approved supplier for lithium-ion batteries.

Having been preparing for 5G for many years, Netaş accelerated operators' radio access network infrastructure readiness before the 5G auction. In 2024, Netaş, in collaboration with ZTE, successfully deployed 5G systems in pilot sites of telecom operators, proving its 5G readiness.

By supplying additional hardware and services for telecom operators' data center service infrastructures, Netaş expanded the adoption of its Visium product family.

### BDH expands as a regional hardware support center

As ZTE's Regional Hardware Technical Support Center, Netaş expanded its support coverage to Belgium and Uganda. In Türkiye, a major project was executed in 2024 with a leading bank, where Cisco's end-user IP phones were replaced through BDH's extensive service network.

With its widespread service network, BDH provides professional services, technical support, and end-user assistance to telecom operators, banks, private sector companies, and the defense industry.



 visiumlabs

### Netaş's software testing product family: VisiumLabs

At the ZTE 5G Summit and User Congress 2024 in Istanbul, Netaş introduced the VisiumLabs family to global customers. Following Azerbaijan, it also sold its Device Farm product to Indonesia and continues to expand the VisiumLabs portfolio.

**Software Testing Product Family – VisiumLabs:** Netaş's in-house software testing product family addresses end-to-end testing needs.

**Performance & Load Testing – Visium Load:** A scalable load and performance testing platform that enables rapid and reliable application testing during the development phase.

**Mobile Device Pool – Visium Farm:** Unifies mobile devices in one or multiple centralized pools and provides simultaneous access to all devices via a single web interface.

**BDD-Based Test Automation – Visium Go:** A BDD-based test automation tool that allows users to easily write, read, and execute test automation scenarios.

**Test Management Tool – Visium Manage:** A centralized test management tool that helps companies organize, track, and report test processes, manage test requirements, scenarios, and plans, and monitor risks and defects.



### Netaş maintains strength in international markets with ZTE

Netaş has signed several critical agreements in Kazakhstan to modernize telecommunications infrastructure and deploy 5G networks. By maintaining its leading position in LTE CPE sales, it significantly increased its contract volume. Netaş continued its LTE Cat4 and Cat6 CPE sales to Kazakhstan's largest telecom operator and signed a new annual Framework Agreement for 5G CPE product supply with another major operator. Netaş also renewed technical support agreements for ZTE IP Core, Switch, MSAN, BSC/RNC equipment with multiple clients.

In the finance sector, Netaş renewed a major corporate licensing agreement with one of Kazakhstan's top five banks and expanded its existing Microsoft licensing agreement to include cloud services and AI-powered solutions. Additionally, it signed a three-year contract with a major telecom operator in Kazakhstan, covering a Turkish personal data security software product's sales, deployment, and maintenance.



IT spending continues to grow



Global IT Spending Forecast (Million USD)

	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Data Center Systems	329.132	39,4	405.505	23,2
Devices	734.162	6,0	810.234	10,4
Software	1.091.569	12,0	1.246.842	14,2
IT Services	1.588.121	5,6	1.731.467	9,0
Communication Services	1.371.787	2,3	1.423.746	3,8
Total IT	5.114.771	7,7	5.617.795	9,8

Source: Gartner (January 2025)

According to research by Gartner, enterprise IT spending will continue its strong growth in 2025. The latest forecast estimates that global IT spending will reach a total of \$5.6 trillion in 2025, reflecting a 9.8% increase compared to 2024.



In 2025, enterprise IT spending worldwide is expected to remain strong. IT directors anticipate budget increases, with a significant portion of spending driven by price hikes. Meanwhile, expectations regarding the capabilities of generative AI are declining among IT directors, yet spending on this technology is not expected to decrease. As a result, generative AI will continue to be a key factor influencing IT expenditures in 2025, while spending across other IT subsegments is also projected to grow.

According to Gartner’s research, spending on IT services is expected to continue growing with a 9.8% increase compared to the previous year, reaching \$5.6 trillion. In 2025, data center systems, devices, and software segments are anticipated to experience double-digit growth, driven largely by the need to upgrade existing hardware due to generative AI. However, despite the adoption of new hardware, these segments are not yet expected to reach a level where they significantly differentiate themselves in terms of functionality.

Gartner forecasts that in 2025, data center systems will grow by 23.2%, reaching \$405 billion, primarily due to increased server sales. Spending on AI-optimized servers is expected to double compared to traditional server spending, reaching \$202 billion.

Meanwhile, spending on devices is projected to grow by 10.4% to \$810 billion, while software spending is expected to rise by 14.2%, reaching \$1.2 trillion.

On the other hand, according to TÜBİSAD’s forecast, the trend of generative AI in business is accelerating daily to enhance productivity, companies are expediting cloud transformation, and platforms are becoming increasingly prevalent, particularly among technology firms. Consequently, generative AI, cloud transformation, platform engineering, and sector-specific metaverse technologies are emerging as key industry trends.

When considering the global communication technologies market, TÜBİSAD’s Information and Communication Technologies Sector Report indicates that with increased investment in end-user markets, the global communication technologies market surpassed \$2 trillion in 2024.

Türkiye’s information and communication technologies market reaches \$24 billion

According to IDC data, Türkiye’s information and communication technologies (ICT) market grew by 9% in 2024, reaching \$24 billion. Within this, the telecommunications services market reached \$9.2 billion, while the information technology (IT) market expanded to \$15 billion.

The software market, valued at \$2.4 billion in 2024, is expected to continue growing with a projected 19% increase in 2025. Meanwhile, the IT services market is anticipated to grow by 7%, reaching \$1.5 billion in 2025.

IDC’s forecast indicates a continued increase in investments in public cloud services. In this context, the Turkish public cloud services market, which exceeded \$1.6 billion in 2024, is expected to grow by 26% in 2025. In Türkiye’s enterprise infrastructure sector, where Netaş operates, the server market is projected to grow by 12% in 2024, reaching approximately \$460 million.

Mobile phone market set for continued growth

In the smartphone market, where Netaş launched operations in 2024 with nubia-branded mobile phones, Statista data suggests that Türkiye’s smartphone market size will reach \$10.4 billion by 2025 and is expected to grow at an average annual rate of 6% until 2029. Additionally, the total smartphone market volume is projected to reach approximately 30 million units by 2029.

## Telecommunication Technologies



## Transformation of telecom infrastructures through R&D and localization

Committed to building Türkiye's communication infrastructure with local capabilities, Netaş leverages its 56 years of expertise and the innovative telecommunication technologies of its main shareholder, ZTE, to prepare the country's networks for the future with end-to-end 5G solutions.



**Bülent Elönü**  
Executive Board Member,  
Carrier Networks  
Business Unit

"At Netaş, we expanded both our product portfolio and sales volume in 2024. We successfully completed DC Power infrastructure projects for telecom operators and delivered our locally manufactured Rectifier products to them. We also localized our MW product line, making it commercially available in operator networks. Before the 5G auction, we completed RAN projects with multiple operators for commercial use. Additionally, Netaş was added to the approved vendor list of a leading operator for its locally manufactured Power products, and

As Türkiye's first private telecom R&D center and a pioneer in localizing telecommunication technologies, Netaş solidified its leadership in the Customer Premises Equipment (CPE) market in 2024. The company has also expanded its role in the backbone infrastructures of various operators with ZTE's fixed broadband solutions (GPON) and optical transmission technologies (DWDM), which enable voice and data transmission across mobile and fixed networks.

From core networks to operator backbones, from homes to businesses, Netaş is modernizing Türkiye's telecommunication infrastructure with cutting-edge technology. The company continues 5G trials in Istanbul and Ankara in collaboration with operators.

we received our first orders. Beyond these key domestic achievements, we continued to expand in Kazakhstan. In addition to ZTE products, we collaborated with Turkish manufacturers to secure and successfully complete projects in Kazakhstan. Netaş remains committed to contributing to Türkiye's technology exports and global expansion."

Thanks to its success in IP/MPLS network projects, Netaş now carries live traffic over ZTE devices in the IP networks of Türkiye's two largest operators and an alternative operator. Additionally, through successful RAN (Radio Access Network) projects with two of Türkiye's largest operators, end users are now receiving services via Netaş solutions.

Netaş introduced one of the world's first commercial 120-channel optical transmission (DWDM) systems in Türkiye, enabling higher fixed and mobile internet speeds for end users and modernizing network infrastructures to prepare operators for 5G. This initiative ensures higher capacity, lower latency, and innovative data services for users.

For the first time in Türkiye, Netaş successfully sold and deployed locally produced Microwave (MW) products to two major operators. In the energy sector, the company supplied a significant volume of DC Power Units to a major operator and made significant progress in selling high-volume Smart Lithium Batteries to another leading operator in late 2024. These advancements will continue successfully into 2025.

Netaş has also successfully implemented locally manufactured DC power system infrastructure for Türkiye's largest data center operator. With its growing success in the domestic and international data center markets, Netaş plans to play a key role in Türkiye's upcoming data center projects in 2025 by contributing its expertise.

LOCALIZATION

Netaş focuses on additional product features in its localization efforts.

Netaş continues to expand its market presence by developing software solutions for telecom operators within its R&D organization and offering diversified services. Advancing with internet access products and infrastructure projects in the telecommunications sector, Netaş is focusing on cutting-edge technologies such as the next-generation IPTV platform alongside its localization initiatives with ZTE.

Localization in energy solutions

Aiming to contribute to keeping national capital within Türkiye by producing ZTE's latest technologies domestically, Netaş has manufactured the DC Direct Current Power Unit and Smart Lithium Battery solution locally. These solutions are used to meet the energy needs of base stations and cellular communication systems and ensure service continuity in case of power outages.

Sustainable energy is particularly crucial for 5G, which is set to transform various industries such as healthcare, finance, energy, and transportation through artificial intelligence, the Internet of Things, robotics, and autonomous applications. In this regard, the locally produced Netaş DC Direct Current Power Unit provides energy to all devices operating at -48V DC voltage, supporting 2G, 3G, 4.5G, and 5G.

Increase in access network technology sales continues

Maintaining its leadership in the CPE product market in 2024, Netaş has introduced the latest CPE technologies such as WiFi6 and Mesh to more customers. Another key access network technology, GPON, has also been delivered to Türkiye's leading operators with the latest advancements. To help operators promptly and efficiently meet the growing needs of end-users with innovative and high-capacity solutions, Netaş is now offering XGPON technology alongside GPON.

A year of growth for local cloud servers

With the Netaş Cloud Server product family, which it started producing locally in 2022, Netaş continued its success in 2024 by acquiring new customers across all segments. The company has sold its local server products for data centers hosting cloud, virtualization, and IT infrastructures for a major customer. Additionally, it has provided local server products to customers in the public, defense, finance, telecom, and other sectors. Expanding its product range, Netaş has supplied AMD-based products for the first time alongside its Intel-based offerings, addressing a wider customer segment. In 2024, the NCS Cloud Server family achieved double-digit growth in both units sold and revenue.

Following Intel's launch of its 6<sup>th</sup>-generation processor family and AMD's introduction of its 5<sup>th</sup>-generation processor family, Netaş has integrated these processors into its product portfolio. With this expanding portfolio, the company is enhancing its customers' access to technologies such as artificial intelligence, 5G, cloud, and virtualization, providing servers with increased energy efficiency, higher data processing capacity, and improved performance. The company has increased its production capacity by more than 100% in parallel with the double-digit percentage growth in revenue and units sold, as well as the expansion of its customer portfolio and product variety.

As energy consumption has significantly increased due to rising demands in artificial intelligence, cloud computing, and data processing, Netaş has developed environmentally friendly projects to promote sustainability, improve energy efficiency, and encourage energy savings. In this context, Netaş has partnered with one of Türkiye's leading telecom operators to implement liquid cooling technology in its energy-efficient servers.

Localized Solutions

- World Performance Champion Cloud Server
- Fiber Optic Cabinet (FTTX Systems)
- Next-Generation Base Station (Supporting 2G/3G/4G/5G)
- VDSL Modem
- HGW WiFi6
- Smart Lithium Battery
- DC Direct Current Power Supply
- Microwave Transmission Product Family



Efficiency achieved through technical features

Local cloud server

Expanded product portfolio

- Compact 1U, 2U, and 4U server types adaptable to various workloads and environments
- Next-generation Netaş server with up to 172-core processing power using Intel® Xeon® 6<sup>th</sup>-generation processors, up to 8TB memory, and fast storage options such as NVMe
- 30% improved memory performance with DDR5 (6400MHz) support
- GPU support for handling high-performance computing tasks
- Hot-swap disk options for flexible storage solutions
- Quick response to high-bandwidth requirements
- Green technology with heat control and low carbon emissions

5G Base Station

Supporting all communication technologies with energy efficiency

- R9224E, integrating ZTE's Band 3 and Band 1 frequencies, supporting two frequency bands in a single unit, reducing the number of RRUs by 50%, and lowering operators' total cost of ownership
- Ongoing development of 5G-compatible, energy-efficient, cutting-edge products
- The highest-capacity BBU (Base Band Unit) on the market, supporting all radio technologies and use cases, along with compact, high-output power radio units.
- Unified IP/Ethernet switching and high transmission capacity



WiFi6

The new-generation WiFi standard, now in Türkiye with Netaş

- Built on the existing 802.11ac WiFi5 standard
- 25% faster speeds
- Better coverage
- Higher bandwidth
- Lower latency
- Simultaneous data transmission to more devices
- Improved coexistence with neighboring signals (BSS Coloring)
- Longer battery life (Target Wake-Up Time)

FTTX

Broadband access networks for all service operations

- Multi-service/multi-scenario access
- High bandwidth
- Carrier-grade reliability
- 10G PON solution portfolio
- Industry-first Combo PON solution
- Zero data planning/zero manual configuration
- Full lifecycle ODN solution

Microwave Product Family

Supporting all used frequencies

- Compact 1U design
- 25G support

Energy Solutions Product Family

Li-On Batteries

- 3U wide, available in 100Ah/150Ah/200Ah capacities, with 3,500 to 6,000 cycles, ensuring high reliability and a secure supply chain
- Protection systems against overcharging and over-discharging
- Real-time monitoring of critical parameters such as cell voltage, battery voltage, current, and temperature to ensure battery health and performance
- Intelligent features such as precise cell optimization, anti-theft measures, and real-time communication for efficient battery management

DC Direct Current Power Supply

- Fully modular design, incorporating rectifiers, batteries, AC/DC power distribution, and heat dissipation solutions
- Smart products that optimize the entire energy chain, from input to transmission, storage, and consumption, to increase energy efficiency
- 98% efficiency, adaptive rectifiers, and an integrated solar energy unit
- Maximum efficiency operation through battery charge and discharge management
- Accurate data support for multi-user management, service optimization, and carbon emission statistics

IPTV TECHNOLOGY

Netaş is carrying out significant projects in the IPTV field by combining ZTE's innovative IPTV technology with its local R&D expertise.

IPTV technology, which delivers broadcasts to various clients over an IP-based network, enables the transmission of high-quality content with high bandwidth to mobile devices, smart TVs, and set-top boxes (STBs), along with value-added services. When accessed via an open internet connection, this technology is referred to as OTT (Over-the-Top).

As part of this effort, Netaş has undertaken one of Türkiye's largest IPTV infrastructure transformation projects, implementing various initiatives to enhance system performance. With solutions developed by Netaş R&D, optimized set-top box (STB) systems tailored to device models and production years, as well as Smart TV applications compatible with nearly all smart TVs, deliver a high-performance and user-friendly video experience through regular updates.

Closely following global trends, Netaş continuously integrates interactive advertising, campaign, and announcement features into the IPTV platform, enabling operators to provide more personalized services to end users.

This transformation project stands as ZTE's largest IPTV project outside of China, serving as a strong reference point for the European IPTV market. The advanced infrastructure developed within this initiative facilitates advertising integration and customer-centric campaign models, enhancing the competitiveness of IPTV platforms in the market.

By leveraging ZTE's infrastructure, Netaş provides comprehensive multi-platform support, ensuring that IPTV and OTT services reach a wide range of users. Advanced content management systems, high-security access controls, and a flexible structure adaptable to different scenarios position IPTV technology as a sustainable solution for both businesses and end users.

CORE NETWORK SOLUTIONS

Netaş enables telecom operators to virtualize and modernize their networks swiftly and securely with its core network solutions.

As expectations from telecommunication networks continue to rise, operators demand greater functionality and higher traffic capacity with lower investment costs. At the same time, end-users, who have less tolerance for service interruptions, are increasingly interested in end-to-end network solutions that offer different quality of service (QoS) levels for various applications, as well as customized mobile networks for security-focused infrastructures.

To rapidly and securely deploy new services, seamless integration of solutions from different vendors into existing infrastructures is crucial. At this point, Netaş develops solutions that increase overall telecom revenue by enhancing high-value customer services while reducing costs through efficient technology utilization. Positioning itself as a leading solution provider, Netaş aims to meet the future demands of next-generation networks and services with 5G.



## Mobile Devices



## Fresh perspective in the smartphone

In 2024, Netaş introduced ZTE's nubia brand to Turkish consumers, bringing a new dimension to the smartphone market. Representing power, elegance, and sophistication, nubia was quickly embraced in Türkiye and gained significant attention.



Originally launched by ZTE in 2012, nubia was designed for users seeking new experiences and aiming to enhance their quality of life. Under Netaş's leadership, nubia made its official entry into the Turkish market in the second half of 2024. With this move, Netaş not only introduced a strong smartphone brand but also established diverse and extensive distribution channels to bring nubia's innovative products to consumers.

Behind the Nubia brand stands ZTE, one of the world's leading providers of information and communication technology solutions. With over 36,000 R&D employees, an R&D investment of \$10 billion, 89,500 patents, and a patent portfolio valued at \$45 billion, ZTE is a global innovation powerhouse. This expertise extends to nubia, which has introduced groundbreaking technologies to the mobile world, including the world's first bezel-less design, FiT (Frame Interactive Technology), and TiO (Three-in-One) fingerprint recognition.

### Nubia comes to Türkiye with Netaş assurance

Starting from the first half of 2024, the models introduced to the Turkish market include innovative devices such as the Z60 Ultra, which stands out with its superior camera performance; the Neo 5G, designed for gaming enthusiasts with its unique design and high-speed connectivity; the Flip 5G, offering both style and functionality with its foldable design; the V50 Design, distinguished by its minimalist aesthetics and multimedia features; the V50 Vita, providing long battery life for daily use; and the Focus 5G, delivering a professional photography experience. Representing the local expertise behind nubia products, Netaş also provides service and support for these devices.

Prioritizing operator channels for its entry into the Turkish market, Netaş has signed strategic partnership agreements with leading mobile network operators. Within this scope, nubia's Flip 5G, Z60 Ultra, V50 Vita, V50 Design, and Neo 5G models have been introduced to the Turkish market through operator sales channels. These partnerships mark a significant step in bringing next-generation connectivity and cutting-edge smartphones to Turkish consumers. Beyond operator channels, new agreements are ongoing to expand nubia's availability through various other sales channels.

### ZTEshop is now open

Following its collaborations with operators, Netaş has launched its own store on zteshop.com.tr, offering nubia and ZTE products to tech enthusiasts. ZTEshop Türkiye not only provides an exceptional shopping experience but also connects users with the future of mobile technology.

The online store features a wide range of innovative nubia smartphones, tablets, and next-generation tech products, which have garnered significant global interest, catering to the needs of tech-savvy users.

Having already begun local production for select nubia models, Netaş is taking concrete steps to expand local manufacturing for more models in the near future. As part of this effort, the company plans to integrate local production processes and bring its manufacturing goals to life in Türkiye. Aiming to strengthen Türkiye's position in the tech manufacturing ecosystem by expanding local production capacity, Netaş continues to stand out by offering solutions that simplify life and products that appeal to users across all segments.



## R&D



## Sustainable leadership with deep-rooted and strong R&D

With over 50 years of extensive knowledge and a globally competent engineering resource, Netaş R&D continues its innovation-driven activities, primarily focused on the 5G ecosystem, leading the development of next-generation telecommunications and communication technologies.

Contributing to every pillar of its five-pillar digital transformation strategy with customized products and solutions, Netaş R&D continues to achieve numerous successful projects in the public, defense, and private sectors. Particularly distinguished in the defense industry for its expertise in software and hardware product development for complex special requirements, Netaş R&D, founded as a telecom R&D center, remains committed to its projects in the telecommunications field.

In 2024, alongside maintaining its ongoing digital transformation projects, Netaş R&D is also focusing on augmented reality scenarios enabled by AI and 5G, two of today's most disruptive technologies.

### Fields of work

- Defense Technologies
- Digital Transformation – Application Transformation
- Telecommunications Technologies
- Test Services and Products
- Next-Generation Technologies
- National and International Incentive Projects

### Academic R&D outputs

- Pioneer in continuous innovation and patent applications
- 591 patent applications, including **26** international patents, and **7** utility model applications
- **241** registered patents, including 1 international patent, **5** registered utility models, and **69** registered trademarks, including **15** international ones
- 202 scientific publications, including **158** international ones
- Number of universities with Framework Agreements: **18**
- Number of academic consultancy projects: **42**

### Experience and expertise

- Deep-rooted R&D culture, competent engineering team, and agile structure
- International software development and testing capabilities
- 5G and beyond application development expertise
- Software, hardware, and mechanical design for the defense industry
- Custom software and solution development for the telecom and ICT sectors
- Test service and product development

- Experience in developing domestic products
- Strong knowledge base in innovative technology development
- Board memberships in international R&D platforms
- Strong collaborations with the ecosystem

### National and international collaborations

- Celtic NEXT Board Membership
- European Union Network EUROPE Board Membership
- One6G Membership
- ARGEMİP (R&D and Design Centers Cooperation and Communication Platform) Membership
- YASAD Board Membership
- Turkish Electronics Industrialists Association (TESİD) Board Membership
- TÜBİTAK SAYEM Smart City Project Coordination
- Ongoing EU projects: 1 CELTIC-NEXT, 1 ITEA3, 1 EUROGIA
- 72 EU Project Applications (39 H2020)
- 916 collaborations with 38 countries under EU project partnerships
- Railway Transportation Systems and Industrialists Association (RAYDER) Membership
- Defense and Aerospace Industry Manufacturers Association (SASAD) Membership
- University-Industry Cooperation Centers Platform (ÜSİMP) Membership
- YASED R&D Committee Membership
- Turkish Industry and Business Association (TÜSİAD) Membership
- TOBB Software Council Membership
- Communication Technologies Cluster (HTK) Membership
- Service Exporters' Association (HİB) Software and IT Committee Membership
- Türkiye Technology Development Foundation (TTGV) Membership
- Anatolian Railway Transportation Systems Cluster (ARUS) Membership
- SAHA Istanbul Membership



## DEFENSE TECHNOLOGIES

Developing land, air, and naval communication systems domestically and nationally for the defense industry, Netaş not only modernizes Türkiye's defense communication network but also exports its technologies.



With Türkiye's most established telecommunications R&D, Netaş develops the most advanced communication technologies domestically and nationally for the defense industry, offering solutions for land, air, and naval communication devices in the field of defense technologies.

Primarily for Türkiye and its surrounding region, Netaş designs high-tech, world-class communication systems for the defense sector. To meet the tactical field requirements for voice, data, and image communication, Netaş develops IP/ATM/ISDN switching and routing products, user terminals, transmission devices, and power units entirely through domestic design and production capabilities. These products are designed to withstand the challenging environmental conditions of the tactical field, operating in temperatures ranging from -40°C to +55°C.

Netaş provides mission-critical solutions in control, communication, and navigation for high-speed airborne platforms. Flight control actuators and other ongoing control system developments are designed to direct the movement of aircraft, ensure safety, and optimize operations while meeting the highest safety and performance standards of the aviation industry.

### Strategic cooperation for the defense industry

In order to increase the domestic production rate in the defense industry and provide advanced technological solutions in strategic areas, Netaş has entered into a strategic cooperation agreement with TAAC Aviation Technologies, a partner of TUSAŞ and Altınay Defense. The cooperation between the two companies, which has continued for years, has now been expanded to include areas such as electronic, electromechanical device technologies, and integrated system technologies. With this agreement, Netaş, which is preparing to take a significant role in aviation technologies, aims to contribute to the development of the systems required for defense industry project.

### Domestic defense technologies provided by Netaş

#### Tactical field communication solutions

Netaş offers communication system solutions for manned systems and autonomous/semi-autonomous unmanned systems for land, air, sea, and space, which will be used in all kinds of military scenarios and for civil purposes such as security, disaster response, and environmental health. The developed communication solutions are implemented by considering technical requirements such as non-hierarchical network structures, low latency, high data rates, high platform mobility, and efficient frequency band usage.

#### Tactical ship communication solutions

Offering scalable solutions for ships, from small-scale platforms to warships, based on their mission and needs, Netaş is involved in the development of domestic and national modems for Türkiye's indigenous and national NAVTEX system, which was implemented in 2024, ensuring the transfer of important information such as navigation and weather data to sailors.

### Navigation solutions

To meet the tactical navigation information needs across a wide range of platforms, from low-speed aerial vehicles to very high-speed airborne platforms, Netaş provides GNSS receiver solutions that can offer location, speed, and time outputs, as well as intermediate outputs related to these final outputs, using global positioning systems such as GPS, GLONASS, GALILEO, BEIDOU, and SBAS correction systems.

### Friend or foe recognition solutions

Netaş offers military and civil recognition/identification and traffic management solutions for land, air, and sea platforms.

### Avionics solutions

Avionics solutions meet mission-critical system needs in control, communication, and navigation for high-speed airborne platforms. Designed to comply with the highest safety and performance standards of the aviation industry, these solutions provide users with a reliable and effective flight experience. In addition to avionics product development, Netaş continuously enhances its test infrastructure design and production capabilities in this field. Furthermore, by making new investments, Netaş is actively involved in avionics projects.



**Ersin Öztürk**  
R&D General Manager

"As Netaş, we have been an important solution partner in the defense sector for many years, and during this time, we have gained extensive expertise in providing communication and navigation solutions for land, air, and sea defense. We now aim to direct this expertise towards defense aviation and become a strong player in this segment. Our certifications for quality management systems widely

adopted in the defense and aviation sectors, along with our experience in hardware and software design assurance guidelines necessary for producing airworthy systems, not only prove our competence but also play a vital role in enhancing our global competitiveness. Thus, we demonstrate that we can continue to provide high-quality and reliable solutions to both our existing partners and potential customers."

## DIGITAL TRANSFORMATION - APPLICATION TRANSFORMATION

**Netaş plays a key role in the digital transformation of the public sector by developing custom-designed applications that seamlessly integrate with other e-government applications utilized by the state, addressing the specific needs of public institutions.**

Through the Emergency Health Automation System (ASOS), which Netaş started developing for the Turkish Ministry of Health in 2017, the company has digitized Türkiye's pre-hospital emergency medical aid system, ensuring data integrity, coordination, and communication between the Ministry's central organization, hospitals, and other relevant institutions. In 2025, Netaş will undertake the fourth phase of the project, spanning two years, to further enhance the ASOS system with new capabilities. Additionally, under the ASOS mobile application development, initiated in 2023, Netaş is working on



features such as real-time patient transfer monitoring, disaster response coordination, and other functionalities.

Netaş is also a key player in the digital transformation of the Turkish Republic of Northern Cyprus (TRNC), supporting the establishment of its e-Government infrastructure through the Customs, Legal Entity, and Population Systems projects. Currently, Netaş's E-Customs automation software is deployed at TRNC's sea, air, and land border crossings, while company and association processes are managed via the E-Enterprise automation system, and identity card issuance is handled through the E-Population system. By delivering modern and integrated service infrastructures, Netaş ensures uninterrupted warranty, maintenance, support, and sustainment services to support TRNC's digitalization efforts.

### End-to-end IPTV services

Netaş provides end-to-end IPTV services for telecom operators and digital media application owners. This includes the development of front-end applications for Smart TVs (LG, Samsung, Vestel, Arçelik, Beko, Grundig) and IPTV STB (Set-Top Box) devices. Additionally, Netaş ensures the quality of digital services by providing front-end testing solutions, offering a comprehensive IPTV ecosystem.

Netaş develops applications and solutions utilizing 5G and beyond technologies, including smart traffic, remote healthcare, smart energy turbines, and smart city technologies. Within its R&D department, Netaş has established an artificial intelligence team, focusing on developing new AI-powered applications while enhancing existing products with AI-driven capabilities.

### Event management platform

With this product, Netaş enables the efficient management of large-scale events such as football, basketball, cinema, concerts, and theater performances, as well as major tournaments like the World Cup, festivals, and football leagues.

- Prevents vandalism in the sports and entertainment sector, ensuring a safer environment for attendees.
- Omnichannel functionality allows users to purchase any seat from any location.
- Flexible pricing and traceability help event organizers increase revenue, prevent losses, and reduce costs.
- Innovative and scalable infrastructure enables high-traffic service capabilities while supporting cross-sector applications in retail and marketing.

### MOBiFi

Netaş's field and service management platform is a low-code platform with a service-oriented software architecture and modular structure, allowing installation with one or multiple modules tailored to customer needs. With integration capabilities that enable connectivity with existing enterprise data, the platform facilitates field management through work orders, field, and inventory modules. Its mobile application solution enables real-time field tracking and task assignment. The platform also provides solutions for tracking current stock, warehouses, and inventory, creating work orders, change management, SLA management, approval processes, and monitoring. Additionally, it meets reporting needs for process tracking.

## TELECOMMUNICATION TECHNOLOGIES

**With end-to-end expertise in design, software, and hardware, Netaş possesses deep-rooted and globally recognized R&D capabilities in telecommunication technologies. Leveraging its expertise in developing domestic 4G technologies, Netaş is now focusing on 5G technologies.**

Software and hardware products developed by Netaş are actively used by telecom operators, serving millions of subscribers. To ensure the continuous relevance of its products and support new standards, maintenance and development efforts are ongoing.

By combining ZTE's extensive telecommunications product portfolio with Netaş's R&D capabilities, world-class products and solutions are offered to Turkish operators with on-site R&D support. Additionally, Netaş continues to develop customized solutions and projects tailored to customer needs.

### Localization efforts

Netaş, in line with its goal of playing a leading role in digitalizing Türkiye's communication infrastructure with domestic resources, has completed the localization of a solution utilizing six new frequencies between 10-38GHz, in addition to its 7GHz, 13GHz, and 81GHz E-band microwave transmission system solutions.

The Domestic Cloud Server project, initiated as part of localization efforts in 2021, was successfully deployed in 2024 at over 1,000 units across leading institutions in the telecom, public, and finance sectors. Production takes place at Netaş's Orhanlı factory, which spans 8,500 m<sup>2</sup>, where the Netaş R&D-designed test software is used in a dedicated testing area with a production capacity of 100 units per day.

For Domestic Cloud Servers, Bilişim Destek Hizmetleri (BDH) provides 24/7 support services across 33 cities, offering four distinct service packages. In 2024, the AMD-powered NCS6722A N4 servers, designed for big data, virtualization, cloud solutions, and high-performance clustering models, featuring high capacity, reliability, scalability, and ease of management, and the NCS6722G N4 model servers, supporting six NVIDIA L4 GPUs for high-performance AI applications, were introduced to customers.

The localization of the 5U/12kW DC power system, designed within Netaş R&D, has also been completed. With a strong supply chain, outsourced resource management, and manufacturing expertise, this system was produced in high volumes and delivered to customers in a short time.



At the Test Services Center, Netaş provides testing services to major players in the private sector, including three telecom operators and three major banks, while supporting these services with the VisiumLabs product family, which it continues to enhance.

The testing applications initially developed by Netaş for its own R&D software processes to conduct fast and automated software testing were productized in 2018 under the VisiumLabs brand, transforming into a software testing suite that addresses the industry’s growing need for fast and automated software testing solutions. Continuing the development of the VisiumLabs product family, Netaş offers an end-to-end testing service experience with a service organization tailored to the needs of customers practicing continuous integration and continuous development, supported by nearly 300 test engineers and specialists.

In 2024, VisiumLabs products remained the first choice in testing solutions for finance and telecom customers in the local market. Taking part with its own booth at the event organized by ZTE at Istanbul Çırağan Palace for its global customers and business partners, VisiumLabs is now expanding into international markets. Following Azerbaijan, VisiumLabs products have also been adopted by a second international customer in Indonesia.

- Expert test engineers and specialists in their respective fields
- Dedicated test architects or project managers assigned to each project
- Resource continuity
- International experience
- R&D in test tools
- Strong references



Kubilay Özbir  
Test Services Director

“2024 was a year in which we prioritized quality and measurement metrics for our existing customers, closely monitored the actions we took together to improve these metrics, and collectively observed their benefits. In 2025, we will focus on enhancing resource efficiency with products developed using Visium Go (or automation) and AI, while also supporting the shrinking test teams in the industry through Visium Crowd.”



Offered Services

**Test process consultancy service**  
The test process consultancy service includes measuring the test maturity level within an organization’s existing software lifecycle, sharing test process documentation, monitoring process compliance, and reporting the findings to ensure that testing processes are properly executed.

**Managed test service**  
The managed test service is based on conducting testing services by Netaş’s test engineers/specialists in compliance with customers’ SLA and KPI requirements. This service enables organizations to reduce project costs, optimize resource and technology usage, and enhance control and management over testing activities and processes.

**Web/Mobile/Desktop software testing service**  
The software testing service covers testing for software developed for various platforms, including web, desktop, server applications, embedded software, and business applications. Additionally, end-user testing for mobile applications is performed on over 200 different real smart devices, covering various brands, models, and operating systems.

**Test automation service**  
The test automation service accelerates the testing phase and enhances efficiency by utilizing the most suitable automation methods.

**M2M/IoT and mobile terminal testing**  
Within the scope of M2M/IoT and mobile terminal testing, user tests for mobile devices are conducted, covering phones, tablets, M2M/IoT devices, PCs, modems, and routers. Additionally, tests are performed with operators’ existing and new SIM cards, as well as current fixed internet service provider offerings.

**Penetration testing (Pentest) service**  
The penetration testing (Pentest) service provides a comprehensive solution for establishing a secure IT infrastructure by conducting current state analysis and identifying necessary security measures. It includes vulnerability assessments for web applications and VoIP systems, offering detailed security reports with recommendations. In addition to using a wide range of testing tools, customized test scenarios tailored to the organization are also developed. Furthermore, Netaş penetration tests enable periodic security audits to be conducted.

**Performance testing service**  
The performance testing service evaluates various software systems by analyzing whether they can handle high traffic loads, measuring response times, and determining system capacity based on test results. As a result, performance improvement recommendations are provided.

**Continuous integration service**  
The continuous integration service provides an efficient and manageable software development environment. Continuous Integration (CI) and Continuous Deployment (CD) processes facilitate efficient and scalable software development, playing a critical role in the agile software development model.

**Crowd testing service**  
Under the crowd testing service, instant test needs of customers are addressed by Netaş Test Center engineers/specialists within 2-3 days through exploratory testing, without strict dependency on predefined test scenarios. Identified defects are documented and reported.





### Göksel Ertürk

Test Solutions and Product Development Director

“As Netaş, together with our main shareholder ZTE, we hosted the ZTE 5G Summit and User Congress 2024 at the Çırağan Kempinski in Istanbul on November 5-6. This event brought together leaders and participants from the telecommunications industry from around the world, and our VisiumLabs products were also showcased at the Netaş booth. After the local market, our VisiumLabs products are progressing towards expanding into international markets. Following Azerbaijan, they are now being used by our second overseas customer from Indonesia.”

### Software Testing Product Family – VisiumLabs



Netaş addresses end-to-end testing application needs with its in-house developed and productized testing product family.



### Performance and Load Testing: Visium Load

The scalable load and performance testing platform, Visium Load, allows applications' performance to be tested quickly and reliably during the development process. With the ability to set up cloud environments, configure traffic components, and run tests while providing detailed reports, Visium Load performs load testing on applications using the most effective resources. Visium Load, which managed to enter Microsoft's Azure Marketplace catalog from Türkiye, leverages the power of the cloud to create test environments that simulate tens of thousands of virtual users within minutes, enabling the simultaneous running of various user scenarios.



### Mobile Device Pool: Visium Farm

Visium Farm collects mobile devices in one or more centers (pools) and provides simultaneous access to all devices via a single web interface. Software developers and testers can quickly access any of the devices in the mobile device pool and manage them using a mouse and keyboard through the web interface.



### BDD Based Test Automation: Visium Go

Developed as a BDD-based test automation tool, Visium Go allows everyone to easily write, read, and run test automation scenarios. In the digitalization era, applications are updated more frequently than ever. Visium Go provides a significant advantage in keeping up with this speed by running repetitive tests automatically rather than manually, offering agility and speed to businesses.



### Test Management Tool: Visium Manage

The test management tool, Visium Manage, centralizes, organizes, and simplifies testing processes. It allows companies to manage their requirements, test scenarios, suites, and plans, report test results, establish relationships between requirements and scenarios, and track risks and defects in the software development process.



### Netaş Academy: Training Center

Netaş is transforming its deep knowledge and industry experience in R&D into training services that reach a wide audience. These trainings are designed to contribute to the development of individuals and companies by offering content that meets sectoral needs and responds to the requirements of the modern age. Participants are provided with training that not only covers theoretical knowledge but also equips them with practical skills applicable in the business world, delivered through virtual platforms or in-person classroom settings. The training content is enriched with real-life case studies, hands-on activities, and group work.

The training team consists of professionals with years of industry experience. As of 2024, training programs are being developed with a focus on critical areas shaping the future, such as software testing, agile methodologies, and artificial intelligence, and these programs continue to be diversified according to the needs of the participants. In the coming years, the goal is to offer more sector-specific training and technology-supported learning models.

### Trainings

- Rethinking Business Models with Artificial Intelligence
- Transformation with Artificial Intelligence: Communication Models of the Future
- ISTQB - Software Test Specialist Training
- Basic Level Software Testing Training
- Database and SQL Training
- Agile Test Specialist Training
- Agile Approach and Scrum Training
- Scrum Master Training
- Adult Education and Dynamics of the Educator

NEXT-GENERATION TECHNOLOGIES

In addition to its core activities, Netaş also brings next-generation technologies to its portfolio and introduces them to its customers, delivering innovation to every project it undertakes thanks to its expertise and innovative approach in R&D.



Transportation solutions

Intelligent Transportation Systems

With 5G, a range of applications will enter our lives that go beyond basic security to enhance comfort and efficiency, including lower latency, higher bandwidth convoy driving, advanced driving, collaborative driving, and remote driving. In the V2X (Vehicle-to-Everything) scenario, all players in the ecosystem, such as pedestrians, passengers, vehicles, and infrastructure units, will be able to communicate in a common language with their devices, enabling scenarios that provide higher safety and efficiency. Netaş, which develops V2X technologies in its R&D, has started testing C-V2X vehicle-to-vehicle communication and roadside communication systems in both the public and private sectors.

Automatic Train Supervision (ATS) Project

Netaş undertook the development of the Automatic Train Supervision (ATS) system within the scope of the National Signaling System provided by ASELSAN for the Gayrettepe Istanbul New Airport-Halkalı Metro Line. This project, with an operating speed of 120 km/h and supporting train intervals of 180 seconds, also launched Türkiye's first domestic metro signaling system. The first phase, section 1 of the Gayrettepe-Istanbul New Airport Line, from Kağıthane to Istanbul New Airport, began service in January 2023, while the Gayrettepe section opened in January 2024. The Taşoluk and Arnavutköy stations were also commissioned in March 2024. Netaş continues its work on metro signaling systems with the second phase of the Gayrettepe-Istanbul New Airport-Halkalı Metro Line, focusing on the Halkalı section and the development of Automatic Train Supervision for the Gebze-Darica Metro.

Innovative solutions with generative artificial intelligence

Generative artificial intelligence, which has become highly popular with ChatGPT, is expected to create significant transformations in many sectors, especially in corporate applications, healthcare, energy, communications, and finance. Netaş R&D is carrying out innovative work to take this transformative effect of AI even further. Working with both OpenAI models on Microsoft Azure and open-source models, the Netaş R&D team customizes and integrates artificial intelligence technologies according to its customers' needs. These efforts will strengthen Netaş's position in the industry and allow it to make the most of the opportunities offered by artificial intelligence.

In 2024, Netaş made significant progress in developing virtual intelligent assistants, one of the most common use cases of generative artificial intelligence. In this context, a virtual assistant capable of answering questions related to Netaş's human resources processes was launched. The Netaş HR Virtual Assistant uses generative AI technology to answer employees' questions about health insurance, benefits, personal retirement, and more. Netaş continues its commercialization efforts by offering this technology to customers in various industries.

In line with its collaboration with Microsoft, Netaş continues to develop smart applications using AI services provided via the Azure Platform. Three R&D employees have earned Microsoft certification in AI technologies development.

TFF E-Ticket Center Management System (MYS)

As the E-Ticket System Integrator for the Turkish Football Federation (TFF), Netaş also undertook the task of developing the MYS software that integrates various ticketing integrators, the General Directorate of Security, and stadiums. The MYS software, designed and implemented by Netaş R&D, is part of this project.

Next-Generation Treatment Services

**Remote physiotherapy**  
The remote physiotherapy application developed by Netaş in collaboration with its solution partner began trials at concept level in 2024 at leading healthcare institutions in Türkiye. The remote physiotherapy application allows physical therapy exercises to be performed through computer games, offering a great example of next-generation healthcare systems.

The application aims to provide physiotherapy patients with access to healthcare services without time and location constraints and increase motivation during the treatment process. Netaş R&D, recognizing the important catalytic effect of 5G technology in the efficient operation of remote healthcare systems, continued its work in 2024 with Turkish operators to implement 5G in the healthcare vertical. With 5G-supported remote physiotherapy services, treatment can continue with high efficiency, even outside the hospital, and personalized healthcare services can be delivered.

Tracking in the Metaverse with VR Glasses

Netaş R&D is taking the interaction between patients and specialists in physiotherapy exercises to the next level using augmented reality technologies. With a virtual reality (VR) headset provided to the specialist, the specialist can participate in a physiotherapy game designed for treatment and interact with the patient in a virtual environment. This creates a “being right there with you” sensation during remote communication. This solution, which emerged from Netaş's R&D capabilities in virtual reality applied to healthcare, also holds the potential to evolve into pioneering healthcare applications of metaverse technologies, which are still in their infancy but expected to lead to significant transformation in the future.

Navigation systems

GNSS Receiver

Satellite-based navigation information used in land, air, and naval platforms is provided by GNSS (Global Navigation Satellite System) receivers. Netaş, which developed Türkiye's first products in the software-based GNSS Receiver field, offers GNSS Receivers that use GPS, GLONASS, GALILEO, and BEIDOU global positioning systems and SBAS correction systems to provide position, speed, and time outputs as well as intermediate outputs related to these final outputs. The Netaş GNSS Receiver family offers software-based solutions, as well as multi-band, multi-signal software-based solutions, on hardware with high processing capacity consisting of FPGA and microprocessors in a federated architecture, and an integrated modular avionics concept. It is working on a flexible design architecture that is open to new developments and can be programmed in the field.

Developed to operate under challenging conditions such as high dynamics and low signal levels, the GNSS Receiver family can be programmed according to the platform's dynamic and low signal level needs. These solutions, capable of operating under difficult operational conditions, offer advanced consistency algorithms and anti-jamming algorithms to protect against deception.

In the integrated modular avionics concept, signal demodulation, synchronization, telemetry data, raw measurements, and PVT calculations, as well as advanced algorithms for signal integrity based on DO-229D, are offered for all civil signals broadcasted on all frequency bands of the global GNSS systems (GPS, GLONASS, GALILEO, and BEIDOU). In this context, the first demonstration studies, including the safety-critical design DO-178C planning phase and simulation tools for all civil signals in a PC environment, have been completed.

Internet of Things (IoT)

**ION**  
ION, developed by Netaş engineers to provide all device and data management services for Internet of Things (IoT) networks, can be installed on cloud or local systems. The ION platform, with a horizontal architecture that enables different IoT device and application providers to work under a common roof, ensures end-to-end data security for IoT applications while automatically scaling itself according to changes in data traffic intensity. ION, which has a customizable structure, offers an easy-to-use interface to IoT network and service managers.

NATIONAL AND INTERNATIONAL INCENTIVE PROJECTS

Netaş, which continues to lead international R&D projects, is developing smart technologies for a sustainable life through its participation in European Union (EU) R&D programs. These efforts aim to ensure that Türkiye has a voice among the countries driving technological advancements.

AICOM4HEALTH

Netaş, as part of the communication technologies cluster under EUREKA in Europe, launched the AICOM4HEALTH project in collaboration with nine project partners from four countries. This project focuses on developing next-generation technologies based on 5G, the Internet of Things (IoT), and artificial intelligence that can be used during pandemic periods.

In the AICOM4HEALTH project, various disease symptoms such as poor air quality, failure to wear masks, social distancing violations, excessive crowding, high fever, fatigue, and partial loss of consciousness are detected in real-time through sensors and cameras in indoor and outdoor spaces, especially during pandemics. Data from cameras, such as images, and IoT sensor data (e.g., temperature, air quality) are integrated and

analyzed by AI-supported systems, and the results are transmitted to the teams fighting the pandemic in real-time. In 2024, Netaş, along with its local and international partners, worked on IoT integration, collecting and processing data from different sensors in a central server. As a result, camera systems detecting human density in closed environments and sensor data measuring air quality were fused, and software developments for warning systems that alert authorities about risky situations were completed. Netaş will focus on the commercialization of these efforts in the next phase.

AIsmecot

Under EUREKA in Europe, within the energy technologies cluster of EUROgIA, Netaş is conducting international R&D studies in the AIsmecot project, which focuses on new-generation communication and data analytics for remote meter reading systems.

In the AIsmecot project, infrastructure is being established to enable natural gas meters that support different communication technologies to transmit data to central systems via the 5G network. Netaş processes the messages accumulated in central systems using advanced data analytics techniques to offer solutions in areas such as customer profiling, consumption forecasting, loss-theft analysis, and preventive maintenance. In situations where traditional data analytics approaches fall short, machine learning techniques are also employed to develop high-performance solutions for different use cases. In the 2024 phase of this project, machine learning algorithms were developed for customer profiling and loss-theft analysis by collecting data from natural gas meters in Netaş's databases.

SOCFAI

Netaş is participating in the SOCFAI project under ITEA4, a software development technologies cluster of EUREKA, which aims to modernize the software solutions used at airports. In this project, the software architecture used at airports is being modernized. Netaş is conducting IoT, data analytics, and system integration work to reduce energy consumption by the air conditioning systems at airports. Sensors installed at the airport continuously monitor air quality and human density, and this information is transmitted to the air conditioning systems. As a result, in areas where density is low and air quality is high, the air conditioning systems operate in low-power mode, improving the energy efficiency of the airport. In 2024, Netaş completed the platform that will collect data from air quality sensors placed at airports and finished integration work between Netaş's platform and the airport's data transmission systems.

SAYEM SMART CITY CONSORTIUM

Supported by TÜBİTAK and established under the leadership of Netaş, Türkiye's most comprehensive Smart City Consortium focuses on integrated smart solutions and aims to contribute to increasing Türkiye's high-tech exports.

The most comprehensive Smart City Consortium in Türkiye was established under Netaş's leadership in response to the SAYEM call, initiated by TÜBİTAK with the objective of creating value-added products or product groups through public-private-university collaboration to achieve national high-tech goals. The consortium focuses on integrated smart solutions in areas such as energy, building management systems, emergency management, healthcare, environment and waste management, parking, and transportation, and aims to contribute to increasing Türkiye's high-tech exports.

The project, which started in April 2021, consists of a 48-month product development phase and a 12-month commercialization phase. Projects starting from Technology Readiness Level (TRL) 5 will be completed over

the course of 48 months. In the program, which includes 21 projects, milestones have been met according to the schedule, and by the end of 2024, 3 projects reached the reporting phase, while 16 projects were successfully completed. The remaining projects are expected to be completed in 2025.

Data-centric approach

The vast data collected in the project will be processed using big data analytics and artificial intelligence applications, allowing real-time decisions to be made through a central system. This will create an integrated "smart city" solution, making cities more efficient in many aspects, from optimizing energy consumption to reducing traffic congestion. The targeted areas of work within the project are as follows:

- Smart energy
- Smart homes/buildings
- Smart emergency management
- Smart healthcare
- Smart environment and waste management
- Smart parking and transportation
- Central Management Unit (CMU)
- Societal Benefits of the Program

Reduction in operating costs

- Improvement in service and quality of life
- Reduction of carbon footprint left in nature
- Protection of the environment and natural resources



## Managed Services



## Cost-effective and efficient IT management with managed services

As Türkiye's largest IT services provider specializing in various IT fields and holding multiple certifications, Netaş ensures the secure management and control of companies' IT assets through its managed services.



Netaş has expert engineers across all verticals capable of managing systems independently of platforms. With its in-house Network Operation Center (NOC), it provides end-to-end 24/7 monitoring and management services. Through system optimization and consolidation, this service enables effective cost-benefit management by centralizing the control of multiple systems, significantly reducing the time required to resolve issues.

With a presence in all 81 provinces of Türkiye and international offices, Netaş serves as a global partner in managed services. It provides customers with a professional IT management infrastructure aligned with ITIL standards, covering configuration, change, release, incident, and problem management. Additionally, with experienced teams that have established, managed, and resolved issues in various IT environments, Netaş offers reliable consulting services by guiding and informing businesses about new IT needs. This allows customers to integrate the most suitable solutions into their IT environments quickly and efficiently.

Netaş continues to expand its partnerships with telecom operators, providing managed services for city hospitals and a private cloud infrastructure developed by a leading telecom operator for finance sector customers. Since 2013, Netaş has successfully operated managed services for the TFF E-Ticket project's data centers and 43 stadiums. In early 2024, Netaş added İETT to its client portfolio, offering data center managed services and outsourcing solutions.

### Netaş managed services in numbers

- 70+ engineers
- 3,000 VMs
- 200 databases
- 10,000 routers
- 4,000+ mailboxes
- 700+ servers
- 1,000+ backup jobs
- 7.3 PB storage
- 150+ firewalls
- 200+ certifications

### Advantages

- Reduced IT costs
- Business continuity support
- Focus on core operations
- Risk reduction through service levels
- Enhanced service quality
- Reduced HR responsibilities

### Competencies

- Comprehensive understanding of customer systems and components
- Highly skilled workforce with end-to-end operational and management capabilities
- Platform-independent management with experienced and certified teams across all verticals
- 24/7 Network Operations Management Center
- Proactive-based management and control

### 24/7 Monitoring

The IT systems that form the backbone of business operations are monitored end-to-end 24/7. Potential issues in these systems are identified in advance and proactively addressed. Netaş provides customized monitoring environments for its clients using open-source or licensed monitoring products and offers comprehensive management of these environments.





### Network management

Network infrastructure components are remotely monitored and managed 24/7 by the Network Operations Center, ensuring system stability. This includes detecting and addressing performance losses, making necessary configuration changes, and performing device updates.

### System and cloud management

Configuration, monitoring, critical patch management, minor updates, system repair, log tracking, user management, authorization, performance tracking, and optimization are carried out for various server components, including operating systems, antivirus management, email services, database management, middleware management, and virtualization.

### Data center design, installation, and migration

Netaş provides comprehensive solutions and consulting services for data centers, which are essential to business operations. This includes analyzing a company's IT infrastructure, optimizing resources, designing data center infrastructure for system hosting, and managing the migration of data to these newly designed structures.

### Security, risk, and compliance management

With security experts, IT-specialized legal advisors, and a KVKK compliance monitoring application, Netaş offers continuous monitoring and support to help customers align with security regulations. Security assessments are conducted, compliance with standards is ensured, and dashboards provide real-time security level tracking of IT infrastructures. Monthly reports are generated, and Netaş actively participates in IT-related projects to provide risk and security-focused solutions.

### End-user services management

End-user management, support, and IMACD (Install, Move, Add, Change, Delete) services are centrally managed. Teams can be deployed on-site or provide remote support, ensuring professional end-user management that maximizes user satisfaction.

### Managed test automation services

With its extensive expertise and commitment to quality, Netaş provides managed test automation services for customers developing software applications. Supporting the creation of test scenarios, Netaş integrates these scenarios into automated testing processes, ensuring that errors are detected before product release, resulting in cost savings and higher-quality outcomes.

## NETAŞ NETWORK OPERATIONS CENTER (NOC)

Netaş Network Operations Center (NOC) continuously and centrally monitors the systems and network infrastructure that support all business data. By taking the necessary actions to ensure business continuity, NOC adopts a proactive approach.

Providing the highest quality service while keeping infrastructure setup and personnel employment costs at an optimal level, NOC ensures business continuity by swiftly taking the required actions in system and network infrastructure management.

### NOC services

- Information collected simultaneously from network devices is reported at regular intervals.
- Potential network issues are identified in advance and quickly resolved, ensuring uninterrupted workflow.
- Network performance is measured and analyzed to optimize systems and maintain ideal performance.
- Software and application management and updates are carried out from a central location in a timely manner.

- **24/7 Network Monitoring**
- **High-Quality Service**
- **Centralized Management**
- **Management Support**

### Network operations management components

#### Configuration Management:

Ensures the identification of all assets (hardware, software, network products, documentation, and connected systems), maintenance of detailed records, tracking of historical data, and reporting.

**Change Management:** Implements standard methods and procedures established by the company to minimize the impact of changes on service quality, accelerating daily operations.

**Release Management:** Oversees and distributes new hardware or software releases, whether developed by Netaş or sourced externally by the company.

**Incident Management:** Detects, analyzes, and resolves incidents that arise during service operations, ensuring adherence to IT incident management processes set by Netaş or the company.

**Problem Management:** Identifies root causes within the IT infrastructure and prevents recurring issues, ensuring long-term stability and reliability of the services provided.



**BDH**



## BDH expands its expertise to neighboring regions

**As a Netaş company with 35 years of experience, BDH supports businesses in their digital transformation journey by offering consulting, managed services, strategic outsourcing, in-warranty and out-of-warranty repair and maintenance, as well as field support services.**



Continuing its commitment to being Türkiye's certified maintenance, repair, and field support center for the world's largest hardware and smart device brands, BDH sustains its growth in IT support services with its expert team, nationwide service network, and 24/7 field, warranty, and managed services. In line with ZTE's vision of becoming a "Hardware Technical Maintenance Hub" in the region, BDH has been expanding its operations since 2023. By repairing products from neighboring countries in Istanbul, it is increasing its business volume while also strengthening its expertise in providing hardware support services for ZTE products in Türkiye. By leveraging local resources, BDH contributes both to the economy and customer satisfaction.

### **A service partner for technology brands**

BDH continues to grow by renewing its service agreements with leading technology manufacturers. It provides repair services for brands such as HP, Dell, Lenovo, Zebra, Xerox, Supermicro, H3C, Viewsonic, Microsoft Xbox, OKI, Samsung, Oppo, Realme, Apple, Vivo, Tecno, Xiaomi, Redmi, Poco, Tineco, Yeedi, Evovacs, Giesecke+Devrient, and Omix. Additionally, BDH maintains partnerships with international companies such as Unisys, Ivy, ESP, and Hammersbach, while actively working to onboard new manufacturers. With a strong focus on training and field application initiatives for various global manufacturers, BDH continues to deliver high-quality service and warranty operations. This expertise enables BDH to collaborate with the three largest manufacturers in the global PC and notebook market.

### **Supporting customers across 81 provinces**

Responding to 60,000 service calls per month, BDH not only provides field support for manufacturers but also ensures the continuity of contract-based services for businesses across all industries.

### **A leader in network transformation**

As Türkiye's leading technology brand in network transformation, Netaş, along with its solution partners and BDH's expertise, continues to support enterprises in their cloud transformation journeys. Working with key partners such as Microsoft, VMware, Cisco, Dell EMC, and Fortinet, BDH has been involved in the digital transformation projects of Türkiye's leading holdings, as well as finance, transportation, online retail, and public sector organizations.

BDH has expanded its customer base in this area, particularly contributing to the network infrastructure transformations of major organizations in the transportation and finance sectors.

Thanks to its expertise across various industries, its ability to provide 24/7 support at all service levels, its measurable service quality, and its adaptability to vendor-independent cutting-edge technologies, BDH stands out in managed services. With the addition of new customers to its portfolio, BDH continues to strengthen its position in the managed services sector.

Keeping pace with advancements in artificial intelligence and robotic process automation (RPA), BDH is taking innovative steps to integrate these technologies into its own operations. This approach enhances customer satisfaction while advancing BDH's goal of developing more digitalized processes. By collaborating with ecosystem stakeholders on sustainability initiatives, BDH also demonstrates its commitment to environmental responsibility.



## Digital Transformation Projects



## Smart living shaped by Netaş technology

Successfully implementing digital transformation projects across various industries from telecommunications to public services, finance to energy Netaş continues to leverage its expertise to develop future technologies and contribute to a smarter way of living.



### Safe transportation in railways

With its world-class GSM-R radio communication technology, Netaş provides high-performance, secure communication and train operations for railways. In addition to its GSM-R solution, Netaş also supports high-speed and conventional railway lines with transmission solutions. Some of its ongoing projects in this field include:

#### Sivas-Yerköy High-Speed Rail Project:

The newly deployed R4 GSM-R Central System, now operational in Sivas and Ankara, provides geographically redundant service across all TCDD railway lines. The project is in the acceptance phase.

#### Yerköy-Kayaş High-Speed Rail Project:

The project continues in parallel with infrastructure work, including the GSM-R radio communication network, wired network infrastructure, and tower construction. The acceptance phase is ongoing.

**Sivas-Yerköy-Kayaş Line:** Support, training, and supervision activities for GSM-R and transmission systems are ongoing.

**Konya-Polatlı High-Speed Rail GSM-R System Maintenance:** The project is in progress.

### Türkiye's first domestic metro signaling system

Netaş has undertaken the development of the Automatic Train Supervision (ATS) system as part of the National Signaling System provided by ASELSAN for the Gayrettepe-Istanbul New Airport-Halkalı Metro Line. With an operating speed of 120 km/h and train intervals of 180 seconds, this project also introduced Türkiye's first domestic metro signaling system. The first phase and first stage of the project, covering the Kağıthane-Istanbul New Airport section of the Gayrettepe-Istanbul Airport Line, was commissioned in January 2023, while the Gayrettepe section became operational in January 2024. Taşoluk and Arnavutköy stations were also put into service in March 2024. Netaş continues its work on metro signaling systems with the development of the Automatic Train Supervision system for the Halkalı section, which constitutes the second phase of the Gayrettepe-Istanbul New Airport-Halkalı Metro Line, as well as for the Gebze-Darica Metro.

### Emergency Health Automation System (ASOS)

By developing the Emergency Health Automation System (ASOS) for the Republic of Türkiye Ministry of Health, Netaş has digitized Türkiye's pre-hospital emergency medical system, ensuring data integrity, coordination, and communication among all relevant institutions, including the Ministry's central organization and hospitals. Taking on the third phase of the project, which will span three years, Netaş continues to enhance the ASOS system with new capabilities. Additionally, as part of the ASOS mobile application development, which began in 2023, Netaş is working on features such as real-time tracking of patient transfers, coordination of incident management in disaster situations, and many similar functionalities.



## E-government transformation in Northern Cyprus

On behalf of the Digital Transformation Office of the Turkish Presidency, Netaş is executing three major projects within the Northern Cyprus E-Government Program, which aims to transition public institutions into digital entities.

### Northern Cyprus e-Population System Project

This project, part of the first phase of the TRNC e-Government Program, forms the foundation of the e-Government system. Within the scope of the project, Netaş undertakes comprehensive services, including detailed analysis, software design and development, integration with other institutions and systems, testing, installation, commissioning, training, data digitization, and consultancy. Additionally, Netaş ensures uninterrupted warranty, maintenance, support, and sustainment services.

### TRNC e-Tüzel Project

As part of the TRNC e-Tüzel Project led by Netaş, the implementation of the Electronic Central Registry System for Companies was successfully completed. The project encompasses detailed analysis, software design and development, integration with other institutions and systems, testing, data digitization, data transfer, hardware procurement, installation, configuration, commissioning, training, technical support, and a three-year period of warranty, maintenance, support, and integration activities. Netaş continues to provide uninterrupted warranty, maintenance, support, and sustainment services for this project.

### TRNC e-Customs Project

The Customs Information System (GBS) project includes detailed analysis, software design and development, integration with other institutions and systems, testing, consultancy, hardware procurement, installation, configuration, commissioning, training, and technical support, as well as a three-year warranty, maintenance, support, and integration activities. Aiming to provide a high-quality and modern customs service aligned with global trade standards and European Union customs regulations, Netaş ensures continuous warranty, maintenance, support, and sustainment services within this project.

## Smart cities equipped with smart technologies

Cities are being equipped with smart technologies that facilitate life in various areas, from energy to transportation systems. In this context, the Smart Cities Consortium, established under Netaş's leadership in response to TÜBİTAK's SAYEM call, brings together stakeholders specializing in their respective fields to develop integrated smart solutions in energy, building management systems, emergency management, healthcare, environmental and waste management, parking, and transportation systems.

The vast amount of data collected in the project will be processed using big data analytics and artificial intelligence applications, enabling real-time decision-making through a centralized system. This will make cities more efficient in many areas, from optimizing energy consumption to reducing traffic congestion.

Supported by TÜBİTAK, this project is also significant in demonstrating Türkiye's expertise in high technology. The smart city solutions developed within the country have the potential to be exported to many countries worldwide, contributing to the national economy.



### 16 projects completed, sales have begun

By the end of 2024, the project successfully met its targets according to the planned timeline, completing 16 projects. These interim outputs have found customers in various fields, including security in Bilişim Vadisi, earthquake monitoring systems, digital-supported field workforce and route optimization, smart lighting systems used in municipalities, and smart communication and assistance stations. As a result, individual commercialization has begun, and stakeholders can now generate revenue by selling licenses or units of their completed projects. With a total of 21 projects in the consortium, the goal is to complete all remaining projects in the first half of 2025 and officially begin the commercialization process of the entire "Smart Cities" initiative. R&D efforts continue to expand the use of the developed technologies in different fields through new collaborations.



## International Markets



## Digital transformation on a global scale

With its offices in Kazakhstan and Algeria, Netaş undertakes digital transformation projects on an international scale, providing solutions in communication networks, cloud computing infrastructures, data centers, and software development in numerous countries.



Aiming to be the leading technology brand that best defines, structures, and implements digital transformation end-to-end in its close geography, Netaş delivers complex and large-scale digital transformation projects on a turnkey basis, leveraging the telecommunications products of its main shareholder, ZTE, as well as other critical manufacturer partners.

### Contribution to defense technology exports

Designing world-class, high-tech communication systems for the defense sector, Netaş exports its solutions to different countries through its key defense industry partners. Event management solutions developed by Netaş R&D are actively used in Algeria and Qatar, while its Customs Information System and Company Registry System solutions operate effectively in the TRNC. The VisiumFarm device testing infrastructure, part of the VisiumLab test product family uniquely developed in Netaş R&D, was first exported to Azerbaijan and later to Indonesia. Additionally, Netaş provides penetration testing services for the international operations of Türkiye-based companies in countries such as Germany, Azerbaijan, and Bulgaria.

Maintaining its role as a pioneering supplier of communication solutions for land, air, and sea platforms in the defense industry for many years, Netaş further solidified its international presence in 2024 by introducing its communication and identification solutions to global customers. Extending its identification solutions to unmanned aerial vehicles, Netaş continues to be a key R&D player in the defense industry.

### New agreements in Kazakhstan

Signing multiple critical agreements in Kazakhstan for the modernization of telecommunications infrastructure and the deployment of 5G networks, Netaş has significantly expanded its existing contract volume while maintaining its leadership in LTE CPE sales in the country. Continuing the sale of LTE Cat4 and Cat6 CPE products to Kazakhstan's largest telecom operator, Netaş also signed a new annual framework agreement with another major operator for the supply of 5G CPE products. Through this agreement, the operator will expand its customer base in the 5G Fixed Wireless Access (FWA) segment.

Successfully continuing the supply of ZTE DC Power Supply equipment for the base stations of Kazakhstan's largest operator, Netaş has delivered a high volume of various power systems. Additionally, the company secured a new framework agreement by winning the same operator's smart lithium battery tender.

In 2024, to renew and expand the fixed network capacity of Kazakhstan's largest operator, Netaş played a key role in the completion of two years of successful testing of ZTE's GPON products within the customer's network, ultimately facilitating a contract between ZTE and the operator for the GPON infrastructure renewal in two cities. Furthermore, Netaş achieved the first-ever sale and installation of ZTE MW (Microwave Radio Link) products to the operator.

Continuing to provide high-quality warranty and post-warranty technical support to telecom customers in Kazakhstan, Netaş successfully renewed technical support agreements with several clients for ZTE IP Core, Switch, MSAN, and BSC/RNC equipment.

### Three new cloud software license agreements

Strengthening its presence in the Kazakhstani market, Netaş renewed a corporate licensing agreement on a significant scale with one of the country's top five banks. Additionally, it expanded its existing Microsoft licensing contract for another client by incorporating new cloud services and artificial intelligence products. Moreover, Netaş signed a new Microsoft agreement with one of Kazakhstan's largest telecom operators and secured a three-year contract for the sale, installation, and maintenance of a Türkiye-produced software product providing personal data security for another client.



## Human Resources



## HR practices that make a difference

Focusing on the productivity, education, personal development, and happiness of its employees, Netaş implements HR practices that make a difference. Preserving its values, culture, and ways of doing business derived from its more than 50-year legacy, the company continues to move forward with strong steps into the future.



### LIFE AT NETAŞ

#### Orientation program

Online orientation programs are organized monthly for new employees joining Netaş. Aiming to effectively convey the company culture, processes, and fundamental information to new team members, these programs turn the onboarding process into both a productive and enjoyable experience. Enriched with VR Lab tours, they provide an interactive and innovative learning environment.

#### Netaş principles family

In 2024, Netaş took its values and competencies a step further by transforming them into concrete and applicable principles. Gathered under the name “Netaş Principles Family,” these principles guide daily operations and aim to further strengthen the corporate culture. With the support of expert consultants, these principles were simultaneously communicated to all employees, fostering a shared understanding and approach, creating a strong unity, and establishing a value-driven work environment across the company.

### Assessment center

Internal Assessment Center activities were successfully completed to ensure a more transparent and objective evaluation of promotion processes. These processes analyzed employees' competencies, potential, and leadership skills in greater detail, ensuring the right talents were placed in the right positions. The Assessment Center, utilizing various assessment and evaluation tools, not only contributed to employees' individual development but also played a crucial role in enhancing organizational performance.

#### New titles

New, industry-aligned, modern, and innovative title structures for all JCI levels were successfully implemented. Along with modernizing the title structure, this initiative aimed to boost employee motivation and sense of belonging. The new title structures were developed in line with industry best practices, enabling employees to plan their career development paths more clearly. This approach was a strong step toward supporting both individual and corporate success.

### Efficiency analysis studies

Efficiency analysis studies were successfully implemented across different directorates at Netaş. Aimed at optimizing business processes and achieving high efficiency in workflows, these efforts played a critical role in achieving corporate goals while making work processes more sustainable.

#### 360-degree feedback and potential assessment

To provide a more comprehensive evaluation of employee competencies and support individual development, 360-degree feedback and potential assessment processes were successfully completed in 2024. These processes enabled a better analysis of employees' strengths and areas for improvement, providing valuable insights aligned with both individual and corporate objectives. The data obtained played a key role in developing personalized development plans and taking organizational talent management to the next level.

#### Reverse mentoring

As part of reverse mentoring efforts in 2024, selected mentors from employees with fresh perspectives and new industry experience guided mentees at the executive level. This program, which included 14 mentors and mentees with 84 organized sessions, fostered a culture of two-way communication and learning. By building a bridge between management and employees, this initiative encouraged innovation, allowed leaders to experience next-generation approaches more closely, and contributed significantly to organizational development.





## NETAŞ EMPLOYEES DEVELOP THEMSELVES

### In-person trainings

To foster stronger communication and team spirit in the workplace, Netaş leaders participated in leadership training sessions in 2024. These sessions focused on key topics such as team management and strategic thinking, with practical exercises on giving and receiving effective feedback.

### Feedback and recognition culture

To spread awareness and strengthen the culture of feedback and recognition within the organization, open-class training sessions titled Feedback and Recognition Culture were conducted for all Netaş employees across 17 sessions. This program, which aimed to enhance effective communication, collaboration, and motivation, received significant interest.

### New generation leadership

Netaş executives attended inspiring workshops on New Generation Leadership, facilitated by Mehmet Yıldırım Özel, author of Servant Leadership and a top-level coach and trainer. Held in 17 different sessions, these workshops focused on enhancing leadership skills, adopting modern management approaches, and inspiring teams through impactful leadership.

### Internal Trainer Program

n-telligent Institute supports its internal trainers with the Trainer's Training certification program, helping them build a training vision, design training programs, and develop essential teaching skills. Under the Personal Development theme, the institute prepared the Trainer's Training content and provided this training to internal trainer candidates, empowering them and guiding the establishment of an internal academy. In 2024, 15 internal trainers conducted 53 training sessions as part of this program.



### Sorwe cockpit surveys

To continuously improve organizational development efforts, various cockpit surveys were conducted at Netaş to gauge real-time employee sentiment. Covering topics such as teamwork, feedback, collaboration, well-being, and employee satisfaction, these surveys aimed to better understand employees' needs and expectations while fostering a stronger work environment.

### Employee engagement survey

A comprehensive employee engagement survey was conducted to measure employee satisfaction and engagement. The survey, which included feedback on workplace environment, leadership, teamwork, development opportunities, and overall happiness, achieved an 88% participation rate. The results will guide strategic steps to enhance employee engagement.

### Internal Coaching Program

Following a comprehensive training program provided by Adler, one of the world's leading coaching institutions, Netaş employees who earned ICF-approved international coaching certificates began offering one-on-one coaching services within the company through the Netaş Internal Coaching Program. To date, numerous coaching sessions have been conducted to support employees. In 2024, the third and fourth phases of the program were launched, with 8 coaches and 49 coachees participating in 278 coaching sessions.

### An Employee Assembly - Sen'foni

As part of the We Culture Transformation Program, Netaş launched a program called Sen'foni to listen to employees and take action based on their feedback. This program includes volunteer culture ambassadors. Supported by the Engage&Grow program in education and development processes, Sen'foni members act as the voice of employees and culture ambassadors, participating in initiatives that enhance employee engagement, generating ideas, and leading proactive projects.

### Every month is a new beginning, a new opportunity

Each month, a training calendar open to all employees is shared, supporting their personal and professional development. These trainings, organized on various topics, provide a learning environment where everyone can find an opportunity suited to them.

### Face yoga training

In this training designed to discover the power of face yoga, exercise facial muscles, and achieve a more youthful appearance, internal trainer Damla Er Sarı conducted seven different online sessions.

### Yoga and meditation training

This training, aimed at strengthening minds and bodies, achieving inner balance, and coping with stress more effectively, was conducted by internal trainer Damla Er Sarı in three separate sessions.

### Wellbeing App: Studio Canlı

The Wellbeing mobile application Studio Canlı continues to be available for Netaş employees. This platform aims to support employees' physical, mental, and emotional health by providing flexibility and accessibility, allowing each individual to plan a development journey that suits their own needs. Studio Canlı contributes to strengthening employees' work-life balance and creating a healthier working environment. Netaş employees have registered for over 8,000 classes to date.

### Collaboration with Okan University and Bahçeşehir University

Netaş continues to offer academic opportunities that add value to employees' careers. As part of the collaboration with Okan University, Netaş employees benefit from a 40% discount on master's and doctoral programs. Thanks to the agreement with Bahçeşehir University, there is a 50% discount opportunity available for master's and doctoral programs as well.

### Collaboration with Preply

Through the collaboration with Preply, support has been provided to Netaş employees in English language training. Employees have the opportunity to enhance their language skills at both professional and personal levels by participating in personalized lesson plans and receiving one-on-one training from expert instructors.

### E-learning with Udemy

Through the e-learning partner Udemy, Netaş employees have been offered a rich content portfolio in professional, technical, and personal development areas. These online trainings, covering hundreds of different topics, have provided significant contributions to employees by enhancing their knowledge and skills, enabling them to adapt quickly to sectoral innovations, and supporting their individual development journeys. This program has also facilitated the reinforcement of critical skills such as leadership, communication, and problem-solving, directly impacting organizational success. In a survey conducted every three months, the satisfaction rate was found to be 90.1%. In 2024, a total of 10,646 hours of course viewing time was reached.

NETAŞ GROWS NEW TALENT

Netaş COOP Program

Launched in 2014, the long-term internship program Netaş COOP offers full-time internship opportunities at the Netaş R&D Center to approximately 100 students each year. The program, which is conducted for a duration of three months in three terms referred to as fall, spring, and summer, is open to third and fourth-year students studying in departments such as computer engineering, electrical electronics, and communications engineering.

In 2024, 91 students from partner universities participated in the long-term internship program. Some successful students had the opportunity to work with R&D teams in part-time engineering positions. To date, a total of 1,316 students have participated in the program, and some have successfully joined the Netaş family either part-time or full-time.

Top Talent 100 Competition

As part of the COOP Internship Program, Netaş was awarded as the second best in its sector in the Top 100 Talent Program 2024 organized by Toptalent.co.

Netaş Bootcamp Program

Launched in 2020, the Test Bootcamp Program provides full-time work opportunities at the Netaş R&D Center's Testing Directorate to over 100 students each year. The program consists of three different training modules conducted monthly, and it is open to graduates from engineering departments such as computer, electrical electronics, communication, industrial engineering, mathematics, etc. This ensures that high-skilled testing specialists, who meet the technical needs of the Testing Directorate, are trained within Netaş and integrated into the process with high efficiency. By continuing the internal training and development processes, qualified test engineers are cultivated from newly graduated engineers.

Netaş Melyaz Program

To encourage students studying software at vocational high schools and to teach them about the working life while they are still in high school, the Melyaz project was initiated in collaboration with YASAD. Within this framework, about 20 final-year high school students from Tuzla Technical Vocational High School had the opportunity to work in different departments at Netaş R&D and closely experience the processes throughout an academic year.

Netaş Career and JOBSHOP

Netaş employees can submit their applications for positions opened within the company through the Connect Career Opportunities application, enabling lateral and vertical transitions. Applications for open positions at Netaş are still being accepted through both career portals and the website <http://www.kariyer.netas.com.tr>.

BENEFITS AND REWARD SYSTEMS AT NETAŞ

Benefit&Banafit flexible benefits program

Through the Benefit&Banafit Program, Netaş sustains a flexible benefits application, allowing employees to choose their own benefits packages within predetermined conditions, criteria, and limits, according to different preferences and needs.

Bravo reward system

Netaş's new reward system, Bravo, was implemented as an innovative platform aimed at recognizing employees' achievements and enhancing their motivation. This system rewards individual and team-based performances, creating a positive working environment within the company. Thanks to Bravo, employees can receive immediate feedback and recognition for their contributions and dedication.



NUMBERS ABOUT NETAŞ EMPLOYEES

With an average age of 36 and 29% of its workforce being female, the number of employees at Netaş reached 1,358 by the end of 2024. The gender-based wage ratio in 2024 was 93.23%.

Employee Demographic Data (2024)

New Employee Ratio by Gender



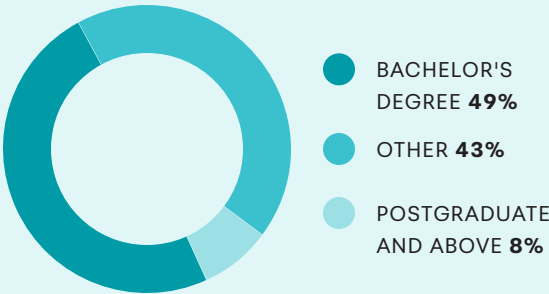
Employee Ratio by Gender



Managerial Ratio by Gender



Employee Distribution by Education Level



Employee Ratio by Tenure



## Sustainability



## Technological support for sustainable development

In addition to contributing to the economy through employment, pioneering innovations, investments, and exports, Netaş has been creating value for Türkiye's sustainable development for over half a century with its social investments.

### Sustainable Development Goals Supported by Netaş



Leveraging its core technological expertise and accumulated knowledge to generate effective and long-term sustainable value, Netaş continues its efforts with the goal of benefiting all its stakeholders and society. As one of the leading national and international players in the information and telecommunications sector, Netaş views digitalization as a key enabler of sustainability. With this perspective, it takes steps driven by its diverse technological capabilities and its employees' strong sense of responsibility for the future.

Recognizing the vital role of technology and the business world in achieving the United Nations' 17 Sustainable Development Goals (SDGs), Netaş focuses on areas where it can maximize the transformative and restorative power of technology. The company plans to expand and scale projects that support all its stakeholders in contributing to a more sustainable future through technology.

With its strong R&D capabilities and leadership in system integration, Netaş is actively involved in digital transformation projects across a wide range of sectors, from public services to transportation, energy to entertainment, retail to education, telecommunications to defense. Continuously working towards sustainable development in Türkiye, Netaş supports the creation of smart cities and continues to develop next-generation technologies that contribute to the preservation of natural resources and the environment.

### Integrated solutions for smart cities

The Smart City Consortium, established under the leadership of Netaş in response to TÜBİTAK's SAYEM call to develop the smart city ecosystem in Türkiye, aims to support the increase of our country's high-tech exports by focusing on integrated solutions. In the first stage, the data produced by the devices to be used in the solutions to be developed in six verticals determined as energy, building emergency, health, environment and waste management, and parking and transportation systems will be collected and evaluated in a central management unit. The data, which will be processed with big data analytics and artificial intelligence applications, will enable a structure that produces real-time actions.

### Supporting the ecosystem

Technology entrepreneurs, who are important players in the ecosystem, are supported both through mentoring activities and under the Netaş Wesley Clover fund established by Netaş in 2015. With the Netaş as a platform structure, R&D and sales channel support is provided to technology SMEs.



### Melyaz Project

Netaş has launched the Melyaz Project in collaboration with the Software Industrialists Association (YASAD) to encourage students studying software at vocational high schools to go to university and to teach them about business life while they are still in high school. Within this scope, 23 high school seniors at Tuzla Technical Vocational High School had the opportunity to work in different departments within Netaş R&D for an academic year and experience the processes closely.

### Diversity and equal opportunities

Believing that diversity will contribute to developing innovative solutions, working more efficiently and achieving suitable growth opportunities, Netaş attaches great importance to providing an environment that allows its employees to reach their potential. All individuals are evaluated solely on the basis of their merit and contribution to the company's success. The principle of providing equal opportunities to people with equal conditions is given utmost importance both when creating policies and in practice.

The success of female engineers at Netaş, which prioritizes women in job applications, inspires women who want to pursue a career in technology. Netaş Diversity Principles were created to define diversity, which is the basis of the 57-year-old Netaş culture, within a certain framework. Employees signed these principles and made a commitment.

**Female employee rate (2024)**  
29%

**Female employee rate of new hires (2024)**  
22%

**Female manager rate (2024)**  
27%

## An environmentally friendly approach

Acting in accordance with ISO 14001 and ISO 45001 standards, Netaş monitors the efficient use of energy and takes the necessary measures to protect the ecological balance within the framework of the Environment, Health and Safety Policy that came into force in 1997. The Environmental Board, consisting of environmental experts within the company, assumes responsibilities such as reviewing the environmental management system, monitoring existing approvals/licenses and permits for processes, and making annual declarations regarding legal regulations.

Netaş, which also participates in voluntary studies on issues such as greenhouse gas emission control, determining risks/opportunities, and protecting the ecological environment, fills out the CDP climate change and water reports and presents them to its investors. External audit inspections regarding the environment are carried out by TÜV NORD, and the report prepared within the framework of the Environment, Health and Safety Program (EHS) is regularly published on the website. In 2024, the certification audits for ISO14001 and ISO45001 management systems were successfully completed.

In 2022, Netaş, which managed the separation, recycling and reuse of non-hazardous waste in accordance with the regulation requirements and received the Zero Waste Certificate; In the same year, it also obtained the Circular Electronics Certificate within the framework of its recycling obligations by cooperating with TÜBİSAD within the scope of the Waste Electrical and Electronic Equipment Regulation.

Netaş, which signed contracts with AKÜDER for the recycling and recovery of waste accumulators within the scope of the Waste Batteries and Accumulators Control Regulation, and with the Portable Battery Manufacturers and Importers Association (TAP) for the recycling of waste batteries, received the Environmental Compliance Certificates validity number using the Tareks program after the approval of the Ministry of Environment and Urbanization of the Republic of Türkiye. It also signed a Medical Waste Agreement with the Istanbul Metropolitan Municipality.

Netaş provides economic contribution by exhibiting various approaches in defense industry and public projects within the scope of circular economy solutions. At the same time, it is rapidly progressing in this field by providing Renewal Center and Authorized Service Center services to communication companies.

Netaş also achieved energy and water savings by reducing floors based on hybrid operation.

## Netaş Healing Forest for biodiversity

Within the scope of Netaş Healing Forest, which it has implemented in Gaziköy, Tekirdağ, Netaş aims to protect healing plants in terms of environmental aspects and to provide villagers with income other than wood from the forest in terms of rural development. In Türkiye's first healing forest, 23 different types of healing and economically profitable plants are grown. Within the scope of the collaboration that Netaş established with e-cording, one of the shining initiatives of the start-up ecosystem in 2020; 40 thousand sage seed capsules were brought together with the soil in Netaş Healing Forest with the help of drones. The project became a source of income for the women of Gaziköy, who wrapped 40 thousand seed balls.

## Support for Earth Hour App

Netaş employees supported the Earth Hour-Solidarity Hour App, which is carried out by the World Wildlife Fund (WWF) worldwide to draw attention to climate change, by turning off the lights in their homes and offices in 2024.

## Sustainability in the supply chain

Netaş implements a detailed sustainability policy in its supply chain. Netaş, which has audit and blacklist systems to ensure that all suppliers comply with the Supply Chain Management Ethical Principles and Rules, expresses its firm opposition to discrimination, unequal wage policies, child labor, precarious work, corruption and environmentally harmful activities.

## Innovative designs that provide social benefits

Since its establishment, Netaş has created its products and services with an environmental perspective and offers innovative designs that provide social benefits to the ecosystem in this context. Here are the product designs that Netaş has created in the new period:

### UZAF

Aiming to implement contemporary technologies for the health sector, Netaş's remote rehabilitation solution UZAF allows patients to communicate remotely with their physiotherapists while doing gamified rehabilitation exercises at home. The project, which received R&D incentives within the scope of the Smart Cities Project supported by TÜBİTAK, reduces carbon emissions and traffic congestion by reducing the need for patients to visit hospitals/rehabilitation centers, and contributes to a more sustainable society and environment.

### Smart-WIND

Netaş aims to increase the efficiency of wind turbines with the Smart-Wind project carried out within the scope of EUROGIA. Within the scope of the project carried out by seven organizations from Spain, Germany and Türkiye, Netaş processes the data collected from wind turbines operated by Zorlu Enerji through IoT solutions and uses advanced artificial intelligence and machine learning techniques. Thus, the efficiency of critical components in turbines is increased. The project, which started in 2020 and was completed in 2023, is developing advanced information technologies in the field of smart energy domestically.

### V2X

Tests of 5G compatible applications such as Onboard Communication Unit and Roadside Communication Unit (V2X) for smart transportation and remote physiotherapy for next-generation healthcare continue with collaborations in both the private and public sectors.

## Incentive Projects

### SOCFAI Project

Netaş is developing new technologies to ensure energy efficiency at airports within the scope of the SOCFAI Project, which is labeled ITEA4 and funded by TÜBİTAK. The project, which includes partners from Türkiye, South Korea and Singapore, aims to develop a modern data transmission center where various software services can communicate with each other at an airport. Netaş is working on the development of an IoT-based solution that optimizes HVAC system operations based on indoor air quality. This ensures energy efficiency at airports. Pilot activities of the project will be carried out at İzmir Adnan Menderes Airport.

### Smart Agriculture Project for Qatar

Netaş's 5GPP Greenhouse project was launched upon a joint call made by the Scientific and Technological Research Council of Türkiye (TÜBİTAK) and the Qatar National Research Fund (QNRF). The project aims to increase efficiency and digitalization in order to ensure the sustainability of agricultural production by processing greenhouse data through the ION IOT platform, a product of Netaş. As a pilot application, a greenhouse in Qatar is planned to be controlled from an ION system installed in the cloud in Istanbul.



# Investor Relations

**081 INVESTOR RELATIONS AND SHARE PERFORMANCE**

- 081 INVESTOR RELATIONS DEPARTMENT
- 082 SHARE PERFORMANCE OF NETAŞ TELEKOMÜNİKASYON
- 082 SUSTAINABILITY INDEX OF ISTANBUL STOCK EXCHANGE
- 083 CORPORATE GOVERNANCE RATING AND ISTANBUL STOCK EXCHANGE CORPORATE GOVERNANCE INDEX
- 083 JCR CREDIT RATING

**084 FINANCIAL PERFORMANCE**

- 084 FINANCIAL HIGHLIGHTS
- 086 CONSOLIDATED FINANCIAL PERFORMANCE
- 087 FINANCIAL PERFORMANCE BASED ON SEGMENTS
- 088 DEBT STRUCTURE

**089 CORPORATE GOVERNANCE**

- 089 CAPITAL AND SHAREHOLDING STRUCTURE
- 090 INFORMATION ON SHARES
- 091 OPERATIONAL STRUCTURE
- 091 RELATED TO JOINT VENTURES AND ASSOCIATION OF THE COMPANY
- 092 BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE
- 093 RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

**094 CORPORATE GOVERNANCE REPORTING**

- 094 SHAREHOLDERS
- 095 PUBLIC DISCLOSURE AND TRANSPARENCY
- 095 STAKEHOLDERS
- 096 STRUCTURE OF THE BOARD AND PRINCIPLES OF ACTIVITY

**098 CORPORATE GOVERNANCE COMPLIANCE REPORT**

- 098 CORPORATE GOVERNANCE COMPLIANCE REPORT
- 103 CORPORATE GOVERNANCE INFORMATION FORM

**109 SUSTAINABILITY COMPLIANCE REPORT**

**116 DECLARATION OF INDEPENDENCE**

**119 FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITORS' REPORT**

**209 APPROVAL OF THE ACTIVITY REPORT OF THE BOARD OF DIRECTORS**

**211 CONTACT INFORMATION**

## INVESTOR RELATIONS AND SHARE PERFORMANCE

### INVESTOR RELATIONS DEPARTMENT

Netaş Telekomünikasyon A.Ş. has an Investor Relations Department reporting to the Chief Financial Officer (CFO).

In addition to meeting the information requests of current shareholders, the Investor Relations Department, has focused on expanding and diversifying Netaş's investor portfolio. In 2024, meetings were held with institutional and individual investors—including equity analysts, fund managers, and analysts from portfolio management companies—during which the operational and financial performance of Netaş was presented. In addition to one-on-one meetings, communications between Investor Relations and stakeholders also take place electronically.

Netaş Investor Relations has adopted the understanding of conducting its activities in a transparent and effective manner, remaining equidistant to all investors. Within this scope, shareholders can reach the relevant department via the e-mail address of [yatirimci@netas.com.tr](mailto:yatirimci@netas.com.tr) and through +902165222804 by phone. All requests for information are met in accordance with the principle of equality, except those requiring confidential information or trade secrets.

The Investor Relations Department ensures that records of correspondence between investors and the shareholding as well as the records pertaining to other data and documents are kept correctly, safely and up to date at the same time.

The Investor Relations Department plays an active role in overseeing and monitoring the fulfilment of obligations arising from capital market legislation, including all aspects of corporate governance and public disclosure, and informs the relevant managers in line with the regulations.

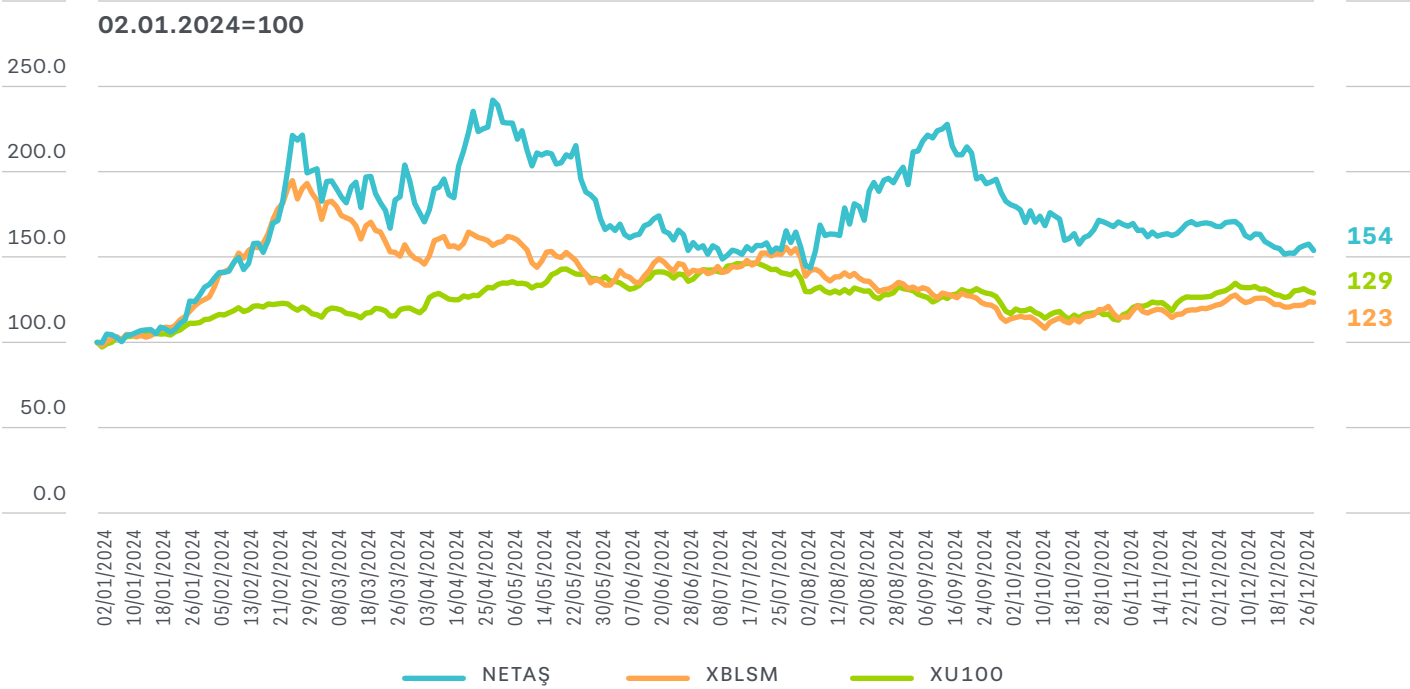
### General Assembly Meetings

Investor Relations Department has responsibilities regarding the organization General Assembly Meeting; such as preparing the documents to be submitted to the perusal of the shareholders and taking necessary measures as to ensure that general meetings are held in compliance with the relevant legislation, articles of association and other internal regulations. The department carries out these duties in coordination with the Department of Law and Regulations.

In 2024, the General Assembly meeting for 2023 was held in accordance with the current legislation, articles of association and other in-house regulations, and the general meeting agenda and information document were prepared for the shareholders prior to the General Assembly.

The 2023 Ordinary General Assembly was held on July 4, 2024, and the obligations related to public disclosure before and after the meeting were fulfilled in accordance with the legislation, and it was ensured that the necessary disclosures were made on the Public Disclosure Platform (KAP – [kap.gov.tr](http://kap.gov.tr)) in a complete, direct, easily understandable manner, containing sufficient information and free from misleading statements.

SHARE PERFORMANCE OF NETAŞ TELEKOMÜNİKASYON  
Comparative Performance of Netaş, Borsa Istanbul and Technology Index (2024 YE)



\*Reflects the performance of Netaş, XBLSM and BIST100 index between January 2, 2024 and December 31, 2024.

In 2024, Netaş shares generated higher returns compared to both the IT Index (XBLSM) and the BIST100 (XU100) benchmark index. Based on a relative performance comparison—taking the January 2, 2024 starting values as 100—the value of Netaş shares rose to 154 by the end of 2024, while the IT Index stood at 123 and the BIST100 index at 129 during the same period.

In 2024, the BIST100 benchmark index increased by 32 percent from 7,470.18 to 9,830.56 compared to the previous year. During the same period, Netaş shares climbed from 41.26 TL to 66 TL, showing a 60 percent annual increase.

SUSTAINABILITY INDEX OF  
ISTANBUL STOCK EXCHANGE

The trend and necessity of investing in sustainable companies (responsible investing), which have become increasingly prominent recently, brings new responsibilities to investor relations. Every year, an increasing number of institutional investors state that they consider sustainable development when making investment decisions; it is observed that the 17 "Sustainable Development Goals" set by the United Nations play a key role in achieving global economic growth. In the long run, sustainable economic growth triggers a turnover and profit growth for companies, which provide gains in stocks and other assets. Therefore, aligning investors and companies in line with the goals of the society is gaining importance day by day.

As a result of the efforts carried out by the Investor Relations Department, Netaş shares were included in Borsa Istanbul's "Sustainability Index" as

of November 2019 and have been continuously traded under this index from November 2019 until September 2024. Work is ongoing to comply with updated regulations and directives in order to remain within the index.

The purpose of the BIST Sustainability Index is to create an index of companies traded on Borsa Istanbul with high corporate sustainability performance and to increase the understanding, knowledge and practices on sustainability in Türkiye and especially among Borsa Istanbul companies. In line with these objectives, the activities carried out to be included in the index formed the basis for Netaş's sustainability journey, provided useful feedback for the development of existing policies, and paved the way for Netaş to improve itself and adapt to the requirements of the age in the areas of Environment, Social and Governance, which constitute the main headings of sustainability.

The Sustainable Development Goals, grouped under 17 main headings by the United Nations, focus on the key problems facing humanity and aim to eliminate these problems through joint efforts while ensuring the world is passed on to future generations without issues. Announced in 2015, these 17 goals, which the UN seeks to achieve by 2030 and are referred to as the Sustainable Development Goals, target the eradication of poverty, protection of the environment, prevention of the climate crisis, equitable distribution of prosperity, and the promotion of peace.

CORPORATE GOVERNANCE  
RATING AND ISTANBUL STOCK  
EXCHANGE CORPORATE  
GOVERNANCE INDEX

Our Company's Corporate Governance Rating Score was determined to be 92.42 (9.24 out of 10) based on the report dated January 8, 2025, prepared by SAHA Corporate Governance and Credit Rating Services Inc., which is authorized by the Capital Markets Board (CMB).

Our rating score was established under the four main categories—Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors—which carry different weights according to CMB regulations. The evaluation was conducted according to these categories and weighted in line with the relevant regulations.

The corporate governance rating score determined by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. reflects our Company's commitment to corporate governance principles, its willingness to manage this as a continuous and dynamic process, and the improvements we have implemented in this regard.

According to the methodology used by the rating agency, the meaning of a score within the 9-10 range is as follows: The company has largely complied with the CMB Corporate Governance Principles and has implemented all relevant policies and measures. Management and internal control mechanisms have been effectively established and are operational.

Corporate Governance Rating

	Weight	Score
Shareholders	25%	89.21
Public Disclosure and Transparency	25%	96.13
Stakeholders	15%	96.88
Board of Directors	35%	90.16
Corporate Governance Rating Score	100%	92.42

All corporate governance risks have been identified and are being actively managed. The rights of shareholders and stakeholders are safeguarded in the fairest manner; public disclosure and transparency activities are at the highest level, and the structure and functioning of the board of directors are in line with best practices. There are virtually no weaknesses in these areas, and the company has rightfully earned its place in the upper tier of the BIST Corporate Governance Index.

Following this rating, Netaş shares were included in the BIST Corporate Governance Index (XKURY) as of January 8, 2025 and began trading within this index.

JCR CREDIT RATING

As a result of the credit rating assessment conducted by JCR Avrasya Derecelendirme A.Ş., our Company's Long-Term National Institutional Credit Rating has been confirmed as "BBB (tr)" (Investment Grade – Good Credit Quality), while the outlook has been revised from 'Stable' to 'Negative'.

Our Company's credit ratings across all categories are as follows:

Long-Term National Institutional Credit Rating: **BBB** (tr) / (Negative Outlook)

Short-Term National Institutional Credit Rating: **J2** (tr) / (Stable Outlook)

Long-Term International Foreign Currency Institutional Credit Rating: **BB** / (Negative Outlook)

Long-Term International Local Currency Institutional Credit Rating: **BB** / (Negative Outlook)

FINANCIAL PERFORMANCE

In the year 2024;

Sales revenues increased by **32%** to **TL 9,175 million**

Orders received grew by **50%** to **TL 10,009 million**

Orders on hand (OOH) grew by **63%** to **TL 4,742 million**

FINANCIAL HIGHLIGHTS

TL Million	YE 2024	YE 2023	y/y %
Revenue	9,175	6,958	32%
Cost of Sales	(8,526)	(6,355)	34%
Gross Profit	650	603	8%
Gross margin %	7.1%	8.7%	(159)
Operating Expenses	(676)	(449)	51%
General Administrative Expenses	(286)	(219)	31%
Sales, Marketing & Distribution Expenses	(367)	(228)	61%
Research & Development Expenses	(23)	(2)	1,050%
Incentives	7	3	133%
EBIT	(19)	157	(112%)
EBIT margin %	-0.2%	2.3%	(247)
Depreciation	145	111	31%
EBITDA	126	268	(53%)
EBITDA margin %	1.4%	3.9%	(248)
Other Income/(Loss) From Operations	(2)	(113)	(98%)
Net Financial Income/(Loss)	(275)	(96)	186%
Earnings Before Tax	(290)	(59)	392%
EBT Margin	-3.2%	-0.8%	(232)
Net Profits (Loss)	(272)	100	(372%)
Net Profit Margin	-3.0%	1.4%	(441)

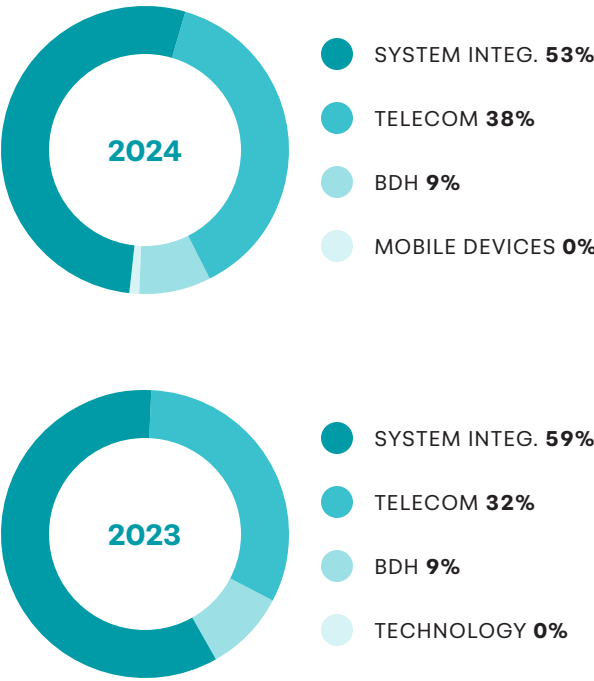
EBIT= Gross Profit - Marketing, Selling and Distribution Expenses - General Administrative Expenses - Research and Development Expenses + R&D Incentives  
R&D Incentives: In the financial statements prepared in accordance with the Capital Market standards, it is recognized under Other Income from Operating Activities.  
EBITDA = EBIT + Depreciation

Sales Revenue & Orders

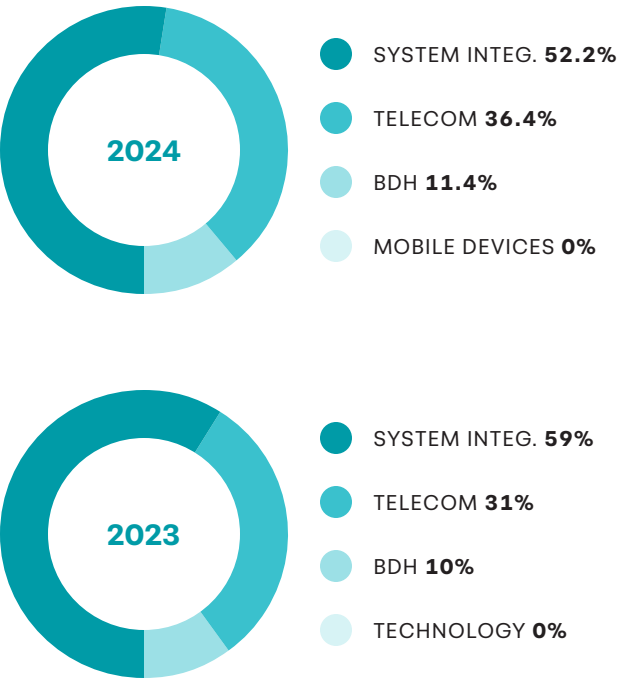
**Sales Revenue:** 2024 year-end consolidated group revenues was recorded at around 9,18 billion TL with a 32% increase year over year.

**Orders:** Orders received in 2024 increased 50% year-on-year and recorded at 10,009 million TL. In the same period, orders on hand grew by 63% to 4,742 million TL.

Orders Breakdown



Revenues Breakdown



CONSOLIDATED FINANCIAL PERFORMANCE

The Group's consolidated order volume increased by 50% in 2024 compared to the previous year, reaching 10,009 million TL. The telecom segment recorded the highest order growth, rising 74% year-over-year, increasing its share of total orders from 32% in 2023 to 38% in 2024. On the other hand, although the system integration segment grew by 35% compared to the previous year, it continues to account for the largest portion of the Group's orders, with a 53% share of total orders. BDH's share of total orders stood at 9% as of the end of 2024.

Following the Group's entry into the mobile device market in 2024, orders from this segment were recorded for the first time. The total order value from the mobile devices segment in 2024 amounted to 49.4 million TL.

The Group's consolidated sales revenues increased by 32% year-on-year in 2024 and amounted to 9,175 million TL. The distribution of sales revenues by segments was in line with the order breakdown, and the system integration and telecom segments accounted for 52% and 36% of total sales, respectively. Sales provided by BDH accounted for 11% of total sales revenue.

On November 23, 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) issued an announcement titled "Application of TMS 29 Financial Reporting in Hyperinflationary Economies and BOBİ FRS Section 25 Financial Reporting in Hyperinflationary Economies." The announcement stated that businesses applying Turkish Financial Reporting Standards (TFRS) must present their financial statements for reporting periods ending on or after December 31, 2023, adjusted for inflation in accordance with the relevant accounting principles outlined in Turkish Accounting Standard 29 (TMS 29) Financial Reporting in Hyperinflationary Economies.

In line with the Capital Markets Board (SPK) decision dated December 28, 2023 (No. 81/1820), it was decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards must implement inflation accounting starting from their annual financial reports for the fiscal periods ending December 31, 2023 and thereafter, in compliance with TMS 29.

As a result, the Group has adjusted the financial statements of its subsidiaries whose functional currency is TL ("BDH") as of December 31, 2024, and December 31, 2023, for the effects of inflation in accordance with the accounting principles set forth in TMS 29. The adjustments were made using consumer price index (CPI) adjustment coefficients published by TÜİK (Turkish Statistical Institute), derived from nationwide data. The indices and adjustment coefficients used in the restatement of the consolidated financial statements are disclosed in Note 2.1.d of the independent audit report.

Despite a 32% growth in sales revenue in 2024, gross profitability growth remained at 8%, resulting in a decline in the company's gross profit margin compared to the previous year, settling at 7%. Due to a 51% increase in operational expenses, the company's core operating profitability declined compared to the previous year, leading to a 53% drop in EBITDA (Earnings

Before Interest, Taxes, Depreciation, and Amortization - EBITDA). At the end of the previous year, the company had reported EBITDA of 268 million TL; however, by the end of 2024, EBITDA declined by 53% to 126 million TL.

The Group, throughout 2024, in order to increase its operational profitability and to reduce its financial expenses, has taken and put into practice many measures, and some of these measures can be listed as follows: focusing on higher-margin new technology products and solutions in the five technology areas determined as target areas in system integration, focusing on domestic and national R&D solutions in the defense, telecommunications, and transportation fields determined as strategic sectors, not taking on projects that involve high financial and operational risks, not taking on projects that require high financing and involve exchange rate risk. These measures continue in 2025 as well.

As of the end of 2024, the Company's deferred tax income, arising from R&D deductions that it is entitled to use but has not yet used, has amounted to 25,704,331 TL. However, due to both the contraction in operating profitability and the increase in net financing expenses, as of December 31, 2024, the Group has announced a net period loss of 271,995,463 million TL.

FINANCIAL PERFORMANCE BASED ON SEGMENTS

YE 2024 (Million TL)	Telecom	System Integration	Technology	BDH	Unallocated	Total
Orders Booked	3.765,6	5.313,2	49,4	880,6	-	10.008,8
Sales Revenue	3.339,9	4.793,3	-	1.042,1	-	9.175,4
Cost of Sales	(3.087,5)	(4.472,8)	-	(965,3)	-	(8.525,7)
Gross Profit	252,4	320,5	-	76,8	-	649,7
Gross Profit Margin	8%	7%	-	7%	-	7%

Sales, marketing and distribution expenses	(69,8)	(204,1)	-	(93,0)	-	(366,8)
General administrative expenses	-	-	-	-	(286,3)	(286,3)
Research and development expenses	-	-	(22,8)	-	-	(22,8)

Operating profit/ (loss) of segment	182,6	116,4	(22,8)	(16,2)	(286,3)	(26,2)
Operating profit margin	5%	2%	-	-2%	-	0%

YE 2023 (Million TL)	Telecom	System Integration	Technology	BDH	Unallocated	Total
Orders Booked	2.162,6	3.934,1	-	574,2	-	6.671,0
Sales Revenue	2.162,2	4.080,8	-	715,3	-	6.958,3
Cost of Sales	(1.977,3)	(3.725,5)	-	(652,2)	-	(6.355,0)
Gross Profit	184,9	355,4	-	63,1	-	603,3
Gross Profit Margin	9%	9%	-	9%	-	9%

Sales, marketing and distribution expenses	(51,5)	(118,9)	-	(57,8)	-	(228,2)
General administrative expenses	-	-	-	-	(218,9)	(218,9)
Research and development expenses	-	-	(2,4)	-	-	(2,4)

Operating profit/ (loss) of segment	133,4	236,5	(2,4)	5,3	(218,9)	153,9
Operating profit margin	6%	6%	-	1%	-	2%

Systems Integration (SI)

In 2024, the systems integration (SI) segment of the Company witnessed an uptick in both orders received and sales revenues by 35% and 17%, respectively. As a result, the SI segment emerged as the major contributor to the Group's consolidated sales, accounting for a whopping 52% of the total sales with orders received worth 5,313 million TL and sales revenues worth 4,793 million TL.

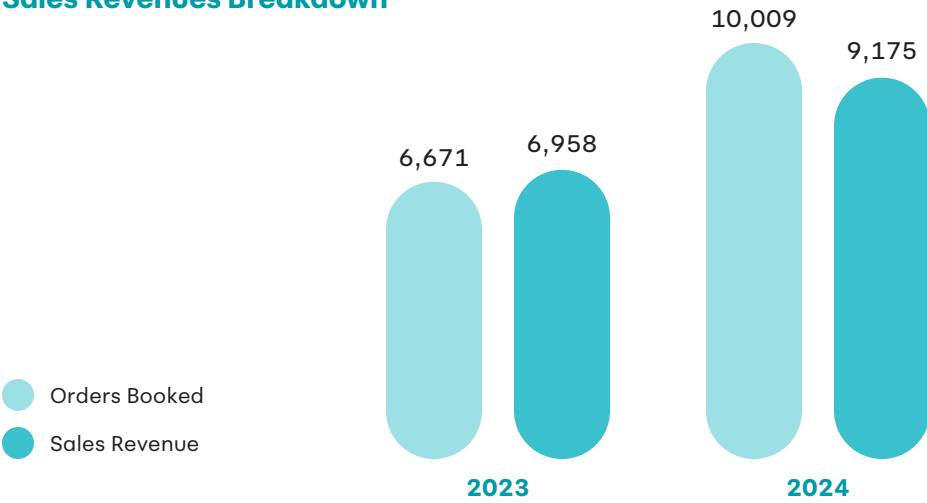
Telecom

New projects acquired with ZTE products continue to expand the segment's volume. The telecom segment, which has shown significant growth since 2022, continued to grow in 2024. In the current year, the telecom segment's orders and sales increased by 74% and 54%, respectively. The telecom segment's share of total sales continued to grow, reaching 36% in 2024. Within total sales, the telecom segment held the second-largest share, following system integration.

BDH

In 2024, BDH's order book and sales revenues increased by 53% and 46% compared to the previous year. BDH's share of total sales revenue reached 11%, 1 percentage point higher than last year's 10%.

Sales Revenues Breakdown



DEBT STRUCTURE

As of the end of 2024, the Group's consolidated net debt increased in TL terms compared to the previous year but remained at the same level in USD terms. At the end of 2023, the Company carried a net debt of 51 million USD, and by the end of 2024, the net debt remained at the same amount.

As of the end of 2024, the Group's total financial debt amounted to approximately 2.27 billion TL. 79% of the Group's financial debt, totaling 1.793 billion TL, consists of short-term financial liabilities. As of December 31, 2024, all short-term financial debt is denominated in USD.

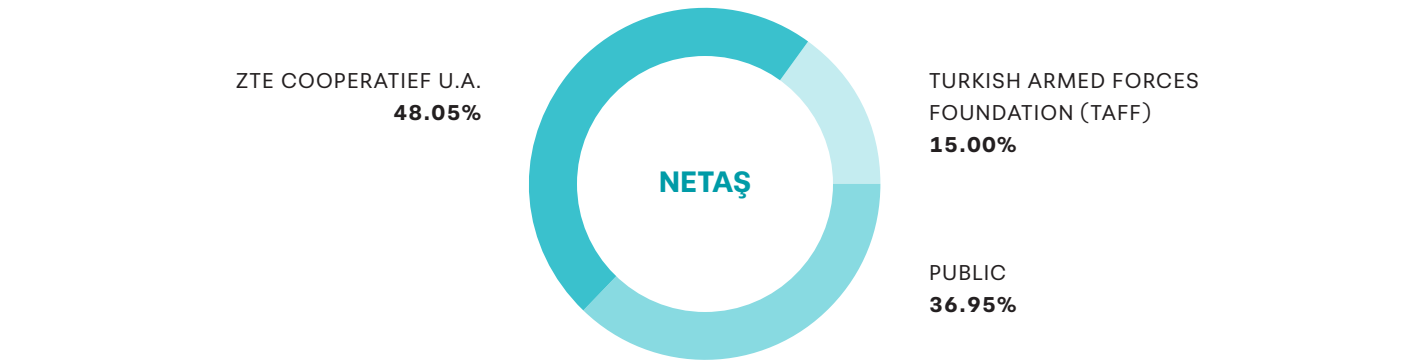
2024 YE*	TL mn.	USD mn.
Short Term Financial Debt	1.793	51
Long Term Financial Debt	147	4
Short Term Portion of Long Term Bank Loans	328	9
Total Debt	2.268	64

\* Financial Debt including bank loans and leasing transactions.

(million TL)	Consolidated Total Financial Debt	Cash and Cash Equivalents	Net Debt (TL mn)	Net Debt (US\$ mn)
YE 2024	2.268	482	1.786	51
YE 2023	1.582	90	1.492	51

CORPORATE GOVERNANCE

CAPITAL AND SHAREHOLDING STRUCTURE



As of 31 December 2024, main shareholder of Netaş Telekomünikasyon A.Ş is ZTE Cooperatief U.A with 48.05%. 15% of the company's shares are owned by Turkish Armed Forces Foundation. Netaş is listed in Borsa İstanbul since 1993 and the company's free float is 36.95% as of 31 December 2024.

The company shares are divided into two groups and all are registered shares. Separation of the shares into two groups grants no privileges to the mentioned (A) and (B) group shares other than as specified in article 9 and 15 of the Articles of Association.

As of 31 December 2024, capital structure of the company as in the following:

31 December 2024	Nominal Value (TL)	Share (%)
ZTE Cooperatief U.A. (*)	31,168,351.34	48.05%
Turkish Armed Forces Foundation (TSKGV)	9,729,720.00	15.00%
Public	23,966,728.66	36.95%
Total Paid in Capital	64,864,800.00	
Istanbul Stock Exchange Code	NETAS	

\* As of July 28, 2017, the shares of OEP Türkiye Tech B.V. (OEP) in Netaş Telekomünikasyon A.Ş. were acquired by ZTE Cooperatief U.A. ("ZTE Cooperatief"). Following the transaction, ZTE Cooperatief became a 48.04% shareholder in Netaş. After the Mandatory Tender Offer, which was completed on October 17, 2017, ZTE Cooperatief U.A.'s share in Netaş's capital increased to 48.05%, reaching its final level.

INFORMATION ON SHARES

SHAREHOLDING STRUCTURE					
Shareholder	Share Group	Registered / Bearer	Number of Shares	Nominal Value (TL)	Share Ratio
ZTE Cooperatie UA	A	Registered	23,351,328.00	23,351,328	36.00%
ZTE Cooperatie UA	B	Registered	7,817,023.34	7,817,023	12.05%
<b>ZTE Cooperative UA (Total)</b>	<b>A and B</b>	<b>Registered</b>	<b>31,168,351.34</b>	<b>31,168,351</b>	<b>48.05%</b>
<b>Turkish Armed Forces Foundation</b>	<b>A</b>	<b>Registered</b>	<b>9,729,720.00</b>	<b>9,729,720</b>	<b>15.00%</b>
<b>Other</b>	<b>B</b>	<b>Registered</b>	<b>23,966,728.66</b>	<b>23,966,729</b>	<b>36.95%</b>
<b>Total</b>			<b>64,864,800.00</b>	<b>64,864,800</b>	<b>100.00%</b>

INFORMATION ON SHARES

Share Group	Registered / Bearer	Nominal Value of Each Share (TL)	Nominal Value of Shares	Ratio to Capital	Concession Type	Whether it is traded on the stock exchange
A	Registered	1	33,081,048	51%	There are no privileges other than the privileges specified in Articles 9 and 15 of the Articles of Association.	It is not being processed.
B	Registered	1	31,783,752	49%	There are no privileges other than the privileges specified in Articles 9 and 15 of the Articles of Association.	Processing.

Articles 9 "Meeting Quorum" and 15 "Board of Directors" of the Articles of Association of Netaş Telekomünikasyon A.Ş. contain the difference between Group A and Group B shares.

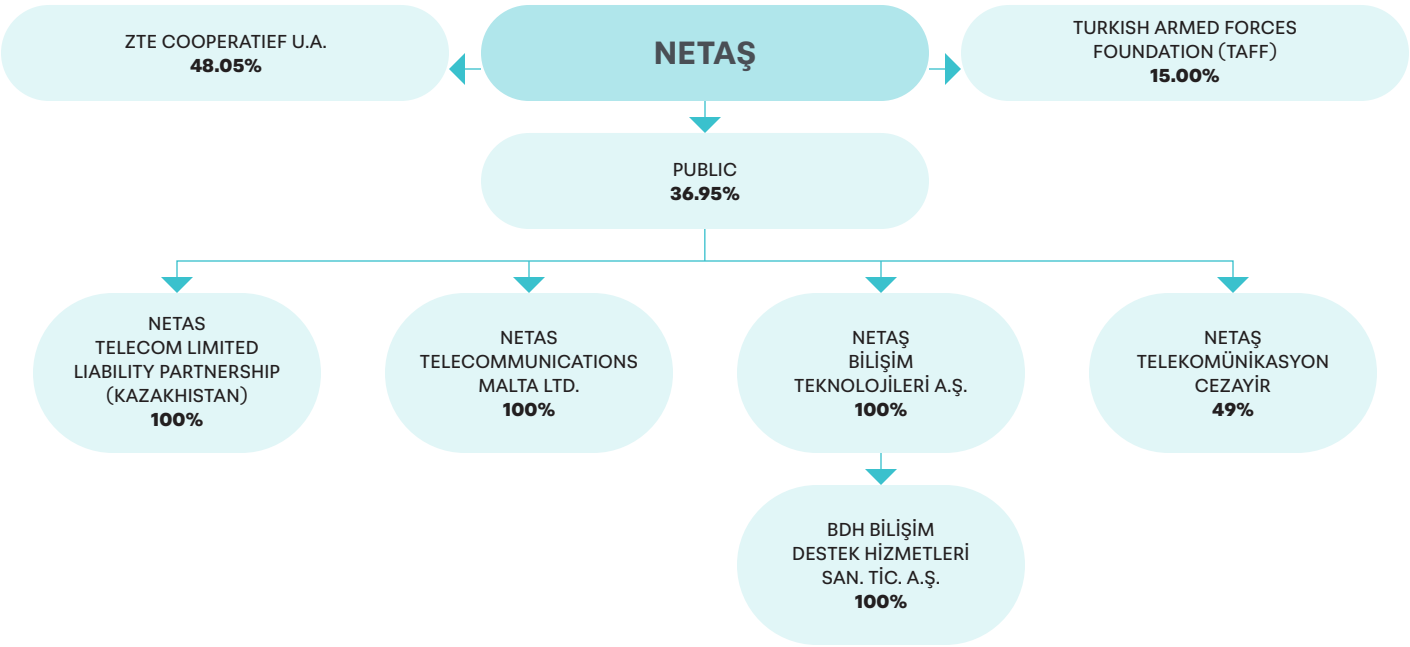
According to Article 9 on Meeting Quorum, resolutions regarding amendments to the Articles of Association require the approval of shareholders representing at least half (1/2) of the total number of Group (A) shares.

Article 15 on the Board of Directors determines the differences between the shares regarding the election of the members of the Board of Directors; The Board of Directors of the Company consists of 7 (seven) members elected by the General Assembly from among the shareholders or candidates nominated by them. Of these seven (7) members, two (2) members shall be elected by the General Assembly from among the candidates nominated by ZTE Cooperatief U.A., one (1) member from among the candidates nominated by the Turkish

Armed Forces Foundation, four (4) members from among the candidates nominated by Group (A) shareholders and three (3) members from among the candidates nominated by Group (B) shareholders.

The Articles of Association of the Company are available on the corporate website of the Company in Turkish and English <https://netas.com.tr/ana-sozlesme> is available at the link.

OPERATIONAL STRUCTURE



RELATED TO JOINT VENTURES AND ASSOCIATION OF THE COMPANY

Netaş Bilişim Teknolojileri A.Ş.

Global competition is constantly increasing and companies now begin to operate on a service-and customer oriented basis rather than simply focusing on the products. This mandates companies including Netaş Bilişim to closely follow and use IT technologies more effectively. From industrial solutions to business solutions and from systems integration and outsourcing to care and maintenance services, network solutions and consultancy, “Netaş Bilişim” has been providing a wide range of services in international markets since 1989. The Company has 100% shares of Netaş Bilişim Teknolojileri A.Ş.

BDH Bilişim Destek Hizmetleri San. ve Tic. A.Ş.

BDH (Information Support Services) offers brand-independent consultancy, strategic outsourcing, hardware and support services in the IT sector to a wide range of customers from small-medium sized enterprises to large ones and public institutions. With a service team of experienced and certified professionals specializing in different areas of IT, BDH provides with 18 branches and 45 partners to its customers throughout Türkiye.

Centers located in İstanbul, Ankara, İzmir, Bursa and Samsun offer hardware support for all kinds of IT products including servers, storage units, handheld devices, printers and more. The Company indirectly has 100% shares of BDH.

Netaş Telecom LLP (Kazakhstan)

Founded in Almaty, Kazakhstan, in 2012, Netaş Telecom LLP operates in line with Netaş's vision of becoming “Regional System Integrator”. Netaş Telecom LLP is fully owned (100%) by the Company.

Netaş Telekomünikasyon Malta Ltd.

“Netaş Telecommunications Malta Ltd” was established with an initial capital of 1.200 Euros on 4 November 2014 for the purpose of improving operational efficiency. Netaş Telecommunication Malta is fully owned by the Company.

Netaş Telekomünikasyon Algeria

“Netaş Telecommunications Algeria Sarl LLC” was established in Algeria, field of activity of the company is manufacturing of small installation and electric lighting equipments; registration of the company completed on 31 March 2019. In accordance with the agreement, Netaş Telecommunication A.S owns 49% of “Netaş Telecommunication Algeria” and has the management control.

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

Board of Directors

Members of the Board of Directors were elected to serve for 3 years at the General Assembly held on May 30, 2023.

Name Surname	Title
Aiguang Peng	Chairman
Şuay Alpay	Vice Chairman
Hongguang Zhou	Board Member
Bowen Mei	Executive Board Member
Ming Li	Board Member
Özer Karabulut	Independent Board Member
Osman Nuri Uçan*	Independent Board Member
Osman Nuri Uçan was elected to the Board of Directors at the General Assembly held on 4 July 2024 to complete the term of office of his predecessor.	

Board Committees

Three committees were formed by the Board of Directors as he Audit Committee, the Committee for Early Detection of Risk, and the Corporate Governance Committee.

Audit Committee

**Chairman:** Özer Karabulut (Independent Board Member)  
**Member:** Osman Nuri Uçan (Independent Board Member)

Committee for Early Detection of Risks

**Chairman:** Özer Karabulut (Independent Board Member)  
**Member:** Osman Nuri Uçan (Independent Board Member)  
**Member:** Şuay Alpay  
**Member:** Hongguang Zhou

Corporate Governance Committee

**Chairman:** Özer Karabulut (Independent Board Member)  
**Member:** Aiguang Peng  
**Member:** Şuay Alpay  
**Member:** Hongguang Zhou  
**Member:** Yeşim Bilginturan

The Audit Committee and the Early Detection of Risk Committee meet one day before the Board of Directors meetings. The Audit Committee convenes at least four times a year, the Early Detection of Risk Committee six times a year, and the Corporate Governance Committee at least four times a year. Since the Nomination Committee and Remuneration Committee foreseen in the Corporate Governance Principles could not be established due to the structure of the Board of Directors, these duties were undertaken by the Corporate Governance Committee. The resumes of the board members are available on the corporate website.

You can access the working principles of the committees under the Board of Directors from the relevant link on the Company website: <https://netas.com.tr/storage/2020/12/komitelerin-c-alis-ma-esaslari.pdf>

Remuneration Provided for Board of Directors and Top Management

Top management of the Group consists of members of the board of directors and executive board, general managers and deputy general managers. As of December 31, 2023, the total amount of salaries and benefits similar to salaries paid to top management personnel is 81,759,489

TL (December 31, 2023: 38,732,695 TL). As of 31 December 2024 and 31 December 2023, there are no loans borrowed from the Group by the key management of the Group.

Total donations for the year 2024 were realized as 26,233 TL.

Prohibition of Competition

Pursuant to Articles 395 and 396 of the Turkish Commercial Code, it is only possible for the members of the Board of Directors to engage in businesses that fall within the Company's field of activity, either personally or on behalf of others, to become partners in companies engaged in such businesses, and to carry out other transactions only with the authorization of the General Assembly.

Judicial Sanctions

There are no administrative or judicial sanctions imposed on the members of the Board of Directors due to practices contrary to the provisions of the legislation.

RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

Information on Activities of the Internal Audit Unit

The Company maintains its internal audit activities in order to determine operational, financial and adaptation related risks originating from market conditions and business processes. Necessary measures to mitigate and avoid risks are taken accordingly. Activities relating to internal audit include; increasing efficiency of processes, implementing same or similar procedures for all work conducted within the workflow, contributing to the conduct of roles and responsibilities, promoting coordination between teams, ensuring and controlling full compliance with provisions of rules, regulations and laws.

These internal audit activities have been carried out by the Internal Audit Department since 2022 in accordance with the global best practices framework. To this end, the Internal Audit Department continued to provide reasonable assurance of the effective functioning of the internal control system with 5 internal audit reports in 2024. In addition, within the scope of the consultancy service, it continued its role as a catalyst and coordinator in the follow-up and improvement of the findings reported by the audit firm PWC. The Internal Audit Department reported the findings of the audits to the Audit Committee on a monthly basis and also informed the Board of Directors at the Board of Directors meetings held during the year. In addition, the weekly status monitoring reports prepared by the Internal Audit Department were regularly submitted to the Netaş Executive Board on a weekly basis, and the findings that needed to be decided on the agenda of the Executive Board and the items that were overdue were discussed.

The Internal Audit Department prepared the audit plan for 2025 and received approval from the Board of Directors. Within the scope of both this approved annual audit plan and extra-plan tasks and activities to be assigned by the Audit Committee, in 2025, the Internal Audit Department will carry out independent and impartial assurance and consultancy activities related to risk management, control and corporate governance processes with a systematic and disciplined approach, and will continue to contribute to the realisation of the Company's objectives by taking a proactive role.

Activities of the Audit Committee and the Early Detection of Risk Committee

As specified on CMB Corporate Governance Principles, an Audit Committee with independent Board Members is established within the Group to ensure that the Board accurately performs its tasks and liabilities. There is also a Committee for Early Detection of Risk, formed of Board Members. This committee also carries out its activities to identify risks at an early stage and take precautions. Information on the activities of the Committees is provided in detail in the Corporate Governance Compliance Report section.

The working principles of the Committees are available on the Company's website under the Corporate Governance heading at the following link: <https://netas.com.tr/storage/2020/12/komitelerin-c-alis-ma-esaslari.pdf>

The Audit Committee, all members of which are independent board members, convenes 4 times a year. The Early Detection of Risk Committee, chaired by one of the independent board members, convenes 6 times a year.

Credit Risk

The Group has applied the simplified approach stated in IFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables.

In order to measure the expected credit loss, the Group first classifies its trade receivables by taking into account the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience, forward macroeconomic indicators were calculated, and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

Liquidity Risk

The Group generally generates funds by converting its short-term financial instruments into cash, such as collecting receivables and disposing of securities. The amounts obtained from these instruments are recorded at their fair value in the accounts.

Currency Risk

Functional currency of the Group is USD and therefore, currency risk is associated for the most part with the shifts of USD value against TL and other currencies. With the purpose of limiting the effects of appreciation or depreciation of USD against other currencies, the Group makes use of its assets in compliance with its liabilities to the extent possible and undertakes contracted expenditures in the contract currency.

Interest Rate Risk

Changes in market interest rates are managed by investing interest-sensitive assets in short-term financial instruments.

# CORPORATE GOVERNANCE REPORTING

## SHAREHOLDERS

### Exercise of the Information Rights by Shareholders

The majority of the requests and questions from shareholders were concerning the operational and financial performance of the company, developments of the projects and fluctuations in the stock price. Requests from domestic individual shareholders, received via telephone and email, have been responded to in compliance with confidentiality rules and within the limits permitted by regulations, ensuring that no trade secrets are disclosed.

Announcements related to the Company's activities and developments, which could be of interest to the shareholders, were disclosed to the public through Public Disclosure Platform in accordance with Communiqué of the CMB Material Events Disclosure. The media was also informed through press releases. These released and announcements were also placed on the website of the Company at [www.netas.com.tr/en](http://www.netas.com.tr/en)

The Articles of Association of the Company does not have a provision for the appointment of a special auditor; however, the shareholders have a right to request the appointment of a special auditor in accordance with Article 438 of Turkish Commercial Code.

### General Assembly Meetings

One ordinary general assembly meeting was held during the period. Netaş Telekomünikasyon A.Ş. Ordinary General Assembly Meeting for the period 01.01.2023 - 31.12.2023 was held on 4 July 2024 and the meeting quorum was 63.09%. There was no media participation in the General Assembly meeting, and shareholders' representatives attended the meeting.

The invitation to the meeting was made in accordance with Article 14 of the Company's Articles of Association and Article 414 of the Turkish Commercial Code and the provisions of the Capital Markets Law, published in the Turkish Trade Registry Gazette, sent by registered mail to shareholders with registered shares, and announced on the Public Disclosure Platform.

The 2023 General Assembly meeting was held physically and electronically through the Electronic General Assembly System (EGKS) of Merkezi Kayıt Kuruluşu A.Ş. In the announcement made, shareholders who will attend the meeting via EGKS were reminded of their obligations. Prior to the Ordinary General Assembly Meeting, the financial statements for the period, the Annual Report of the Board of Directors and the Dividend Distribution Proposal of the Board of Directors were made available for the review of the shareholders at the Company headquarters and on the Company's website within three weeks prior to the meeting date. Shareholders were given the right to speak and ask questions at the General Assembly meeting. No agenda proposals were submitted by the shareholders, and other proposals were submitted for the approval of the General Assembly by the Chairman of the Council. At the Ordinary General Assembly meeting, shareholders were informed about the donations made during the period with a separate agenda item, and the General Assembly was informed that the amount of donations made by the company in 2023 was TL 94,600.

The minutes of the Shareholders Meetings were announced to the public through Public Disclosure Platform (PDP), registered with the Commercial Registry and published in the Commercial Registry Gazette. Additional copies are made available to the shareholders at the head office and the web site of the Company for review.

### Voting Rights and Minority Rights

According to the Articles of Association of the Company, every share has a right to one vote at meetings of shareholders. The ordinary and extraordinary meetings of shareholders are held in accordance with the Turkish Commercial Code. Minority rights are subject to the provisions of the Turkish Commercial Code and Capital Markets Law.

The shares of the Company are divided into two groups, where both (A) group shares are and (B) group shares are registered shares. The differentiation of the shares between (A) and (B) groups, does not give the owners any rights nor privileges, except as provided in Articles 9, 15, of the Articles of Association.

According to Article 9 of the Articles of Association; the required quorum for meetings and the required majority for resolutions of the shareholders shall be subject to the provisions of the Turkish Commercial Code (T.C.C.) and Capital Markets legislation. However, resolution of the shareholders concerning amendments to the Articles of Association shall require the affirmative votes of the shareholders representing at least one half of the total number of shares within Group A.

There is no cross shareholding relationship between the Company and its shareholders. Cumulative voting procedure is not stated in the Articles of Association and thus not implemented.

## Dividend Rights

There are no privileges granted to shareholders in terms of participation in the Company's profit; the profit distribution procedure is explained in Article 22 of the Articles of Association. The Company's Dividend Distribution Policy has been submitted for the information of shareholders via the Public Disclosure Platform and the corporate website. <https://netas.com.tr/storage/2020/12/KAR-DAGITIM-POLITIKASI.pdf>

At the Ordinary General Assembly Meeting held on July 4, 2024, the Board of Directors' proposal to not distribute dividends was presented to the shareholders for information and approval. This decision was based on the fact that, after deducting taxes and other legal obligations, there was no total net distributable profit from the 01.01.2023 – 31.12.2023 fiscal period. The proposal was approved by majority vote.

## Transfer of Shares

The transfer of shares is stipulated in Article 6 subparagraph (c) of the Articles of Association of the Company.

Accordingly, (B) group registered shares can be freely transferred without being subject to any limitation or condition within the framework of Turkish Commercial Code and Capital Markets Legislation. However, concerning the transfer of (A) group registered shares the existing shareholders in Group (A) are entitled to pre-emptive rights which are required to be exercised within 30 days from the date of the offer for sale. Therefore a shareholder wishing to transfer its shares, in full or in part, must first offer, in writing, to transfer its shares to the other shareholders in Group A in proportion to their respective shares, stating the price and other conditions for sale. If any shareholder, to whom the offer was made, declines to purchase the offered shares, such shares shall be offered to the other shareholders in

proportion to their share ownership and this method will be pursued in the same manner until all shares are sold or rejected. Following the application of the above procedures, the transferor will be free to offer any rejected shares to third parties without restrictions provided that the price and other conditions of sale are no more favourable to the third party than the price and other conditions contained in the initial offer.

## PUBLIC DISCLOSURE AND TRANSPARENCY

### Corporate Website and Content

The corporate website [www.netas.com.tr/en](http://www.netas.com.tr/en) of the Company is actively used both in Turkish and in English for implementation of the disclosure policy within the framework of the Corporate Governance Principles of the Capital Market Board. Majority of information takes place on the website also is presented in English.

## Annual Report

The annual reports include information within the framework of the regulation determining the minimum content of annual reports and Corporate Governance Principles.

## STAKEHOLDERS

### Informing Stakeholders

Stakeholders are persons, corporations or interest groups such as employees, creditors, customers and suppliers, in direct relation with the company and having interest in the achievement of the Company objectives or in its activities. Stakeholders are invited to the meetings regarding any matters concerning them. informative meetings are held for suppliers and distributors. Public announcements are made through press releases, press bulletins and interviews; published press releases are simultaneously announced on corporate web sites and corporate social media accounts.

Employees are regularly informed via announcements and various events organized by Company.

With the general assembly meetings, open to all stakeholders, the company's website, annual and interim reports, press releases and Public Disclosure Policy based on transparency aim to inform not only the shareholders but also all stakeholders.

Stakeholders may share information through the investor relations department e-mail and phone, to communicate any practices that they consider to be breaching the legislation or to be ethically inappropriate to the Audit Committee.

### Participation of Stakeholders in Management

Models are being developed to support participation of stakeholders, especially company employees, in the company management, without disrupting company operations. The relevant groups, primarily the company employees, can meet with company executives at any time. The opinions of relevant groups are received through employee and customer satisfaction surveys that are periodically conducted by independent organizations and the company, and strategies are developed accordingly.

## Human Resources Policy

The success of Netaş in a dynamic and rapidly changing information and Communication Technologies sector is dependent upon the contributions and development of its employees. The Company aims to maximize the potential, motivation and innovation of its employees in order to achieve corporate objectives. To this end, the Company provides equal opportunities for employment, rewards performance, promotes the development of individuals and teams, fosters environmental protection, and meets the requirements of health and safety regulations. Competitive compensation and social

benefit programs are prepared, the knowledge and the competencies of the employees are assessed through the attributes defined in Core Competencies. Within the performance management process and throughout the career development process, employees are given opportunities to assess and develop their skills.

The human resources policy is available at the website ([www.netas.com.tr/en](http://www.netas.com.tr/en)) of the Company under the title of “Human Resources”. Related policies and procedures are accessible by all employees. Managers and Human Resources department are responsible to maintain relations with employees in line with the human resources policy.

All employees are informed in detail and transparently about all human resources processes including their employment contracts, mutual responsibilities of the company and its employees and working standards defined in the Personnel Regulations since their recruitment. Employee rights are governed by human rights principles, current legislation, labor contracts, personnel regulations and ethical rules.

**Ethical Rules, Environment and Social Responsibility**

The Board of Directors has established a Code of Conduct for the Company and its affiliates and communicated it to employees.

Netaş has been implementing Environment, Health and Safety Program since 1997. Within the scope of this program ISO14001 Environmental Management System and ISO45001 Employee Health and Safety Management System are implemented. No claims were raised against the Company for environmental pollution. In addition, our company has ISO9001 Quality Management System, ISO10002 Customer Satisfaction Management System, ISO27001 Information Security Management System, ISO22301

Business Continuity Management Systems, contributing to our social stakeholders.

Activities related to social responsibility of the Company include maintenance of relations with universities and the provision of scholarship to successful students in need. Furthermore, through memberships in foundations and associations, contributions are made to the society, and to scientific and technological development. Voluntary initiatives of employees for public aid and environmental activities are encouraged and supported.

**STRUCTURE OF THE BOARD AND PRINCIPLES OF ACTIVITY**

**The Structure and Composition of the Board of Directors**

The Board of Directors of the Company is composed of 7 (seven) members elected for three years by the general assembly of shareholders, from among the shareholders or their nominees. Four of the seven members are elected at the meeting of the Shareholders from among the candidates nominated by Group A and three members are elected from among the nominees of the Group B shareholders. There are two Independent Board Members among the Board of Directors.

Name of the Board Members, starting date of employments and duty terms take place in the section of “Corporate Governance Information Form” at the end of this report. Background (CVs) of Board of Directors are presented on the corporate website of the company, [www.netas.com.tr](http://www.netas.com.tr)

There are no restrictions imposed on the Board of Directors concerning other duties and occupations they can assume other than the restrictions concerning conflict of interest (as stated in Turkish Commercial Code) and competition with the Company. Such restrictions are submitted to the approval of the shareholders each year at the General Meeting.

The written statements of all independent members, regarding their independence in line with the criteria specified in the legislation, the articles of association and the communiqué are presented at the end of this annual report.

There have been no events compromising the independence of the independent members serving as members of the board of directors in 2024.

**Working Principles of the Board of Directors**

The agenda for the meeting of the Board of Directors is determined by consultation between the Chairman, the members of the Board and the General Manager. Invitations to meetings were made at least three days in advance of the meeting together with the notification of the agenda. Meetings of the Board of Directors for the year 2024 were held in electronic environment and were signed by hand in accordance with the Articles of Association. 93% participation was achieved in Board meetings held in 2024. In order to facilitate communication with the Board Members and to provide related services a Corporate Secretarial Services function exists within the Company. In case of a different opinion expressed in the Board Meetings, these are reflected in the minutes of the meeting. Questions raised and comments made at the meetings of the Board and related responses are recorded in the minutes of the meeting. Members of the Board of Directors are not granted weighted voting rights or veto rights under the Articles of Association.

According to the Articles of Association, the required quorum for Board meetings is the presence of five members of the Board. The majority vote of those present is required for the approval of any subject.

A USD 20 million directors' liability insurance policy has been obtained to cover potential damages that Board Members may cause to the Company due to negligence during their duties. This has been disclosed on the Public Disclosure Platform (KAP). The insurance amount exceeds 25% of the company's capital.

**Number, Structure and Independence of the Board Committees**

Three committees have been established by the Board of Directors as the Audit Committee, Early Detection of Risks Committee and the Corporate Governance Committee. Details concerning Committees, Committee members, frequency of committee meetings are presented in the “Corporate Governance Information Form”. One Independent Board member takes role more than one committee.

Withing the calander year, the Audit Committee has communicated to the board of directors all its proposals regarding issues under its responsibility. The Early Detection of Risks Committee which works for early detection of risks jeopardizing the existence, development and sustainment of the company, responsible for taking measures, for detected risks and for risk management; has reviewed the risk management systems of the Company in accordance with the Corporate Governance Principles and the Early Detection of Risks Committee Regulations. The Corporate Governance Committee has offered recommendations to the board of directors on improvement of corporate governance applications and has supervised the duties of the Investor Relations Department. In addition, sustainability-related activities and practices are also overseen by the Corporate Governance Committee.

**Strategic Objectives of the Company**

The strategic objectives of the Company are reviewed and determined by the Board of Directors during budget review discussions within the scope of three years plans prepared by the management and submitted to the Board. The activities of the Company, the level of achievement of objectives and past performance are reviewed by the Board each quarter and at the end of the budget period.

**Financial Benefits**

Board Members receive a monthly fee payable at the end of each month. Compensation for the Members of the Board of Directors is determined by the General Assembly of the Shareholders each year, in accordance with Article 15 of the Articles of Association. There are no incentives available to Board Members based on performance in connection with the performance of the Company.

Financial benefits provided to members of the Board of Directors and senior management team are explained in the annual report. The Company did not lend any money, extend any credit, extend a personal credit through a third party, nor provided any guarantees to or in favor of any Member of the Board of Directors or any Manager of the Company.

Compensation policy is available at the company website.

**Other Issues Concerning the Operations of the Company**

- The company acquired none of its own shares during the reporting period.
- In the year of 2024, there is no administrative and judicial sanction applied to the company or the company's management due to practices contrary to the provisions of the legislation.
- The company compared its 2024 targets with its budget, upper management examined the deviations and determined the necessary strategic actions to be taken.
- There is no taken or avoided to taken measures which may cause a loss for the company in the year of 2024.
- In the year of 2024, the company was not a respondent in any suit whose outcome would be capable of significantly affecting either the company's financial position or the conduct of its business.

	Compliance Status					
	Yes	Partially	No	Exempted	N/A	Remarks
1.1. FACILITATING THE EXERCISE OF SHAREHOLDERS RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors on the corporate website	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2- The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the Board of Directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10- The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			Stakeholders without having the right to speak did not specifically request to attend the Meeting. General Assembly Meeting is not open to media due to security and time management concerns.
1.4. VOTING RIGHTS						
1.4.1- There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2- The company does not have shares that carry privileged voting rights.			X			The shares of the Company are divided into two groups, where both (A) group shares are and (B) group shares are registered shares. The differentiation of the shares between (A) and (B) groups, does not give the owners any rights nor privileges, except as provided in Articles 9, 15, of the Articles of Association.
1.4.3- The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of minority rights.			X			For Considerations did not take place in the Articles of Association, verdicts of Capital Markets Board of Türkiye and Turkish Commercial Code is applicable.

	Compliance Status					
	Yes	Partially	No	Exempted	N/A	Remarks
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Assembly is posted on the company website.	X					
1.6.2- The dividend policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3- The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The Board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1- There are no restrictions preventing shares from being transferred.		X				The transfer of shares is stipulated in Article 6 subparagraph (c) of the Articles of Association. (B) group registered shares can be freely transferred without being subject to any limitation. Article 6 subparagraph (c) of the Articles of Association is applicable for theTransfer of (A) shares.
2.1. CORPORATE WEBSITE						
2.1.1.- The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2- The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4- The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				Most of the content taking place on the corporate website also presented in English.
2.2. ANNUAL REPORT						
2.2.1- Board Members ensure that annual report of the company reflects the operations of the company as whole and complete.	X					
2.2.2- The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3- Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5- The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

	Compliance Status					
	Yes	Partially	No	Exempted	N/A	Remarks
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1- The Articles of Association, or the internal regulations (terms of reference/manuals) regulate the participation of employees in management.		X				The participation of employees to the management are promoted with periodic meetings within the company in particular goal setting and performance evaluation meetings. The results out of these meetings are used for necessary changes to be made by the management.
3.2.2- Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				If the decisions have specific consequences for the relevant stakeholders; the opinions of relevant groups are received through talks, surveys and their suggestions are received. For other stakeholders (suppliers, business partners) communication channels are always open.
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2- Recruitment criteria are documented.	X					
3.3.3- The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4- Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					Desicions which may affect employees are reported to them. Our employees are non unionised.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them, and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8- The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2- Customers are notified of any delays in handling their requests.	X					
3.4.3-The company complied with the quality standards with respect to its products and services.	X					
3.4.4-The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					

	Compliance Status					
	Yes	Partially	No	Exempted	N/A	Remarks
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.		X				Ethic Rules take place on the corporate website under the topic of Sustainability.
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1 ROLE OF THE BOARD OF DIRECTORS						
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITY OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5-The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations Department and the corporate governance committee work effectively. The Board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8- The company has subscribed to a Directors and Officers Liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The Board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy concerning a target to have women board members at a minimum of 25%
4.3.10- At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					

	Compliance Status					
	Yes	Partially	No	Exempted	N/A	Remarks
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1-Each board member attended the majority of the board meetings in person or electronically.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3-The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions, if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			There is no internal regulation specifying any limitations in this respect due to the contribution of different experiences of Board Members to the Board. CVs of Board members can be found on the corporate website of the company.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.			X			Some Board Members have duties in more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There is no consultancy services used in this manner.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1 - The board of directors has conducted a Board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			There was no performance evaluation at the Board of Directors level.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Remuneration of board members and executive management is disclosed in the annual report; however it is not in the individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating The Exercise of Shareholders Rights</b>	
The number of investor meetings (conference,seminar/etc.) organized by the company during the year	-
<b>1.2. Right to Obtain and Review Information</b>	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1 (ad)	<a href="https://www.kap.org.tr/tr/Bildirim/1292854">https://www.kap.org.tr/tr/Bildirim/1292854</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Documents presented only in Turkish.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1292855">https://www.kap.org.tr/tr/Bildirim/1292855</a>
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1292855">https://www.kap.org.tr/tr/Bildirim/1292855</a>
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations – Corporate Information-Articles of Association
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	-
The number of the provision(s) of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Clause 8
Identified stakeholder groups that participated in the General Meeting of Shareholders, if any	Some of the shareholders and their representatives, Board Members, Auditor of the company, some members of the executive committee and the employees responsible for the general assembly attended to the General Assembly Meeting.
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	-
The percentage of ownership of the largest shareholder	48.05%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of association	No
If yes, specify the relevant provision of the articles of association	-
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance /Policies / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	At the Ordinary General Assembly Meeting held on July 4, 2024, the Board of Directors' proposal to not distribute dividends was presented to shareholders for their information and approval. This decision was based on the fact that, after deducting taxes and other legal obligations, there was no total net distributable profit from the 01.01.2023 – 31.12.2023 fiscal period. The proposal was approved by a majority vote.
PDP link to the related general meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	<a href="https://www.kap.org.tr/tr/Bildirim/1305858">https://www.kap.org.tr/tr/Bildirim/1305858</a>

GENERAL ASSEMBLY MEETINGS	
General Meeting Date	04.07.2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate in the General Shareholders' Meeting	63,09%
Percentage of shares directly present at the GSM	0,03%
Percentage of shares represented by proxy	63,06%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the number of votes for or against	Investors Relations / General Assembly Info (in Turkish)
Specify the name of the page of the corporate website that contains all questions asked in the general assembly Meeting and all responses to them	Investors Relations / General Assembly Info (in Turkish)
The number of the relevant item or paragraph of the General Shareholders' Meeting minutes in relation to related party transactions	Item 9
The number of declarations by insiders received by the board of directors	37
The link to the related PDP general shareholder Meeting notification	https://www.kap.org.tr/tr/Bildirim/1305858

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the names of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	Investor Relations – Shareholder Structure
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or names of the sections in the annual report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the external of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Annual Report – Corporate Governance – Structure of Board and Principles of Activity
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report - Corporate Governance Information Form – Board Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report - Corporate Governance Information Form – Board of Directors – Principles of Activity
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in legislation which may significantly affect the activities of the Corporation	Annual Report - Corporate Governance Compliance Report - Other Issues Concerning the Operations of the Company
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report - Corporate Governance Compliance Report - Other Issues Concerning the Operations of the Company
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no cross-ownership relationship in the company's capital
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report – Sustainability

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	26
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Human Resources
The contact detail of the company alert mechanism	insan_kaynaklari@netas.com.tr
3.2. Supporting The Participation Of The Stakeholders in The Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	-
Corporate bodies where employees are actually represented	Executive Committee
3.3. Human Resources Policy	
The role of the Board on developing and ensuring that the company has a succession plan for the key management positions	The Board Supports the Human Resources Department
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Netaş-Human Resources
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy	Investor Relations – Sustainability Section
The number of definitive convictions the company is subject to in relation to health and safety measures	-
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations – Sustainability Section
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide information about any measures taken on environmental, social and corporate governance issues.	Investor Relations – Sustainability Section
Any measures combating any kind of corruption including embezzlement and bribery	Investor Relations – Sustainability Section

4. BOARD OF DIRECTORS - I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	None
Number of reports presented by internal auditors to the audit committee or any other relevant committee of the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report – Risk Management and Internal Control Systems
Name of the Chairman	AIGUANG PENG
Name of the CEO	SİNAN DUMLU
If the CEO and Chair functions are combined, provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	<a href="https://www.kap.org.tr/tr/Bildirim/1371706">https://www.kap.org.tr/tr/Bildirim/1371706</a>
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	0

STRUCTURE OF THE BOARD							
Name/Surname of Board Member	Whether Executive Director or not	Whether Independent Director or not	The First Election Date to Board	Link to Pdp Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
AİGUANG PENG	No	No	07.08.2020	-	-	No	Yes
ŞUAY ALPAY	No	No	29.05.2019	-	-	No	Yes
HONGGUANG ZHOU	No	No	04.07.2024	-	-	No	No
MING LI	No	No	03.04.2019	-	-	No	Yes
BOWEN MEİ	Yes	No	05.03.2021	-	-	No	Yes
OSMAN NURİ UÇAN	No	Yes	04.07.2024	<a href="https://www.kap.org.tr/tr/Bildirim/1305858">https://www.kap.org.tr/tr/Bildirim/1305858</a>	Yes	No	No
ÖZER KARABULUT	No	Yes	29.05.2019	<a href="https://www.kap.org.tr/tr/Bildirim/1008929">https://www.kap.org.tr/tr/Bildirim/1008929</a>	Yes	No	No

4. BOARD OF DIRECTORS - II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	-
Director average attendance rate at board meetings	93%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that provides information about the board charter	Investor Relations – Corporate Governance – Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Turkish Commercial Code is applicable in this manner, it is submitted to the approval of General Assembly every year.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/1008929">https://www.kap.org.tr/tr/Bildirim/1008929</a>

BOARD COMMITTEES -I				
Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	Name-Surname of Committee Members	Whether Committee Chair or not	Whether Board Member or not
Corporate Governance Committee	-	ÖZER KARABULUT	Yes	Board Member
Corporate Governance Committee	-	AİGUANG PENG	No	Board Member
Corporate Governance Committee	-	ŞUAY ALPAY	No	Board Member
Corporate Governance Committee	-	HONGGUANG ZHOU	No	Board Member
Corporate Governance Committee	-	YEŞİM BİLGİNTURAN	No	Not a Board Member
Audit Committee	-	ÖZER KARABULUT	Yes	Board Member
Audit Committee	-	OSMAN NURİ UÇAN	No	Board Member
Early Detection of Risk Committee	-	ÖZER KARABULUT	Yes	Board Member
Early Detection of Risk Committee	-	OSMAN NURİ UÇAN	No	Board Member
Early Detection of Risk Committee	-	ŞUAY ALPAY	No	Board Member
Early Detection of Risk Committee	-	HONGGUANG ZHOU	No	Board Member

4. BOARD OF DIRECTORS -III	
4.5. Board Committees -II	
Specify where the activities of the Audit Committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/ website)	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/ website)	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report – CMB Report
Specify the section of the website where remuneration policy for executive and non-executive directors are presented	Investor Relations - Corporate Governance - Policies- Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report - Remuneration Provided for Board of Directors and Top Management

BOARD COMMITTEES -II					
Names of the Board Committees	Name of Committees Defined as “Other” in the First Column	The Percentage of Non-Executive Directors	The Percentage of Independent Directors in the Committee	The Number of Committee Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Corporate Governance Committee	-	80%	20%	4	4
Audit Committee	-	100%	100%	4	4
Early Detection of Risk Committee	-	100%	50%	6	6

## SUSTAINABILITY COMPLIANCE REPORT

		Company Compliance Status					
		Yes	No	Partial	N/A	Explanation	Related Report / Link
A.	General Principles						
A1.	Strategy, Policy, Targets						
A1.1	The Board of Directors determines material environmental, social and governance (ESG) issues, risks and opportunities.			X		The Board has started to review the ESG policies to establish the necessary policies by determining the ESG material issues.	Annual Report/ Sustainability Part
	The Board of Directors establishes relevant ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and they are publicly disclosed.			X		Work continues to establish policies and procedures. Current ESG policies can be accessed on the Company's corporate website and annual reports.	Website, Annual Report
A1.2	Publicly discloses shortand long-term goals set according to ESG policies.		X			The company has started to work on short and long-term goals, but the action plan has not yet been completed.	
A2.	Implementation / Monitoring						
A2.1	Determines and discloses the committees/units responsible for the execution of ESG policies, and the highest level positions in charge of ESG issues at the Company and their duties.		X			Apart from the committees established in the field of Corporate Governance, no committee has yet been established for the field of sustainability, and related activities are carried out by the established work teams. It is planned to establish committees in 2025 for the purpose of TSRS reporting.	
	The responsible committee and/or unit reports the activities carried out as per the policies during the year at least once a year to the Board of Directors.		X			The working teams are still carrying out the relevant activities. Committees have not been established.	
A2.2	Creates and discloses implementation and action plans aligned with ESG targets			X		It is disclosed in our EHS Report on the website.	
A2.3	Discloses ESG Key Performance Indicators (KPI) and the degree of their achievement by years.			X		It is disclosed in our EHS Report on the website.	
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.			X		Explanations regarding this area are made in the annual report and on the website.	Website, Annual Report

		Company Compliance Status				Explanation		Related Report / Link
		Yes	No	Partial	N/A			
A3.	Reporting							
A3.1	Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports.			X		The relevant information is included in the Sustainability part of the annual reports in the Sustainability Framework Reporting.	Annual Report/ Sustainability Part	
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.		X			No information is disclosed within this context.		
A3.3	Makes disclosures regarding the lawsuits filed and/or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations.	X				The company includes relevant information in its annual reports and corporate governance reports.	Website, Annual Report	
A4.	Verification							
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.		X			Since Sustainability Reporting has not been carried out yet, verification is not made by 3 <sup>rd</sup> parties.		
B.	Environmental Principles							
B1	Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs	X				The company complies with the ISO 14001 standard.	Website, Annual Report	
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information		X			There is no separate reporting other than the one in the annual report and on the website.		
B3	Provided in A2.1.		X			The working teams are still carrying out the relevant activities. Committees have not been established.		
B4	Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).		X			Not available.		
B5	Explains how environmental issues identified to be material are integrated into business goals and strategies.			X		The company takes care that its targets are compatible with sustainability.	Website	

		Company Compliance Status				Explanation		Related Report / Link
		Yes	No	Partial	N/A			
B6	Provided in A2.4.			X		Explanations regarding this area are made in the annual report and on the website.	Website, Annual Report	
B7	Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies.			X		The company's policy regarding suppliers has been established and efforts are underway to improve it.	Website, Annual Report	
B8	Discloses whether it is involved in policymaking processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any			X		The company includes this information under the heading of sustainability in its annual report and on its website. No separate reporting is made.	Website, Annual Report	
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).	X				The company has a CDP (Carbon Disclosure Report) Report.	Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.	
B10	Discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data.			X		Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.	Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.	
B11	Publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.		X			There is a separate reporting but no such indicator.		
B12	Sets short and longterm goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.		X			After determining the long-term targets, the relevant data will be reported.		
B13	Discloses its strategy and actions to combat the climate crisis.		X			Strategy formation studies are continuing.		
B14	Explains its programs or procedures to prevent or minimize the potential negative impacts of the products and/ or services it offers.		X			Although the company has acted towards this purpose, it has not yet disclosed its program and procedures to the public.		
	Takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g. suppliers, sub-contractors, dealers, etc.).		X					

		Company Compliance Status				Explanation		Related Report / Link
		Yes	No	Partial	N/A			
B15	Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/ revenues and cost savings they provide.		X			There is no separate reporting yet.		
B16	Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.		X			Relevant data are available in the CDP report.	Our CDP Report has been completed on a voluntary basis and is not disclosed to the public.	
B17	Discloses information about the electricity, heat, steam and cooling generated during the reporting year. Discloses information about the electricity, heat, steam and cooling generated during the reporting year.	X				It is disclosed in our EHS Report on the website.	Website	
B18	Discloses information about the electricity, heat, steam and cooling generated during the reporting year.			X		The Company operates in line with this objective. While no reporting is conducted on this matter yet, relevant information is provided on the website.	Website	
B19	Discloses data on its renewable energy generation and consumption.		X			There is no separate reporting yet.		
B20	Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts.		X			There is no separate reporting yet.		
B21	Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures.			X		Relevant data is available in the CDP report. It is disclosed in our EHS Report on the website.		
B22	Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).		X			There is no separate reporting yet.		
B23	Discloses the carbon credits saved or purchased during the reporting period. Discloses the details if carbon pricing is applied within the Company		X			There is no separate reporting yet.		
B24	Discloses the platforms that it reports its environmental information to.		X			There is no separate reporting yet.		
B25	Discloses data on its renewable energy generation and consumption.			X		Relevant data are available in the CDP report.	Website	

		Company Compliance Status					
		Yes	No	Partial	N/A		
C.	Social Principles						
C1.	Human Rights / Employee Rights						
C1.1	Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation.			X		All regulations regarding the Company's Human Rights Policy are made available to all employees on the company portal. In addition, processes related to HR policy are included under the human resources heading of the website.	Website
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.			X		Netaş Inclusivity and Diversity Commitment has been prepared and submitted for the signature of our employees. In addition, every new employee is requested to read and approve it.	Website
C1.3	Discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/ equal opportunity.			X		Within the scope of Netaş Inclusivity and Diversity Commitment, it is shared that our employees embrace the differences in gender, ethnicity, age, language, religion, health status, family obligations, educational background and abilities regarding equal opportunities.	Website
C1.4	Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.		X			There is no separate reporting yet. The processes for not employing child labor are governed by the provisions of the labor law.	
C1.5	Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/ life balance solutions and talent management in its policies concerning employee rights.			X		Processes related to regulations in Human Resources are supported. There is no policy regarding unionization.	Website, Annual Report
	Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes.		X				
	Discloses the activities for ensuring employee satisfaction during the reporting period.			X		1. With Employee Engagement surveys, processes and actions are organized in line with employee feedback. 2. Steering Committe has been created and followed up to follow the actions and plans. 3. The "We" program, which focuses on the employee, was launched. 4. The developments in the "We" program are shared with the employees through monthly newsletters.	Website

		Company Compliance Status				Explanation		Related Report / Link
		Yes	No	Partial	N/A			
C1.6	Establishes and discloses occupational health and safety policies.	X				Occupational Health and Safety Policy is published on the website.		Website
	Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents.	X				It is explained on the website in our EHS Report.		Website
C1.7	Establishes and discloses personal data protection and data security policies.	X				The relevant policy has been created and announced to the public via the corporate website.		Website
C1.8	Establishes and discloses a code of ethics.	X				The relevant policy has been created and announced to the public via the corporate website. In addition, Netaş Communication protocol was prepared and published on the company portal. Expectations from employees are clearly stated in social media, events and meetings with the press. It is also shared with employees via e-mail.		Website
C1.9				X		Ongoing social responsibility activities are regularly featured on the corporate website and annual activity reports.		Website, Annual Report
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.			X		Efforts to update and create ESG policies continue, and training programs are planned afterwards.		Website
<b>C2.</b>	<b>C2. Stakeholders, International Standards and Initiatives</b>							
C2.1	Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.		X			There is a customer satisfaction policy. A customer satisfaction survey is conducted annually and the results are analyzed. However, public disclosure is not made as there is no reporting at the moment.		
C2.2	Discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency).			X		There is no separate reporting yet. Transparent information is provided by communicating with stakeholders through the annual report, press and social media channels.		Annual Report
C2.3	Discloses the international reporting standards embraced in its reporting		X					
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.			X		The company has been a signatory of the UN Global Compact since 2019. She is also a signatory of the Women Empowerment Principles and a supporter of the HeforShe platform.		Website, Annual Report
C2.5	Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa İstanbul and/ or international index providers.	X				The company was included in the Borsa İstanbul Sustainability Index.		Website

		Company Compliance Status					
		Yes	No	Partial	N/A		
D.		Corporate Governance Principles					
D1	Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.		X			Strategy formation studies are continuing. It has not been finalized yet.	
D2	Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	X				Efforts are being made to increase in-house awareness.	Website, Annual Report

DECLARATION OF INDEPENDENCE

To the Board of Directors of Netaş Telekomünikasyon A.Ş.;

I hereby declare that;

There have been no employment relations in management positions undertaking important duties and responsibilities; I do not jointly or individually own more than 5% share in capital, voting rights or privileged shares or no significant commercial relation has been established, during the last five years; between the Company or partnerships where the Company controls the management or has significant influence, partnerships controlling the management of or having significant influence in the Company or legal entities controlling the management of such partnerships; and me, my spouse and my blood relatives or my relatives by marriage,

I have not been partner of (5% and higher), have not been employed in management positions undertaking important duties and responsibilities or have not been a member of the board of directors, in companies to/ from which the Company sold/purchased significant services or products in the framework of agreements, especially regarding audit (including tax audit, legal audit, internal audit), rating and consultancy of the Company, during periods when the services or products were purchased or sold, during the last five years,

I have the required professional training, knowledge and experience to duly perform the duties I shall assume as an independent member of the board of directors,

I do not have a full-time job in public institutions and organizations and if elected, I shall maintain this status throughout my term in office (except for university faculty membership),

I comply with the criteria for residence in Türkiye according to the Income Tax Law No. 193 dated 31/12/1960,


I have strong ethical standards, professional reputation and experience to positively contribute in Company activities, to maintain neutrality in conflicts of interest between the Company and shareholders, and to freely make decisions by taking into consideration the rights of stakeholders,

I shall allocate time to Company affairs to follow the operation of Company activities and to fully fulfill the requirements of the duties I shall undertake,

I have not been a member of the Company board of directors for more than six years during the last ten years,

I do not serve as independent member of board of directors in more than three Companies management of which are controlled by the Company or by partners controlling the management of the Company; and in more than a total of five Companies traded in the stock exchange.

I have not been registered and announced on behalf of the legal entity elected as member of the board of directors.

  
Özer KARABULUT  
29.05.2019

To the Board of Directors of Netaş Telekomünikasyon A.Ş.;

I hereby declare that;

There have been no employment relations in management positions undertaking important duties and responsibilities; I do not jointly or individually own more than 5% share in capital, voting rights or privileged shares or no significant commercial relation has been established, during the last five years; between the Company or partnerships where the Company controls the management or has significant influence, partnerships controlling the management of or having significant influence in the Company or legal entities controlling the management of such partnerships; and me, my spouse and my blood relatives or my relatives by marriage,

I have not been partner of (5% and higher), have not been employed in management positions undertaking important duties and responsibilities or have not been a member of the board of directors, in companies to/ from which the Company sold/purchased significant services or products in the framework of agreements, especially regarding audit (including tax audit, legal audit, internal audit), rating and consultancy of the Company, during periods when the services or products were purchased or sold, during the last five years,

I have the required professional training, knowledge and experience to duly perform the duties I shall assume as an independent member of the board of directors,

I do not have a full-time job in public institutions and organizations and if elected, I shall maintain this status throughout my term in office (except for university faculty membership),

I comply with the criteria for residence in Türkiye according to the Income Tax Law No. 193 dated 31/12/1960,

I have strong ethical standards, professional reputation and experience to positively contribute in Company activities, to maintain neutrality in conflicts of interest between the Company and shareholders, and to freely make decisions by taking into consideration the rights of stakeholders,

I shall allocate time to Company affairs to follow the operation of Company activities and to fully fulfill the requirements of the duties I shall undertake,

I have not been a member of the Company board of directors for more than six years during the last ten years,

I do not serve as independent member of board of directors in more than three Companies management of which are controlled by the Company or by partners controlling the management of the Company; and in more than a total of five Companies traded in the stock exchange.

I have not been registered and announced on behalf of the legal entity elected as member of the board of directors.

  
Osman Nuri UÇAN  
28.03.2024

**NETAŞ TELEKOMÜNİKASYON A.Ş.  
AND ITS' SUBSIDIARIES**

As at and for the period ended  
31 December 2024 Consolidated  
financial statements and the independent  
Auditors' report

*(Convenience translation of the report and the consolidated  
financial statements originally Issued in Turkish)*



KPMG Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
İş Kuleleri Kule 3 Kat:2-9  
Levent 34330 İstanbul  
Tel +90 212 316 6000  
Fax +90 212 316 6060  
www.kpmg.com.tr

## CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH TO ENGLISH

To the Shareholders of Netaş Telekomünikasyon Anonim Şirketi

### A) Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Netaş Telekomünikasyon Anonim Şirketi (“the Company”) and its subsidiaries (together will be referred to as “the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

#### Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards as adopted within the framework of the Capital Markets Board (“CMB”) regulations, published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under Standards on Auditing issued by POA are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (“POA's Code of Ethics”) and the ethical principles regarding independent audit of consolidated financial statements in the CMB legislation and other relevant legislation We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

#### Revenue recognition

Refer to Note 2.4 and Note 21 to the consolidated financial statements for summary of material accounting policies and significant accounting estimates and assumptions for revenue recognition.

The key audit matter	How the matter was addressed in our audit
<p>The Group's main revenue consists of revenues from end-to-end IT solutions (such as broadband, cyber security, IoT, etc.), business applications and value-added services, including new generation wired, wireless, enterprise and optical network technologies.</p> <p>The Group recognizes revenue in the consolidated financial statements when it fulfills its performance obligation by transferring a promised good or service to its customer or as the transfer is completed.</p> <p>Due to the nature of the Group's activities and the size of its operations, determining the revenue amount accurately and including it in the consolidated financial statements in the relevant reporting period requires significant management judgment. The recognition of revenue has been determined as a key audit matter.</p>	<ul style="list-style-type: none"><li>▪ Evaluation of the journal entries made by the Group regarding revenue during the period,</li><li>▪ Controlling the existence of trade receivables and the accuracy of receivable balances through external confirmations provided directly for the customers we have determined through sample selection,</li><li>▪ Evaluating whether the control of the invoiced services is transferred to the customers through the sales documents received for the sales transactions selected through sampling, and thus testing whether the revenue is included in the consolidated financial statements in the correct reporting period to which it relates,</li><li>▪ Evaluating the compliance of the accounting policies applied by the Group with TFRS 15 by examining the contracts selected by a sample of sales contracts,</li><li>▪ Conducting test of details on returns made after the reporting period to test whether the revenue was recorded in the consolidated financial statements correctly and in the relevant period,</li><li>▪ Conducting analytical examinations to detect the existence of transactions that occur at unusual levels or are not continuous,</li><li>▪ Evaluating whether the disclosures made by the Group regarding revenue in its consolidated financial statements comply with the disclosures required to be made in accordance with TFRS 15.</li></ul>

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

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

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

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

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

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

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



**B) Other Legal and Regulatory Requirements**

- 1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code (“TCC”) numbered 6102; the Independent Auditor’s Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 11 March 2025.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2024 and 31 December 2024, the Company’s bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company’s articles of association in relation to financial reporting.
- 3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Hatice Nesrin Tuncer, SMMM  
Partner  
11 March 2025  
İstanbul, Türkiye

INDEX	Page
Consolidated Statements of Financial Position	126-127
Consolidated Statement of Profit and Loss and Other Comprehensive Income	128
Consolidated Statement of Changes in Equity	129
Consolidated Statement of Cash Flows	130-131
Note 1 Organization and Operations of the Group	132
Note 2 Basis of Presentation of the Consolidated Financial Statements	133-163
Note 3 Shares in Associates	163
Note 4 Segment Reporting	164-167
Note 5 Cash and Cash Equivalents	167
Note 6 Short Term Borrowings	168-169
Note 7 Trade Receivables and Payables	170
Note 8 Other Receivables and Payables	170
Note 9 Inventories	171
Note 10 Prepaid Expenses	171
Note 11 Contract Assets and Contract Liabilities	172
Note 12 Property, Plant and Equipment	173-175
Note 13 Intangible Assets	175-178
Note 14 Right of Use Assets	178-179
Note 15 Government Grants	179
Note 16 Provisions, Contingent Assets and Liabilities	180
Note 17 Commitments	181
Note 18 Employee Benefits	182-184
Note 19 Other Assets	184
Note 20 Shareholders' Equity	185-186
Note 21 Revenue and Cost of Sales	187-188
Note 22 Research and Development, Sales, Marketing and Distribution,and General Administrative Expenses	189
Note 23 Income and Expenses from Other Operating Activities	190
Note 24 Income and Expenses from Investing Activities	190
Note 25 Finance Income and Expenses	191
Note 26 Tax Assets and Liabilities	191-196
Note 27 Earnings Per Share	197
Note 28 Related Party Disclosures	197-198
Note 29 Financial Instruments and Risk Management	198-206
Note 30 Fair Value of Financial Instruments	207
Note 31 Net Monetary Position Gains / (Losses) Disclosures	208
Note 32 Subsequent Events	208
Note 33 Fees for Services Received from Independent Auditor / Independent Auditor's	208

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF

FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
Current Assets		5.468.448.938	3.967.423.520
Cash and Cash Equivalents	5	481.554.076	90.112.867
Trade Receivables		3.416.994.189	2.875.092.744
<i>Due from related parties</i>	28	70.667.551	9.686.111
<i>Trade receivables, third parties</i>	7	3.346.326.638	2.865.406.633
Other Receivables		6.895.316	4.944.536
<i>Other receivables, third parties</i>	8	6.895.316	4.944.536
Inventories	9	560.791.255	384.359.746
Contract Assets related to Goods and Services Provided		770.556.988	403.011.780
<i>Contract Assets related to Goods and Services Provided</i>	11	770.556.988	403.011.780
Prepaid Expenses	10	110.080.835	72.210.779
Current Income Tax Assets	26	64.729.663	66.385.058
Other Current Assets	19	56.846.616	71.306.010
Non-Current Assets			
Property, Plant and Equipment	12	142.310.684	127.684.364
Right of Use Assets	14	368.211.287	213.423.126
Financial Investments	3	47.674.804	39.338.713
Intangible Assets		785.301.937	683.313.128
<i>Goodwill</i>	13	646.621.149	539.546.509
<i>Other intangible assets</i>	13	138.680.788	143.766.619
Prepaid Expenses	10	1.178.336	-
Deferred Tax Assets	26	871.094.925	700.716.534
TOTAL ASSETS		7.684.220.911	5.731.899.385

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF

FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

	Notes	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
Short Term Liabilities		7.182.294.744	5.231.635.187
Short Term Borrowings	6	1.792.933.939	1.297.908.289
Short Term Bank Loans		1.792.933.939	1.297.908.289
Short-Term Portion of Long-Term Borrowings	6	146.960.238	128.271.232
<i>Short-Term Portion of Long-Term Lease Liabilities</i>		146.960.238	128.271.232
Trade Payables	28	3.714.412.475	2.655.598.301
<i>Due to related parties</i>	7	1.718.973.834	1.346.153.623
<i>Trade payables, third parties</i>		1.995.438.641	1.309.444.678
Other Payables	8	130.290.278	152.960.779
<i>Other payables, third parties</i>	18	130.290.278	152.960.779
Employee Benefit Obligations		148.873.959	125.514.331
Contract Liabilities	11	1.120.482.468	648.265.146
<i>Contract Liabilities</i>		1.120.482.468	648.265.146
Provisions	18	124.022.546	200.654.943
<i>Provisions for Employee Benefits</i>	16	84.127.839	88.422.594
<i>Other Short Term Provisions</i>	26	39.894.707	112.232.349
Current Income Tax Liabilities	26	4.318.841	22.462.166
Long Term Liabilities			
		484.760.957	277.501.101
Long Term Borrowings			
		327.650.596	156.295.182
<i>Bank Loans</i>	6	76.365.925	-
<i>Lease Liabilities</i>	6	251.284.671	156.295.182
Provisions		157.110.361	121.205.919
<i>Provisions for Employee Benefits</i>	18	157.110.361	121.205.919
SHAREHOLDERS' EQUITY			
Equity Attributable to Equity Holders of the Parent		3.548.927	217.693.183
Share Capital	20	64.864.800	64.864.800
Share Capital Adjustments		41.612.160	41.612.160
Other comprehensive income to be reclassified in profit and loss		160.383.276	87.378.230
<i>Currency Translation Differences</i>		160.383.276	87.378.230
Other comprehensive income not to be reclassified in profit and loss		558.483.922	565.091.392
<i>Remeasurement gain/ (loss) on defined benefit plans</i>		(72.545.402)	(59.553.558)
<i>Currency Translation Differences</i>		631.029.324	624.644.950
Restricted Reserves	20	34.897.360	34.897.360
Accumulated Losses		(576.150.759)	(675.821.374)
Net Profit / (Loss) for the Period		(280.541.832)	99.670.615
Non-controlling interests		13.616.283	5.069.914
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7.684.220.911	5.731.899.385

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND

OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

	Notes	Current Period 1 January- 31 December 2024	Previous Period 1 January- 31 December 2023
INCOME OR LOSS FROM OPERATIONS			
Revenue	21	9.175.387.066	6.958.287.619
Cost of Sales (-)	21	(8.525.676.718)	(6.354.978.246)
GROSS PROFIT		649.710.348	603.309.373
Sales, Marketing and Distribution Expenses (-)	22	(366.852.738)	(228.152.785)
General Administrative Expenses (-)	22	(286.302.869)	(218.909.666)
Research and Development Expenses (-)	22	(22.777.655)	(2.386.154)
Other Income from Operating Activities	23	26.545.963	3.476.434
Other Expenses from Operating Activities (-)	23	(28.299.921)	(116.491.440)
OPERATING PROFIT / (LOSS)		(27.976.872)	40.845.762
Income from Investment Activities	24	1.457.966	624.106
Expenses from Investment Activities (-)	24	(330.643)	(949.592)
OPERATING LOSS BEFORE FINANCE INCOME AND EXPENSES		(26.849.549)	40.520.276
Financial Income	25	53.039.492	261.779.493
Financial Expenses (-)	25	(328.334.767)	(358.161.363)
Monetary Gain / (Losses)	31	12.234.498	(2.812.760)
LOSS BEFORE TAX		(289.910.326)	(58.674.354)
Tax (Expenses) / Income		17.914.863	159.124.941
Current Tax Expenses	26	(7.789.468)	(17.692.911)
Deferred Tax Income	26	25.704.331	176.817.852
NET PROFIT / (LOSS) FOR THE YEAR		(271.995.463)	100.450.587
Attributable to:			
Non-controlling Interest		8.546.369	779.972
Equity Holders of the Parent		(280.541.832)	99.670.615
Earn/(Loss) per share	27	(4,3250)	1,5366
OTHER COMPREHENSIVE INCOME/ (EXPENSES)			
Other comprehensive income or (expenses) that will not be reclassified subsequently to profit of loss		(6.607.470)	26.813.231
Currency translation differences		6.384.374	45.208.452
Remeasurement gain/ (loss) on defined benefit plans	18	(17.322.459)	(24.526.961)
Remeasurement gain/ (loss) on defined benefit plans, deferred tax	26	4.330.615	6.131.740
Other comprehensive income or expenses that will be reclassified subsequently to profit of loss		73.005.046	77.807.520
Currency translation differences other than the translation of businesses abroad		6.384.374	45.208.452
Currency translation differences arising from businesses abroad		66.620.672	32.599.068
OTHER COMPREHENSIVE INCOME/ (LOSS)		66.397.576	104.620.751
TOTAL COMPREHENSIVE INCOME/ (LOSS)		(205.597.887)	205.071.338
Attributable to:			
Non-controlling Interest		8.546.369	779.972
Equity Holders of the Parent		(214.144.256)	204.291.366

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF

CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

	Retained Earnings	Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss	Other comprehensive income or expenses that will be reclassified subsequently to profit or loss	Share Capital	Share Capital Adjustments	Currency Translation Differences	Currency Translation Differences	Remeasurement loss on defined benefit plans	Restricted Reserves	Retained Earnings	Net (Loss) for the Period	Equity Holders of the Parent	Non-controlling Interest	Total
Balance as of 1 January 2023	17,691,759			64,864,800	41,612,160	9,570,710	579,436,498	(41,158,337)	34,897,360	(645,253,804)	(30,567,570)	13,401,817	4,289,942	17,691,759
Adjustments due to change in accounting policy (Note: 21.d)				-	-	43,836,671	-	-	-	-	-	43,836,671	-	43,836,671
Recalculated 1 January 2023 balance	61,528,430			64,864,800	41,612,160	53,407,381	579,436,498	(41,158,337)	34,897,360	(645,253,804)	(30,567,570)	57,238,488	4,289,942	61,528,430
Transfers	-			-	-	-	-	-	-	(30,567,570)	30,567,570	-	-	-
Total comprehensive income	161,234,667			-	-	33,970,849	45,208,452	(18,395,221)	-	-	99,670,615	160,454,695	779,972	161,234,667
Net Loss for Period	100,450,587			-	-	-	-	-	-	-	99,670,615	99,670,615	779,972	100,450,587
Other Comprehensive Income	60,784,080			-	-	33,970,849	45,208,452	(18,395,221)	-	-	-	60,784,080	-	60,784,080
Balance as of 31 December 2023	222,763,097			64,864,800	41,612,160	87,378,230	624,644,950	(59,553,558)	34,897,360	(675,821,374)	99,670,615	217,693,183	5,069,914	222,763,097
Balance as of 1 January 2024	222,763,097			64,864,800	41,612,160	87,378,230	624,644,950	(59,553,558)	34,897,360	(675,821,374)	99,670,615	217,693,183	5,069,914	222,763,097
Transfers	-			-	-	-	-	-	-	99,670,615	(99,670,615)	-	-	-
Total comprehensive income	(205,597,887)			-	-	73,005,046	6,384,374	(12,991,844)	-	-	(280,541,832)	(214,144,256)	8,546,369	(205,597,887)
Net Loss for Period	(271,995,463)			-	-	-	-	-	-	-	(280,541,832)	(280,541,832)	8,546,369	(271,995,463)
Other Comprehensive Income	66,397,576			-	-	73,005,046	6,384,374	(12,991,844)	-	-	-	66,397,576	-	66,397,576
Balance as of 31 December 2024	171,665,210			64,864,800	41,612,160	160,383,276	631,029,324	(72,545,402)	34,897,360	(576,150,759)	(280,541,832)	3,548,927	13,616,283	171,665,210

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF

CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL.)

	Notes	Current Period 1 January- 31 December 2024	Previous Period 1 January- 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit / (Loss) for the Period		(271.995.463)	100.450.587
Profit/(Loss) from Continuing Operations		(271.995.463)	100.450.587
Adjustments to Reconcile Profit/Loss		461.644.999	78.292.364
Adjustments for Depreciation and Amortisation Expenses	12- 13-14	145.467.172	111.132.336
Adjustments for (Reversal of) Impairment Loss Recognised in Profit or Loss		19.400.322	(240.563)
Adjustments for (Reversal of) Provision of Receivables	7	(1.250.013)	(3.476.434)
Adjustment for Reversal of Provision of Inventory	9	20.650.335	3.235.871
Adjustments For Provisions		77.924.818	104.928.445
Adjustments for Provisions Related with Employee Benefits		158.940.292	136.597.467
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		7.055.685	7.475.631
Adjustments for (Reversal of) Other Provisions		(88.071.159)	(39.144.653)
Adjustments for Interest (Income) and Expenses		244.197.488	271.427.573
Adjustments for Interest Income	25	(46.182.886)	(11.862.741)
Adjustments for Interest Expense	25	290.380.374	301.156.989
Unearned Financial Loss/Income from Credit Sales	23	-	(17.866.675)
Adjustments For Unrealised Foreign Exchange Losses (Gains)	25	(6.856.606)	(249.916.752)
Adjustments for Losses Tax Expense	26	(17.914.863)	(159.124.941)
Adjustments for (Gains)/Losses disposal of non-current assets		(573.332)	86.266
Adjustments for (Gains)/Losses Arising From Sale of Property, Plant and Equipment	24	(573.332)	86.266
Changes in Working Capital		531.197.823	369.310.541
Adjustments for Decrease / (Increase) in Trade Receivables		1.110.739.794	199.923.375
Decrease (Increase) in Trade Receivables from Related Parties		(55.417.947)	100.721.966
Decrease (Increase) in Trade Receivables from Third Parties		1.166.157.741	99.201.409
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		56.305.282	3.234.710
Adjustments for Decrease (Increase) in Other Receivables Related with Operations from Third Parties		56.305.282	3.234.710
Adjustments for Decrease / (Increase) in Inventories		23.686.099	282.390.871
Decrease / (Increase) in Prepaid Expenses		2.427.921	37.221.264
Adjustments for (Decrease) in Trade Payables		(466.504.180)	(444.627.792)
Increase (Decrease) in Trade Payables to Related Parties		(400.381.379)	153.981.196
(Decrease)/Increase in Trade Payables to Third Parties		(66.122.801)	(598.608.988)
Increase (Decrease) in Payables due to Employee Benefits		(48.733.095)	57.421.613
(Decrease)/Increase in Contract Assets		(136.063.939)	290.695.902
Adjustments for Decrease in Other Operating Payables		(110.527.871)	5.919.644
(Decrease) in Other Operating Payables to Unrelated Parties		(110.527.871)	5.919.644
(Decrease)/ Increase in Contract Liabilities		99.867.812	(62.869.046)
Cash Flows (Used in) Generated From Operations		720.847.359	548.053.492
Payments Related with Provisions for Employee Benefits	18	(144.771.168)	(85.641.813)
Income Taxes Paid		(24.277.398)	(26.885.775)
Payments Related with Lawsuits	16	(7.156.960)	(2.343.324)
		544.641.833	433.182.580

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF

CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL.)

	Notes	Current Period 1 January- 31 December 2024	Previous Period 1 January- 31 December 2023
B.CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		2.489.332	1.480.507
Proceeds from Sales of Property, Plant, Equipment		2.489.332	1.480.507
Purchase of Property, Plant, Equipment and Intangible Assets		(28.111.653)	(7.670.467)
Purchase of Property, Plant, Equipment	12	(21.130.581)	(7.454.807)
Purchase of Intangible Assets	13	(6.981.072)	(215.660)
Other Outflows of Cash		(8.336.091)	(13.977.925)
		(33.958.412)	(20.167.885)
C.CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Inflows from Borrowings	6	2.163.599.382	2.228.506.295
Outflows from Borrowings	6	(2.238.793.070)	(2.689.724.701)
Interest Paid	6	(251.264.538)	(265.281.562)
Interest Received	25	46.182.886	11.862.741
Payments of lease liabilities	6	(114.956.920)	(57.839.924)
		(395.232.260)	(772.477.151)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		115.451.161	(359.462.456)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		275.990.048	229.445.008
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		391.441.209	(130.017.448)
E.CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5	90.112.867	220.130.315
CASH AND CASH EQUIVALENTS AT END OF YEAR (A+B+C+D+E)	5	481.554.076	90.112.867

The accompanying notes form an integral part of these consolidated financial statements.  
(Convenience translation of the report and the consolidated financial statements originally issued in Turkish)

1 ORGANIZATION AND OPERATIONS OF THE GROUP

Netaş Telekomünikasyon A.Ş. (the “Company”) and its’ subsidiaries (together the “Group”) is an incorporated company, registered in İstanbul. The Company is engaged in the manufacture and trade of telecommunication equipment, project installation services, technical support, repair and maintenance services, IT services, strategic outsourcing services, implementation activities, and associated services. The shares of the Company are quoted on the Borsa İstanbul (“BIST”) since 1993. The registered address of the Company is Yenişehir Mahallesi, Osmanlı Bulvarı No: 11, B Blok, Esas Aeropark, 34912 Kurtköy-Pendik/İstanbul.

The Group works with major clients such as Aselsan Elektronik Sanayi ve Ticaret A.Ş, Türk Telekomünikasyon A.Ş, Vodafone İletişim Hizmetleri A.Ş., TT Mobil İletişim Hizmetler A.Ş., Turkcell İletişim Hizmetleri A.Ş, service providers, corporate and governmental institutions in Turkey, to provide communications solutions and the infrastructure needed for modern communication systems. The Company is also engaged in research and development and provided design and development services to the foreign customers as well as to local customers.

Netaş Bilişim Teknolojileri A.Ş. (“Netaş Bilişim”) which is the 100% subsidiary of the Group offers industrial solutions, system integration, outsourcing, support services, network solutions and consultancy services to its domestic customers. Netaş Bilişim founded in 1989, also provides value added solutions to international customers in Kazakhstan, Azerbaijan, Algeria with strategic business partnerships.

BDH Bilişim Destek Hizmetleri San. Tic.A.Ş. (“BDH”) founded in April 2006 to provide consultancy, strategic outsourcing, hardware, technical and support services and service solutions in the field of information technologies.

The Company established Netas Telecom Limited Liability Partnership as a "Limited Liability Partnership" on 25 June 2012 in Almaty, Kazakhstan, with a founding capital of 161,800 Tenge (approximately US\$ 1,100), fully owned by the Company.

It was established in Malta through the establishment of a capital of 1,200 EUR (Netaş Telecommunications Malta Ltd.), fully owned by the Company, and its registration was completed on 4 November 2014.

As of 12 June 2018, the Group’s contact office was established in Azerbaijan.

The establishment of the Netas Telecommunications Algeria Sarl LLC, a joint venture company with 23.800.000 Algerian Dinars of share capital, has been registered and completed between the Company and Mohamed Karim Faraoun on 31 March 2019. The control of the management of this company, in which the Company owned 49% of the shares, belongs to Netas Telekomünikasyon A.Ş. in accordance with the agreement between the parties and therefore, Netas Telecommunications Algeria Sarl LLC is accounted with full consolidated method.

The Group’s largest shareholder and the controlling shareholder is ZTE Cooperatief U.A. The capital structure of the Group is presented in Note 20.

As of 31 December 2024, the Group has no blue-collar employees (31 December 2023: None). The average number of white-collar personnel employed in the Group as of 31 December 2024 is 1.486 (31 December 2023: 1.682).

Approval of Consolidated Financial Statements

The financial statements were approved by the Board of Directors on 11 March 2025. The General Assembly has the right to change the interim consolidated financial statements.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

a) Statement of Compliance

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) which was adopted by Capital Markets Board of Turkey (“CMB”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The consolidated financial statements are presented in accordance with “Announcement regarding with TFRS Taxonomy” which was published on 15 April 2019 by POA and templates defined in the Illustrative Financial Statements and User Guide published CMB based on the financial statement and disclosure formats of CMB.

b) Basis of presentation of consolidated financial statements

The details of the Company’s subsidiaries as of 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	Place and establishment of operation	Group's shares in capital and voting rights	Main operating activities
Netaş Bilişim Teknolojileri A.Ş.	Turkey	%100	Consultancy of project installments and network solutions
BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret A.Ş.	Turkey	%100	Technical supports and maintenance services
Netaş Telecom Limited Liability Partnership	Republic of Kazakhstan	%100	Consultancy of project installment, design and technical support services
Netaş Telecommunications Malta Ltd	Malta	%100	Supply of telecommunication equipment
Netas Telecommunications Algeria Sarl LLC (*)	Algeria	%49	Manufacture of small installation and electric lighting equipment

(\*) The control of the management of this Company, in which the Company owned 49% of the shares, belongs to Netas Telekomünikasyon A.Ş. in accordance with the agreement between the parties and therefore, Netas Telecommunications Algeria Sarl LLC is accounted with full consolidated method.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (Cont’d)

b) Basis of presentation of consolidated financial statements (Cont’d)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the invested company/asset;
- Is exposed, or has rights, to variable returns from its involvement with the invested company/asset; and
- Could use its power that can have an impact on returns.

The Company reassesses whether it controls an invested company/asset if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In cases where the company does not have majority voting right over the invested company/ asset, it has sufficient voting rights to direct/manage the activities of the investment concerned and in case of control, there is control power over the invested company/asset. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

As of 31 December 2024, the Group has no associates. (31 December 2023: the Group has no associates)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (Cont’d)

b) Basis of presentation of consolidated financial statements (Cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with TFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss when the equity method is discontinued.

The company uses the hierarchical consolidation method. In other words, the subsidiaries are first converted into the functional currency of the 'direct investing company' and consolidated in the functional currency of the Company, and then the conversion to the presentation currency is made as explained in item c) below. Translation differences from the functional currency of the subsidiaries to the functional currency of the Company, to the US Dollar, are presented under “other comprehensive income to be reclassified to profit or loss”. Conversion differences that occur during the conversion of the consolidated financial statements prepared in US Dollars to TL, which is the presentation currency, are presented under “other comprehensive income that will not be reclassified in profit or loss”. In the event of the sale of a subsidiary or associate, if there is a translation difference carried under “other comprehensive income to be reclassified to profit or loss”, this amount is reclassified to the statement of profit or loss as part of sales profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate is recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

c) Functional Currency and Reporting Currency

The Company maintains its books of account in accordance with accounting principles set by Turkish Commercial Code ("TCC") and tax legislation. The subsidiary in foreign countries prepares their accounting and financial tables in their currency and according to the laws and regulations of their countries.

Nevertheless, US Dollar (USD) is the currency that the Group's operations are denominated and has a significant impact on the Group's operations. USD reflects the economic basis of events and situations that are important to the Group. In accordance with the analysis done by the Group's Management and current economical and operational conditions, the management has concluded that USD is the functional currency and TL is the reporting currency of the Group.

The effect of the US Dollar in reflecting the basic economic environment in which BDH is located in terms of market and operating elements has decreased, therefore, the change of the Company's functional currency from US Dollars to Turkish Lira has been taken into consideration on a Group basis. In line with the decision to make actual sales collections predominantly in Turkish Lira in 2022, the functional currency of BDH was permanently changed to Turkish Lira.

In line with the developments mentioned above, the Company Management has decided to change the functional currency of the Company, which is currently US Dollar, to Turkish Lira within the scope of TAS 21 “Effects of Exchange Rate Changes”.

Consolidated financial statements are presented in TL, which is Netaş' presentation currency.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (Cont’d)

c) Functional Currency and Reporting Currency (Cont’d)

If the legal records are kept in a currency other than the functional currency, the financial statements are initially translated into the functional currency and then translated to the Group's presentation currency, Turkish Lira (“TL”). For the companies in Turkey that book legal records in TL, currency translation from TL to the functional currency USD is made under the framework described below:

- Monetary assets and liabilities have been converted to the functional currency with the The Central Bank of Turkish Republic (CBRT) foreign exchange buying rate.
- Non-monetary items have been converted into the functional currency at the exchange rates prevailing at the transaction date.
- Profit or loss accounts have been converted into the functional currency using the exchange rates at the transaction date, except for depreciation expenses.
- The capital is followed according to historical costs.

The translation differences resulting from the above cycles are recorded in the financial income /expenses account group in the statement of profit or loss.

For the preparation of the consolidated financial statements and the notes in accordance with TAS 21, consolidated financial statements are translated into USD by using rates as of the balance sheet date:

- Assets and liabilities have been translated to TL by using USD rate as of 31 December 2024 1 USD: 35,2803 TL (31 December 2023: 1 USD: 29,4382 TL)
- Statements of profit or loss and statements of cash flows have been translated to TL by using yearly average exchange rate (1 USD: 32,8021 TL) for the period ended 31 December 2024 (for the period ended 31 December 2023 1 USD: 23,7662 TL).

Gains and losses of translation differences mentioned above are accounted under Equity as currency translation differences. The amount of capital and legal reserves is shown on their legal amounts, all other equity items are kept at their historic TL values, and all the differences are accounted in the currency translation differences account.

The functional currency of Netaş Telecom Limited Liability Partnership, a subsidiary of the Company operating in Kazakhstan is Kazakhstan Tenge and included in the consolidated financial statements by converting into TL, the presentation currency of the consolidated financial statements. The functional currency of the Netas Telecommunications Algeria Sarl LLC, a subsidiary of the Company operating in Algeria, is Algerian Dinar and included in the consolidated financial statements by converting into TL, the presentation currency of the consolidated financial statements. The functional currency of Netas Telecommunication Malta Ltd., one of the subsidiaries of the Company operating in Malta, is European Euro, and it has been included in the accompanying consolidated financial statements by converting to TL, which is the presentation currency.

d) Adjustment of Financial Statements in High Inflation Periods

With the "Announcement on the implementation of TAS 29 Financial Reporting in Economies with High Inflation and FRS for LMSE Chapter 25 Financial Reporting in Economies with High Inflation" made on 23 November 2023 by POA, the financial statements of the enterprises applying TFRS for the reporting periods ending on or after 31 December 2023 will be subject to “Turkish Accounting Standard 29 Financial Reporting in High Inflation Economies” standard. POA explained that it should be presented in accordance with the principles of inflation and adjusted for the effect of inflation. In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, CMB decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting comply with the provisions of TAS 29. The implementation will start with the annual financial reports for the accounting periods ending as of 31 December 2023. As a result, the financial statements of enterprises whose functional currency is TL (“BDH”) are adjusted in accordance with TAS 29 according to the changes in the general purchasing power of the Turkish Lira as of December 31, 2023. The correction is calculated with the consumer price index correction coefficients published by Turkish Statistical Institute, derived from Turkey in general.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.1 Basis of Presentation (Cont’d)

d) Adjustment of Financial Statements in High Inflation Periods (Cont’d)

The indices and adjustment coefficients for the last three years used in the restatement of consolidated financial statements are as follows:

Date	Index	Conversion Factor
31 December 2024	2.684,55	1,00000
31 December 2023	1.859,38	1,44379

In this context, inflation adjustment was made in accordance with TAS 29 while preparing the consolidated financial statements dated December 31, 2024, December 31, 2023, and 2022.

The financial statements and related figures for previous periods were restated for changes in the general purchasing power of the functional currency, and as a result, the financial statements and related figures for previous periods were expressed in the measurement unit valid at the end of the reporting period in accordance with the TAS 29 Financial Reporting in Hyperinflationary Economies standard.

Since the functional currency of the parent company is USD, the past period effects of the Companies subject to inflation adjustment are accounted for under foreign currency translation differences on 1 January 2023.

TFRS requires that the financial statements of an entity whose functional currency is hyperinflationary, whether prepared according to the historical cost or current cost approach, be restated in accordance with the requirements of TAS 29 and applied retrospectively, assuming that there has always been high inflation in the economy in which the currency is located. The basic principle in TAS 29 is that the financial statements of an entity reporting in the currency of a hyperinflationary economy must be reported in the measurement unit current at the reporting date. Comparative figures for the previous period are rearranged to the same current unit of measurement.

The main procedures applied for the restatements mentioned above are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date, and components of shareholders' equity are restated by applying the relevant conversion factors from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date.
- Property, plant and equipment are restated by applying the change in the index from the date of the transaction or, if applicable, from the date of their most recent revaluation to the reporting date. Depreciation is based on the restated amounts.
- All items in the income statement except for the depreciation charges explained above and deferred tax charges, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary positions of BDH, is included in the profit or loss statement as “monetary gain / (loss)”.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.2 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Group's consolidated financial statements have been prepared comparatively with the prior to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed.

2.3 Change in Accounting Policies

Accounting policy changes resulting from the first application of a new TFRS are applied retrospectively or prospectively in accordance with the transition provisions of that TFRS, if any. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and restate the prior period financial statements. Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to only one period, and both in the period when the change is made and in future periods if it is related to future periods.

There has been no significant change in the accounting estimates of the Group in the current year.

2.4 Summary of Significant Accounting Policies

2.4.1 Revenue

The Group recognizes revenue when the control of an asset transferred (or transferring) to the customer or the service is rendered.

The Group, recognizes revenue when the control of an asset transferred (or transferring) to the customer, the asset has transferred if all criterias of account for a contract are met according to TFRS 15 The Group provides to customers design, equipment, installation, maintenance, guarantee, licence and other performance obligations. The Group provides these performance obligations individually or together in the contracts.

The group recognizes revenue to depict the transfer of promised goods or services to customers in over time or at a point of time.

The Group accounts the performance obligations transferred over 3 months with the output method considering the value to the customer of the goods and services. When the Group use output method to recognize revenue, on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract have right to payment and revenue related to invoice is recognized. Accordingly, the Group uses the output method in such performance obligations.

When the period between the progress payments for the transfer of goods and services produced and the performance obligations made is longer than one reporting period, the group performs significantly in the period between the progress payments and the costs incurred are proportional to the progress made in the performance of the performance obligation while accounting for the performance obligations in such contracts. based input method is used for this performance obligations' revenue recognition.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.1 Revenue (Cont'd)

Design Performance Obligation

Design is the output that for production the economic benefit for the customers. Customers can use it stand alone or together with other resources. Design performance obligation is stated explicitly or is an integral part of production in some contracts.

The Group stated that design is a separate performance obligation in contracts which the design expectation is explicitly stated and the intellectual rights and know-how is transfered. On the other hand, if the design is an integral part of the production process and the customer does not have a know-how transfer after delivery, the highly related and customized stage of the production process is regarded as a combined output as a production process and not considered as a separate performance obligation.

The customer has control over the design product as the design process continues. Additionally, design performance obligation is recognized at overtime due to the fact that the design is customer-specific and have no alternative use, and the Group has an enforceable right to payment for performance completed to date. Because of these criterias, in case of the Group can reasonably measure the progress towards complete satisfaction of design performance obligation, the revenue which is related with cost occurred in overtime is recognized by cost based input method.

The Group can provide a certain number of man / day service as determined by the R & D team and purchase orders that demanded from the customers. In this type of contracts, the design is evaluated as a separate performance obligation on behalf of the intellectual property rights of the design belong to customers. In such contracts, the best measuring progress method is specified as "Output Method"

Hardware Performance Obligation

Hardware performance obligation is committed in the contracts by its own or with system solution. Hardware performance obligation consists of products that the Group produces itself, as well as products that are supplied by other producers. Hardware integration can be a phase in a complex long term solution projects in which hardware is highly interrelated with installation or can be sold as stand-alone to the customers.

The Group recognized the hardware that are produced by its own or are sold as a phase in a complex and integrated Project as “overtime” for meeting the overtime criteria; the significant control in the integration process, no alternative use of the hardware of integration process, alternative use is restricted by the contract and the Group has an enforceable right to payment for performance completed to date.

Hardware which are more than one, produced afterwards and integrated and delivered are not concluded as separate performance obligations, but a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer are settled as single performance obligation.

The Group recognizes revenue at a point of time of the hardware which are not produced by the Group or does not need a significant integration process. The Group recognizes revenue when the control, collection right and the legal ownership of the hardware are transferred to the customers.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.1 Revenue (Cont’d)

Installation Performance Obligation

Installation performance obligation is committed in the contracts with the hardware or by its own. The Group provides installation services with the hardware sales together or provides installation service alone in accordance with customer requirements. The installation service can be obtained from other providers, or the customer can do it with its own facilities.

The group recognizes revenue for installation performance obligation at over time when the customer controls the process simultaneously. The Group recognizes revenue by cost with cost-based input method when it can reasonably measure the progress towards complete satisfaction of installation performance obligation.

When the customer does not have a significant control over installation process, and the Group has the collection right, the Group recognizes revenue at a point of time.

The Group accounts the installation performance obligation transferred less than 3 months with the output method considering the value to the customer of the goods and services. When the Group use output method to recognize revenue, based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract have right to payment and revenue related to invoice is recognized.

Maintenance Performance Obligation

Maintenance performance obligation is committed in the contracts with the hardware or by its own.The maintenance is not related to the equipment at a high level, it is also negotiated separately in the contracts and the customer can buy the maintenance service from other providers or the Company can maintain the equipment by itself.

Maintenance service can be offered in three different ways according to customer demands: periodic maintenance regularly, maintenance services provided on an adhoc based on customer requirements, and maintenance services provided for a period agreed upon as a service level agreement (SLA).

Maintenance service is recognized at over time since the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs. In case of the Group can reasonably measure the progress towards complete satisfaction of maintenance performance obligation, the revenue which is related with cost occurred in overtime is recognized by cost-based input method.

At the same time, The Group recognizes revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract with output method. When the group accounts for ad hoc and periodic maintenance with output method, in case of the customer acquires the collection right for a certain amount that in line with the value of the customer for the completed performance, the Group recognizes the revenue to be billed. For the service level agreements (SLAs), the output method is used for measuring progress towards complete satisfaction, but the collection cost is not measured by invoicing, it is measured by the cost incurred.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.1 Revenue (Cont’d)

Maintenance Performance Obligation (Cont’d)

The Group sells support packages, which is provided from third parties, with the hardware. In cases of the Group is not directly responsible for the performance in the support packages provided by third party, the Group acts as an “agent”. The Group accounts for the service provider, who performs the performance of the contracts in which acts an agent, as the commission income in the consolidated financial statements, after paying the amount collected by the customer for the maintenance services.

The Group determined standalone selling price of maintenance performance obligation using cost plus margin method considering management’s best estimate and experience, observable prices of similar types of contracts. When the sum of the stand-alone selling prices of promised goods or services in the contract exceeds the promised consideration, the Group allocates a discount proportionately to all performance obligations in the contract.

Warranty Performance Obligation

Warranty performance obligation is committed by the Group for its own production. In case of the customer has a purchase the warranty separately in other words and the warranty is separately priced and negotiated in the contracts, the warranty is evaluated as a different service and recognized as a separate performance obligation.

Warranty income is recognized when the customer obtains the control of the hardware and accepts it. In other words, each hardware’s warranty begins after its delivery and the revenue is recognized after the delivery.

Warranty is recognized at over time since the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs. The Group recognizes revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract with output method.

Licence Performance Obligation

The Group sells licenses with three parties’ contracts. In such contracts, the Group is acting as agent therefore the Group is not directly responsible for fulfilling the contract (e.g., license updates), the Group does not have inventory risk and the Group has restricted discretion in establishing prices. The Group recognizes the net amount after paying license fee to providers as commission income for the license contracts that the Group is acting as agent. License performance obligations’ income is recognized as “a point of time” when the control of an asset is transferred.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.1 Revenue (Cont’d)

Outsourcing and Support Services Performance Obligation

The Group provides outsourcing, support, and consultancy services in accordance with the customers' expectations. Outsourcing and some support and consultancy services are recognized at over time since the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

In case of the Group can reasonably measure the progress towards complete satisfaction of outsourcing and support services performance obligations, the revenue which is related with cost occurred in overtime is recognized by cost-based input method. In the case of the Group cannot reasonably measure the progress towards complete satisfaction, the Group recognizes revenue to the extent of the right to bill by output method.

The Group recognizes revenue at “a point of time” when the control is transferred for short-term support services and one-off consultancy services.

The training services, which are in the goods and services, specified in the contracts and an integral part of production and integration, are recognized with “Input Method” with considering the total design, hardware, and training costs of the projects.

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a “deferred revenue” when the payment is made or the payment is due (whichever is earlier). Deferred revenue is Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group defers associated costs until to deliver all contractual obligations and they are presented on the face of balance sheet under “Contract Assets and Liabilities” accounts.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as “unbilled receivables”, excluding any amounts presented as a receivable. Unbilled receivables are an entity’s right to consideration in exchange for goods or services that the Group has transferred to a customer. If the consideration is unconditional, it is recognized as “trade receivables”.

Advance payments received on contracts, before corresponding works had been carried out, are booked in “Order Advances” account group under “Deferred Revenue”. Costs incurred to date, adjusted by profits and losses recognized and progress billings, is determined on a contract-by-contract basis. If the amount is positive, it is included as asset under “unbilled receivables” under “Trade receivables” group.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group expects to recover those costs.

In the long contracts exceeding one year, depending on the level of materiality, the stamp tax that is paid for the contract and is expected to recover is capitalized as "Contract Costs" throughout the term of the contract and is amortized by depreciation method.If the contract period or the redemption period of the asset, is one year or less, the stamp tax is recognized as an expense in the financial statements.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.2 Inventories

Inventories are stated at the lower of cost and net realizable value and valued on monthly weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.4.3 Plant, Property and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.Properties during construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.4.4 Intangible Assets

Intangible assets acquired separately

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

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.4 Intangible Assets (Cont'd)

Licenses

Licences are stated at historical cost. Licences have a finite useful life and are stated at cost less accumulated amortisation. Licences are amortised using the straight-line method over their expected useful life.

Computer software

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5-10 years).

Internally-generated intangible assets

Expenditure on research activities is recognized in the income statement in the period in which it is incurred. An internally-generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

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

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally- generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Computer software development costs recognized as assets are amortized over their estimated useful lives.

The useful life and depreciation method are regularly reviewed, and whether the depreciation method and duration applied are in line with the economic benefits to be obtained from the related assets.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.5 Impairment of tangible and intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.4.6 Financial Instruments

Classification and Measurement

The Group classifies its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value though profit or loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded, and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise “trade receivables”, “other receivables” and “cash and cash equivalents” in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

Classification and Measurement (Cont'd)

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications

(b) Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make an irrevocable choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

Financial assets carried at fair value through profit or loss

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of “financial investment” in the statement of financial position. The Group measures these assets at their fair values. Gains or losses from related financial assets, other than impairment and foreign exchange income or expenses, are recognized in other comprehensive income. In case the assets with fair value difference recognized in other comprehensive income are sold, the valuation difference recognized in other comprehensive income is transferred to retained earnings.

The Group accounts for expected credit losses in accordance with TFRS 9 that are expected to be equal to their expected life-time losses for their trade receivables, in cases where the trade receivables are not impaired for some reason with realized impairment losses. Expected credit loss provision is based on the Group's past credit loss experience and expected credit loss ratio as determined based on forward-looking macroeconomic indicators. Expected credit loss reversals are recorded in other operating income/ (expenses).

Financial liabilities

Financial liabilities are initially measured at fair value. During the initial measurement of financial liabilities other than fair value through profit or loss, transaction costs related to financial liability are included in the measurement of the fair value. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

Classification and Measurement (Cont'd)

(b) Financial assets carried at fair value (Cont'd)

Credit risk

The Group has applied the simplified approach stated in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables. To measure the expected credit loss, the Group first classifies its trade receivables by considering the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience and forward macroeconomic indicators were calculated and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

Foreign currency risk

Due to its core business, the Group is subject to exchange rate volatility tied to the value change of foreign currencies. The Group's foreign currency risk for assets and liabilities has been disclosed in Note 29.

Liquidity risk

The Group is generally raising funds by liquidating its short-term financial instruments such as collecting its receivables and selling out securities. The Group's proceedings from these instruments generally approximates their fair values.

2.4.7 Goodwill

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

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.8 Effects of Change in Foreign Exchange Rates

The effects of change in foreign exchange rates on the financial statements have been disclosed in note 2 “Basis of Financial Statements” section 2.1.c “Functional and Reporting Currency”. For the purpose of presentation of the consolidated financial statements as TL, balance sheet has been translated to TL by using Turkish Central Bank foreign exchange buying rates as of 31 December 2024 (1 USD = 35,2803 TL, 1 EUR = 36,7362 TL, 1 CAD = 24,5190 TL, 1 GBP = 44,2073 TL, 1 BDT = 0,2955 TL, 1 AZN=20,6368 and 1 DZD=0,26055).

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

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

2.4.9 Earnings/ (Losses) per Share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned. In Turkey, companies can raise their share capital by distributing “Bonus Shares” to shareholders from retained earnings. In computing earnings per share, such “bonus share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.4.10 Subsequent Events

Non-adjusting matters after the reporting period are disclosed in the footnotes of the consolidated financial statements if they affect the economic decisions of users of the financial statements.(Note 31)

2.4.11 Provisions, Contingent Liabilities and Assets

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.11 Provisions, Contingent Liabilities and Assets (Cont'd)

Provisions for executory contracts

In cases where the current estimated total project cost is higher than the expected revenue, the Group makes provisions for these economically executory contracts. Estimated project costs include unavoidable costs. The cost of fulfilling a contract consists of costs directly related to the contract. Costs directly related to the contract, variable costs incurred to fulfill the contract (for example, direct labor and materials cost), and amounts allocated from other costs directly related to fulfilling the contract (for example, for an item of property, plant and equipment used, inter alia, to fulfill the contract in question) the amount distributed from the depreciation expense allocated). Estimates may change as new information emerges in parallel with the progress of the project.

Return provision

Within the scope of customer agreements, the obligation to refund is accounted for due to the obligation to return part or all of the price received from customers for products that have the right to return. The Group's return obligations stem from the customers' right to return. Liability is measured by the amount the Group expects to eventually return. The Group updates its estimates of repayment obligations at the end of each reporting period.

2.4.12 Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

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; or
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- (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).
- (vii) 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). A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.13 Reporting of Financial Information on Segment Basis

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments are affected from different kinds of economic and geographical conditions and managed as the sole authority. While assessing the performance of the operating segments, Group Management is focused on their gross and operating profit.

The Group evaluates the performance of 4 segments to determine resource allocation. The segments of the Group are telecom, system integration, technology and BDH.

2.4.14. Government Grants and Incentives

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group.

Vested government grants related with expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible and grants relating to capital assets are accounted for as deferred income in the consolidated balance sheet and are credited to consolidated profit and loss statement on a straight-line basis over the expected lives of related assets.

Government grants are presented in the consolidated financial statements regardless of whether the grants are obtained in cash or by decreasing a liability to the government. Government grants are presented in Note 15.

2.4.15 Taxes Calculated on Corporation Earnings

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Tax expense form continues operation includes current year income tax expense and deferred income tax (expense) / benefit.

Current tax

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

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

2.4 Summary of Significant Accounting Policies (Cont’d)

2.4.15 Taxes Calculated on Corporation Earnings (Cont’d)

Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that expected to apply to the period when asset is realized, or the liability is settled.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.16 Employee Benefits

Termination and retirement benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) “Employee Benefits” (“TAS 19”).

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income. .

Profit-sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company’s shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.4.17 Statements of Cash Flows

In statement of cash flows, cash flows are classified according to operating, investing, and financing activities. Cash flows related to operating activities show the cash flows used and obtained by the Group in its activities. Cash flows related to investment activities show the cash flows used and obtained by the Group in its investment activities (fixed asset investments and financial investments). Cash flows related to financing activities show the resources used by the Group in financing activities and repayments of these resources.

2.4.18 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.4.19 Leasing

Group - as a lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.19 Leasing (Cont'd)

Group - as a lessee (Cont'd)

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of the asset throughout the period of use only if either:
  - a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
  - b) Relevant decisions about how and for what purpose the asset is used are predetermined
  - i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
  - ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Group measures the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset.

Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.4 Summary of Significant Accounting Policies (Cont'd)

2.4.19 Leasing (Cont'd)

Group - as a lessee (Cont'd)

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, Group measures the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) educing the carrying amount to reflect the lease payments made, and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements related to information technology equipment leases (mainly printer, laptop, mobile phone etc.), which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 Leases Standard and related lease payments are recognised as an expense in the period in which they are incurred.

Group - as lessor

The Group does not have any activity as the lessor.

2.5 Significant Accounting Estimates, Judgements and Assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and the assumptions underlying the estimates are constantly reviewed. Updates in accounting estimates are recorded in the period when the estimates are updated and in subsequent periods affected by these updates.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Significant Accounting Estimates, Judgements and Assumptions (Cont'd)

Estimation uncertainties that have a significant effect on the amounts recorded in the consolidated financial statements are explained in the notes below:

Note 7,29	Trade receivables: Estimations and accounting judgments regarding to collectability of receivables. Trade receivables and payables: The Group allocates provision for doubtful receivables for the estimated losses caused by the inability of its customers to make the necessary payments. The Group calculates provision for doubtful receivables according to the prospective credit loss model. In this context, the loss is weighed according to the probabilities of realization and it evaluates how economic factors affect the expected credit loss. The provision is revised periodically. The provision expense calculated for trade receivables is calculated over the percentages determined for the aging group in which the receivable is included and increasing as the receivables age.
Note 9	Inventories: Estimations regarding to inventory provision. Inventories: When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and charged to the income statement in the year in cost. It also requires significant judgment whether inventories are unsaleable. According to the calculations based on the judgments and estimations of the Group Management, since the net realizable value of the inventories fell below its cost, a portion of the inventories was reduced to their net realizable value.
Note 12,13	Property, plant and equipment and intangible assets: If there is an indication of impairment of tangible and intangible assets, an impairment test is performed. In particular, in the analysis of intangible assets impairment, the actions taken by other market members and technological developments in the current period are taken into account. Assumptions on the balance sheet date, which have a certain risk that may cause significant adjustments to assets and liabilities in the next reporting period and are related to the future period, and sources of calculation uncertainty are explained below. In case of an indication of impairment, the Group determines whether there is impairment in property, plant and equipment by calculating the recoverable amount. This requires calculating the value in use of the cash-generating unit. Calculating the value in use requires the Group to calculate the estimated cash flows expected to be received in the future period of the cash generating unit and determine the appropriate discount rate to be used in calculating the present value of these cash flows.
Note 13	Goodwill: Estimations regarding to impairment of goodwill. Goodwill: The assumptions used by the Group during the impairment test of goodwill have been disclosed. The group determines the useful life of an asset by considering the estimated useful life of that asset. This assessment is based on the Group's experience with similar assets. The Group also considers additional impairment in case the assets become technically or commercially unusable as a result of changes and developments in the market. The useful lifes used by the Group are based on the judgment of Group Management and are disclosed in notes 12 and
Note 16	Provisions: Estimations regarding to provision amounts. Provisions, contingent assets and liabilities: The Group has become a party to multiple investigations, examinations and lawsuits, both as defendant and plaintiff, within the scope of its ordinary activities during the period. All these investigations, investigations and lawsuits were evaluated by the Group Management in TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and reflected in the consolidated financial statements or footnotes. Future results of these investigations, investigations and litigation may differ from the Group's assessments. As a result of the evaluations made under the current conditions as of the reporting date, the Group Management is of the opinion that the necessary information is presented in the accompanying consolidated financial statements in order to ensure that appropriate accounting criteria and measurement principles are applied to provisions, contingent liabilities and contingent assets, and that financial statement users understand their characteristics, timing and amounts.
Note 21	Revenue and cost of sales: Estimation of revenue and cost based on project based analysis. Sales and cost of sales: The percentage project completion rate method is used in the accounting of project contracts, and since the ratio of the contract expense realized until a certain date to the estimated total cost of the contract is calculated, the total estimated costs and project profitability of the projects are determined within the scope of TFRS 15, and the loss provision is calculated for the projects that are expected to end with a loss.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.5 Significant Accounting Estimates, Judgements and Assumptions (Cont'd)

Note 26	Tax Assets and liabilities: The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its tax base financial statements and its financial statements prepared in accordance with TFRS. Group companies have deferred tax assets consisting of R&D incentives that can be deducted from future profits. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, the expiry dates of future profit projections, losses in current periods, unused losses and other tax assets and tax planning strategies that can be used when necessary are taken into consideration. In this context, profit estimations were made according to the Group's 5-year business plan. In these estimations, the focus is on new technology products and solutions with higher profit margins in 5 technology areas determined as the target areas in system integration, and domestic and national R&D solutions in the field of Defense, Telecommunication and Transportation, which are determined as strategic sectors. In line with these determined strategies, a domestic server was launched and sales started in 2023. On the other hand, in parallel with the developments in the sector, initiatives in the field of electric charging stations were started and were announced to the public in 2024. As a result of the evaluation, as of 31 December 2024, there is an R&D incentive amounting to TL 4.946.024.871 within the framework of the Law No. 5746 on Supporting Research and Development Activities, which has been concluded that the temporary differences arising from tax deductions can be foreseen and that the right to tax deduction can be utilized within the period during which the tax deduction right can continue. However there is a carryforward tax loss amounting to TL 903.246.200. A deferred tax asset was recognized over the R&D incentive and carryforward tax loss of TL 3.573.489.295. The Group has calculated a deferred tax asset over the corporate tax deduction arising from the R&D incentives that it has not used. R&D incentives that have been qualified but not yet used have an indefinite lifespan.
---------	---

2.6 The New Standards, Amendments, and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates**

In August 2023, IASB amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Related amendments were published by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 5 June 2024.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

i) Standards issued but not yet effective and not early adopted (Cont'd)

**Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates (Cont'd)**

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the Amendments to TAS 21.

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA

**IFRS 18 Presentation and Disclosure in Financial Statements**

On 9 April 2024, IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Early adoption is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 18.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA (Cont'd)

**Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures**

**Classification of financial assets with contingent feature**

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset's classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

**Settlement by electronic payments**

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

**Other amendments**

**Contractually linked instruments (CLIs) and non-recourse features**

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non- recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

**Disclosures on investments in equity instruments**

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The Company is assessing the potential impact on its consolidated financial statements resulting from the application of the Amendments to IFRS 9 and IFRS 7.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA (Cont'd)

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

Subsidiaries of companies using IFRS Accounting Standards can substantially reduce their disclosures and focus more on users' needs following the release of IFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 19.

**Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to:**

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued “Annual Improvements to IFRS Accounting Standards—Volume 11” to make minor amendments to 5 standards.

**Transaction Price (Amendments to IFRS 9: Financial Instruments):** The term "transaction price" used in IFRS 9, with a meaning that is not necessarily consistent with the definition in IFRS 15, has been updated to "the amount determined by applying IFRS 15" for consistency.

**Lessee derecognition of lease liabilities (Amendments to IFRS 9: Financial Instruments):** If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

**Hedge Accounting by a First-time Adopter (Amedments to IFRS 1 First-time Adoption of International Financial Reporting Standards)**

IFRS 1 is amended:

- to improve their consistency with the requirements in IFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to IFRS 9 in IFRS 1 “Exception to the retrospective application of other IFRSs” is added.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA (Cont'd)

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to: (Cont'd)

*Gain or Loss on Derecognition (Amedments to IFRS 7 Financial Instruments: Disclosures):* With this amendment, a statement is added clarifying that the guidance in IFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase “inputs that were not based on observable market data” is adjusted to “unobservable inputs” to align with IFRS 13 terminology

*Disclosure of Deferred Difference between Fair Value and Transaction Price (Amedments to IFRS 7 Financial Instruments: Disclosures):* The statement that was not amended after the publication of IFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with IFRS 9.)

*Credit Risk Disclosures(Amedments to IFRS 7 Financial Instruments: Disclosures):* The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of IFRS 7 are necessarily illustrated.

*Determination of a ‘De Facto Agent’ (Amendments to IFRS 10 Consolidated Financial Statements)*

When determining an investor whether another party is acting on its behalf, IFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf, judgement is required to determine whether a party is acting as a de facto agent.

*Cost Method (Amendments to IAS 7):* Following the removal of the term "cost method" in previous amendments, the statement in IAS 7 is adjusted from "cost method" to “accounted at cost”.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, The International Accounting Standards Board (IASB) has now amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (“PPAs”). The amendments include guidance on:

- the ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA (Cont'd)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (Cont'd)

*Own-use Exemption for PPAs*

If the own-use exemption does not apply under IFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often long-term agreements.

To apply the own-use exemption to a PPA, IFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company’s expected purchase or usage requirements – e.g. the company expects to consume the purchased electricity. Due to electricity’s unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short-term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.

These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

*Hedge accounting requirements for PPAs*

Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in IFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e. the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.6 The New Standards, Amendments, and Interpretations (Cont'd)

iii) Amendments are effective on 1 January 2024

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2024:

1. Classification of Liabilities as Current or Non-current (Amendments to TAS 1) for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules
2. Lease Liability in a Sale and Leaseback – Amendments to TFRS 16 Leases
3. Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
4. TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures: The Company is included in the mandatory assurance scope for the Sustainability Report as of 31 December 2024 in accordance with the provisions of the Turkish Sustainability Reporting Standards (“TSRS”) 1 General Provisions on Disclosure of Sustainability-Related Financial Information (“TSRS 1”), TSRS 2 Climate-Related Disclosures (“TSRS 2”) and the Board Decision on the “TSRS Scope of Application” published by the POA.
5. International Tax Reform – Pillar Two Model Rules- Amendments to TAS 12: The IASB has amended IAS 12 to introduce a temporary mandatory relief from accounting for deferred tax that arises from legislation implementing the Global Anti-Base Erosion Model Rules (“the GloBE model rules”). Under the relief, companies are effectively exempt from providing for and disclosing deferred tax related to top-up tax. However, they need to disclose that they have applied the relief.

The relief is effective immediately and applies retrospectively in accordance with IAS 8. It will apply until the IASB decides either to remove it or to make it permanent.

This amendment is published by POA by amending TAS 12.

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group.

2.7 Going Concern

As of 31 December 2024, the financial statements have been prepared on the basis of going concern. As of 31 December 2024, current assets of the Group are amounting to TL 5.468.448.938 and short term liabilities of the Company are amounting to TL 7.182.294.744. The Group's short term liabilities exceeded current assets TL 1.713.845.806 and a significant part of short-term liabilities consists of trade payables to related parties (TL 1.718.973.834). Besides the current period loss of the Group is TL 280.541.832 and accumulated loss is TL 856.692.591.The plans and measures of the Group management regarding this situation are given below.

As of December 31, 2024, two-thirds of the Company's total capital and legal reserves remained unpaid. According to Article 376 of the Turkish Commercial Code (“TCC”) and the latest version of the “Communiqué on the Procedures and Principles Regarding the Implementation of Article 376 of the TCC No. 6102” dated September 15, 2018, which also includes the amendments within the scope of the “Amendment Communiqué” dated December 26, 2020, according to the assessment made, all of the exchange rate difference losses arising from foreign currency obligations that have not yet been fulfilled and half of the total of expenses, depreciations and personnel expenses arising from leases accrued in 2020 and 2021 may not be taken into account. In this context, according to the evaluation made in accordance with the Communiqué, the total of cumulative exchange rate difference losses arising from foreign currency obligations that have not yet been fulfilled is TL 336.395.499, and half of the total of expenses, depreciations and personnel expenses arising from accrued leases is TL 567.801.489. As of December 31, 2024, the Company's capital loss situation according to the TCC is eliminated.

2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

2.7 Going Concern (Cont'd)

The Group has implemented many measures in order to increase its operational profitability and reduce its financial expenses throughout 2024, some of these measures are focusing on new technology products and solutions with higher profit margins in 5 technology areas determined as target areas in system integration, Defense determined as strategic sectors. Focusing on domestic and national R&D solutions in the field of Telecommunication and Transportation, not taking projects with high financial and operational risks, not taking projects with high financing needs and currency risk, and saving on operational expenses. Relevant measures are continued in 2025 as well.

The Group's newly received orders continued to grow in 2024, and the total amount of orders received in 2024 increased by 50% compared to the same period of the previous year and reached TL 10 billion. As of the end of 2024, the Group's registered orders for future periods grew by 63% to reach TL 4.7 billion. On the other hand, the Group expects this increase to continue to increase in the orders to be received throughout 2025.

On the other hand, the Group has not had any problems in the payment of its loans in the past, anticipates that it will not face any payment problems in 2025 and the following years.

The Group management evaluates that there is no issue that may affect going concern in the foreseeable future in terms of the Group's cash flows and ability to fulfill its obligations to third parties.

3 FINANCIAL INVESMENTS AND INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

As of 31 December 2024 and 31 December 2023, the details of financial investments and investments accounted for using the equity method are as follows:

	31 December 2024	31 December 2023
Private Investment Capital Fund	47.674.804	39.338.713
<b>TOTAL</b>	<b>47.674.804</b>	<b>39.338.713</b>

Financial Investment Funds

The fair values of the investments in private equity ventures are determined over the net equity values determined on the basis of the fair value of the underlying asset determined by independent valuation experts.

The movement table of the Group's investments as of 31 December 2024 and 31 December 2023 is as follows:

	2024	2023
<b>As of 1 January</b>	39.338.713	25.360.786
Additions	492.032	-
Fair value increases	-	(475.324)
Foreign currency conversion differences	7.844.059	14.453.251
<b>As of 31 December</b>	<b>47.674.804</b>	<b>39.338.713</b>

4 SEGMENT REPORTING

Within the framework of the strategy of providing an integrated information and technology service and products, the Group divides its main business segments into four operating segments, namely "Telecom", "System Integration", "Technology" and "BDH", in order to ensure economic integrity. Activities are segmented so that Group Management can evaluate performance and decide on resource allocation, and each section is reviewed regularly. The decisionmaking authority regarding the activities of the Group is the Board of Directors.

The main activities of the Telecom segment are proving services and selling product to mobile operator companies.

The line of business followed in the system integration segment is system integration services to public and private sector organizations. In addition to these services, software licenses and hardware that the Group distributes are sold.

In the activities of the technology segment, services are provided for technological development and improvements for digital transformation of corporate and public institutions.

In the BDH segment, it provides consultancy, strategic outsourcing, hardware and support services to small-scale companies, large corporations and publicinstitutions in the field of information technologies.

There are six business segments containing information that Group Management evaluates performance and uses to decide on resource allocation. Thefollowing table shows the information about each segment. The operational profit and breakdowns below are regularly considered in evaluating theperformance of segments. To reach the operating profit/ loss amount used to evaluate the performance of the segment, other income and expenses fromoperating activities are deducted from the consolidated operating profit/ loss amount presented in the consolidated financial statements. Operating profit/loss is not a measure of financial performance defined in TFRS and may not be comparable to similar indicators defined by other companies. Since the company management does not monitor the company's performance according to geographical segments, reporting is not given according to geographical segments.

4 SEGMENT REPORTING (Cont'd)

For the period ended 31 December 2024	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	3.339.946.765	4.793.323.142	-	1.042.117.159	-	9.175.387.066
Cost of sales (-)	(3.087.531.660)	(4.472.832.040)	-	(965.313.018)	-	(8.525.676.718)
Gross margin	252.415.105	320.491.102	-	76.804.141	-	649.710.348
Sales,marketing and distribution expenses (-)	(69.824.804)	(204.073.165)	-	(92.954.769)	-	(366.852.738)
General administrative expenses (-)	-	-	-	-	(286.302.869)	(286.302.869)
Research and development expenses (-)	-	-	(22.777.655)	-	-	(22.777.655)
Operating profit / (loss) of segment	182.590.301	116.417.937	(22.777.655)	(16.150.628)	(286.302.869)	(26.222.914)

For the period ended 31 December 2023	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	2.162.162.740	4.080.837.169	-	715.287.710	-	6.958.287.619
Cost of sales (-)	(1.977.282.766)	(3.725.463.137)	-	(652.232.343)	-	(6.354.978.246)
Gross margin	184.879.974	355.374.032	-	63.055.367	-	603.309.373
Sales,marketing and distribution expenses (-)	(51.475.806)	(118.919.847)	-	(57.757.132)	-	(228.152.785)
General administrative expenses (-)	-	-	-	-	(218.909.666)	(218.909.666)
Research and development expenses (-)	-	-	(2.386.154)	-	-	(2.386.154)
Operating profit / (loss) of segment	133.404.168	236.454.185	(2.386.154)	5.298.235	(218.909.666)	153.860.768

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

4 SEGMENT REPORTING (Cont'd)

31 December 2024	Telecom	System Integration	Technology	BDH	Unallocated (*)	Total
Trade receivables	1.983.773.302	1.228.476.955	-	132.961.515	1.114.866	3.346.326.638
Due from related parties	70.667.551	-	-	-	-	70.667.551
Inventories	230.209.841	291.215.610	-	39.365.804	-	560.791.255
Contract assets	276.107.477	475.541.635	-	18.907.876	-	770.556.988
Segments assets	2.560.758.171	1.995.234.200	-	191.235.195	1.114.866	4.748.342.432
Trade payables (*)	214.862.795	1.576.761.865	-	167.130.183	36.683.798	1.995.438.641
Due to related parties	1.718.973.834	-	-	-	-	1.718.973.834
Contract liabilities	943.936.701	176.528.067	-	17.700	-	1.120.482.468
Other short term provision	-	12.599.232	-	-	27.295.475	39.894.707
Segment liabilities	2.877.773.330	1.765.889.164	-	167.147.883	63.979.273	4.874.789.650

31 December 2023	Telecom	System Integration	Technology	BDH	Unallocated (*)	Total
Trade receivables	1.303.352.510	1.459.827.811	-	99.795.417	2.430.895	2.865.406.633
Due from related parties	9.686.111	-	-	-	-	9.686.111
Inventories	112.616.423	247.855.374	-	23.887.949	-	384.359.746
Contract assets	53.944.800	339.553.302	-	9.513.678	-	403.011.780
Segments assets	1.479.599.844	2.047.236.487	-	133.197.044	2.430.895	3.662.464.270
Trade payables (*)	92.900.946	1.032.597.411	-	148.447.403	35.498.918	1.309.444.678
Due to related parties	1.346.153.623	-	-	-	-	1.346.153.623
Contract liabilities	334.474.247	313.773.199	-	17.700	-	648.265.146
Other short term provision	16.672.143	72.880.639	-	-	22.679.567	112.232.349
Segment liabilities	1.790.200.959	1.419.251.249	-	148.465.103	58.178.485	3.416.095.796

(\*) Unallocated trade payables are comprised of as rent, trade payable, inventory insurance, consultancy etc.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

4 SEGMENT REPORTING (Cont'd)

Reconciliation of (loss) before tax, assets, liabilities, and other material items:

	For the period ended 31 December 2024	For the period ended 31 December 2023
Operating (loss) of segment	(26.222.914)	153.860.768
Other (expenses)/income from operating activities (net)	(1.753.958)	(113.015.006)
Other (expenses)/income from investments (net)	1.127.323	(325.486)
Income from investments accounted using the equity method	-	-
Finance (expenses)/income (net)	(263.060.777)	(99.194.630)
(Loss) before tax	(289.910.326)	(58.674.354)

Assets	31 December 2024	31 December 2023
Segment assets	4.748.342.432	3.662.464.270
Other assets (*)	2.935.878.479	2.069.435.115
Total assets	7.684.220.911	5.731.899.385

Liabilities	31 December 2024	31 December 2023
Segment liabilities	4.874.789.650	3.416.095.796
Other liabilities (*)	2.792.266.051	2.093.040.492
Total liabilities	7.667.055.701	5.509.136.288

(\*) Other assets consist of items such as unallocated cash, tax assets and prepaid expenses, as well as items such as tangible and intangible assets, right-of-use assets and goodwill that are benefited equally by all segments. Other liabilities consist of items such as unallocated bank loans, tax liabilities, payables from lease transactions, personnel payables and provisions.

5 CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Bank- demand deposits	255.852.092	83.612.867
Bank- time deposits	225.701.984	6.500.000
	481.554.076	90.112.867

Currency	Original Currency Amount	Interest Rate %	Maturity	31 December 2024
TL	225.701.984	32,00 - 43,50	January 2025	225.701.984
				225.701.984

Currency	Original Currency Amount	Interest Rate %	Maturity	31 December 2023
TL	6.500.000	32,98 - 38,00	January 2024	6.500.000
				6.500.000

As of 31 December 2024, and 31 December 2023 there are no restriction / blockage on bank accounts.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

6 BORROWINGS

As of 31 December 2024, effective interest rate for USD loans is 8,77% (As of 31 December 2023, effective interest rate for TL loans is %45,16%, effective interest rate for USD loans is 10,23% and effective interest rate for EUR loans is 10,56%.)

	31 December 2024	31 December 2023
Short term financial liabilities		
Short term unsecured loans	1.792.933.939	1.031.302.122
Financial borrowing from factoring transactions	-	266.606.167
	1.792.933.939	1.297.908.289

As of the details of short-term unsecured loans of the Group are given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2024
USD	50.819.691	6,25-9,50	February 2025-December 2025	1.792.933.939
				1.792.933.939

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2023
TL	311.593.683	32,00-50,30	January 2024-November 2024	311.593.683
USD	24.079.939	9,00-12,35	January 2024-December 2024	708.870.060
EURO	332.732	10,56	September 2024	10.838.379
				1.031.302.122

(\*) Presents the lower and upper rates.

The detail of financial borrowing from factoring transactions of the Group is given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2023
TL	266.606.167	40,00-50,00	January 2024-June 2024	266.606.167
				266.606.167

	31 December 2024	31 December 2023
Short-Term Portion of Long-Term Financial Liabilities		
Short-Term Portion of Long-Term Lease Liabilities	146.960.238	128.271.232
	146.960.238	128.271.232

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

6 BORROWINGS (Cont'd)

	31 December 2024	31 December 2023
Long term financial liabilities		
Long term lease liabilities	251.284.671	156.295.182
Long term unsecured loans	76.365.925	-
	327.650.596	156.295.182

The details of long-term unsecured loans of the Group are given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2024
USD	2.164.549	8,45	June 2026	76.365.925
				76.365.925

(\*) Presents the lower and upper rates.

The movement of banks loans and financial borrowing from factoring transactions of the Group is given in the table below. Cash flows arising from the borrowings of the Group are classified under the cash inflows/ outflows arising from financing activities in the consolidated statement of cash flows.

	2024	2023
Opening-1 January	1.297.908.289	1.192.728.664
Cash inflow under within borrowings received	2.163.599.382	2.228.506.295
Cash pouflow under within borrowings received	(1.987.528.532)	(2.424.443.139)
Interest accruals changes	249.671.196	264.204.770
Interest paid	(251.264.538)	(265.281.562)
Currency translations changes	396.914.067	302.193.261
Closing-31 December	1.869.299.864	1.297.908.289

The reconciliation of the Group's debts from lease transactions for the nine-month accounting periods ending on 31 December 2024 and 2023 is as follows:

	2024	2023
Opening-1 January	284.566.414	161.503.737
Additions	157.005.385	85.810.900
Interest expenses and foreign exchange loss on lease liabilities	39.115.836	35.875.427
Lease payments	(114.956.920)	(57.839.924)
Foreign Currency Translation Difference	32.514.194	59.216.274
Closing-31 December	398.244.909	284.566.414

As of 31 December 2024, liabilities arising from leasing transactions are in TL and consist of liabilities accounted with fixed rate borrowing interest rates, which vary between 14,81% and 31%. The maturity structure of debts arising from leasing transactions and the exchange rate risk carried over are presented in Note 29.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

7 TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
<b>Trade Receivables from Third Parties</b>		
Trade receivables	3.755.311.303	3.202.873.225
Discount on trade receivables (*)	(51.238.406)	(38.643.054)
Allowances for doubtful receivables (-)	(357.746.259)	(298.823.538)
	<b>3.346.326.638</b>	<b>2.865.406.633</b>

(\*) Trade receivables as of reporting date are accounted at amortized cost using the effective interest rate method.

<b>Movement of Allowance for Doubtful Receivables</b>	2024	2023
<b>Reported as of 1 January</b>	<b>(298.823.538)</b>	<b>(200.752.390)</b>
Charge for the period	(274.487)	(665.151)
Provision no longer required	1.524.500	4.141.585
Currency translation differences	(60.172.734)	(101.547.582)
<b>As of 31 December</b>	<b>(357.746.259)</b>	<b>(298.823.538)</b>

The provision for doubtful receivables allocated for trade receivables is determined based on the experience of non-collection of receivables and expected credit loss model. (Note 29)

	31 December 2024	31 December 2023
<b>Trade Payables to Third Parties</b>		
Trade payables	1.995.438.641	1.309.444.678
	<b>1.995.438.641</b>	<b>1.309.444.678</b>

8 OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
<b>Other Receivables</b>		
Receivable of tax return	5.041.345	3.458.246
Deposits and guarantees given	793.060	692.125
Other	1.060.911	794.165
	<b>6.895.316</b>	<b>4.944.536</b>

	31 December 2024	31 December 2023
<b>Short Term Other Payables</b>		
Taxes and duties payables	128.538.397	152.007.691
Other	1.751.881	953.088
	<b>130.290.278</b>	<b>152.960.779</b>

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

9 INVENTORIES

Inventories are stated at their cost values and allocated the provision for impairment on inventories.

	31 December 2024	31 December 2023
Raw materials	174.387.217	131.414.493
Finished goods	74.275.442	74.676.366
Trade goods	321.224.783	151.615.849
Right of return assets	-	27.303.104
Allowance for inventory impairment (-)	(9.096.187)	(650.066)
	<b>560.791.255</b>	<b>384.359.746</b>

Movement table of provision for inventory impairment is as follows:

	2024	2023
<b>Movement for allowance:</b>		
Opening balance	(650.066)	(1.139.627)
Released for the year	12.917.442	4.159.563
Provision	(20.650.335)	(3.235.871)
Foreign currency translation difference	(713.228)	(434.131)
Closing balance	<b>(9.096.187)</b>	<b>(650.066)</b>

10 PREPAID EXPENSES

	31 December 2024	31 December 2023
<b>Short term prepaid expenses</b>		
Short term prepaid expenses (*)	63.348.024	36.199.891
Advances given for inventories	46.732.811	36.010.888
	<b>110.080.835</b>	<b>72.210.779</b>

	31 December 2024	31 December 2023
<b>Long term prepaid expenses</b>		
Long term prepaid expenses (*)	1.178.336	-
	<b>1.178.336</b>	<b>-</b>

(\*) It consists of prepaid rent and insurance expenses.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

11 CONTRACT ASSETS AND LIABILITIES

Details of the contract assets are given below;

Customer	31 December 2024		31 December 2023	
	Short Term	Total	Short Term	Total
Telecom	276.107.477	276.107.477	53.944.800	53.944.800
System Integration	475.541.635	475.541.635	339.553.302	339.553.302
Technology	-	-	-	-
BDH	18.907.876	18.907.876	9.513.678	9.513.678
Other	-	-	-	-
	770.556.988	770.556.988	403.011.780	403.011.780

Details of the contract liabilities are given below;

Customer	31 December 2024		31 December 2023	
	Short Term	Total	Short Term	Total
Telecom	943.936.701	943.936.701	334.474.247	334.474.247
System Integration	176.528.067	176.528.067	313.773.199	313.773.199
Technology	-	-	-	-
BDH	17.700	17.700	17.700	17.700
Other	-	-	-	-
	1.120.482.468	1.120.482.468	648.265.146	648.265.146

Contract assets represent the consideration that the Group deserves in return for goods or services transferred to the customer within the scope of ongoing customer contracts. The contract asset was evaluated for impairment in accordance with TFRS 9 and as of 31 December 2024, impairment in the amount of 20.889.889 TL was recognized (31 December 2023: 37.689.050 TL).

Contractual obligations represent the Group's obligation to deliver goods and services in return for the price collected from its customers.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

12 PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
Cost					
1 January 2024	904.979.105	943.217	90.126.637	298.817.717	1.294.866.676
Translation difference	190.546.138	355.939	23.968.582	70.979.049	285.849.708
Additions	18.185.711	-	909.693	2.035.177	21.130.581
Disposals	(55.552.908)	-	(10.343.370)	-	(65.896.278)
31 December 2024	1.058.158.046	1.299.156	104.661.542	371.831.943	1.535.950.687
Accumulated Depreciation					
1 January 2024	(818.348.215)	(863.011)	(79.431.579)	(268.539.507)	(1.167.182.312)
Translation difference	(176.512.827)	(320.344)	(20.541.873)	(58.755.338)	(256.130.382)
Period charge	(23.128.034)	(115.801)	(3.461.191)	(7.602.561)	(34.307.587)
Disposals	53.646.617	-	10.333.661	-	63.980.278
31 December 2024	(964.342.459)	(1.299.156)	(93.100.982)	(334.897.406)	(1.393.640.003)
Net book value at 31 December 2024	93.815.587	-	11.560.560	36.934.537	142.310.684

As of 31 December 2024, depreciation charge is TL 34.307.587. TL 13.465.683 is accounted in cost of sales, TL 18.941.646 in general administrative expenses, TL 1.900.258 in sales, marketing, and distribution expenses.

As of 31 December 2024, the total insurance amount of the Group's asset values is TL 447.887.893.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2024.

As of 31 December 2024, there are not any mortgage and financial leasing on property, plant and equipment.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

12 PROPERTY, PLANT AND EQUIPMENT (Cont’d)

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
Cost					
1 January 2023	629.136.116	448.729	53.156.764	177.748.923	860.490.532
Adjustments due to change in accounting policy (Note: 2.1d)	38.668.331	411.515	17.155.468	29.332.462	85.567.776
Recalculated 1 January 2023 balance	667.804.447	860.244	70.312.232	207.081.385	946.058.308
Translation difference	308.740.051	93.163	23.480.405	90.565.885	422.879.504
Additions	3.703.769	-	267.976	3.483.062	7.454.807
Disposals	(75.269.162)	(10.190)	(3.933.976)	(2.312.615)	(81.525.943)
31 December 2023	904.979.105	943.217	90.126.637	298.817.717	1.294.866.676
Accumulated Depreciation					
1 January 2023	(552.512.405)	(359.331)	(45.305.835)	(157.893.741)	(756.071.312)
Adjustments due to change in accounting policy (Note: 2.1d)	(31.746.829)	(283.122)	(12.001.043)	(10.966.508)	(54.997.502)
Recalculated 1 January 2023 balance	(584.259.234)	(642.453)	(57.306.878)	(168.860.249)	(811.068.814)
Translation difference	(288.004.206)	(93.164)	(21.451.884)	(88.135.374)	(397.684.628)
Period charge	(20.674.826)	(137.584)	(4.073.699)	(13.501.931)	(38.388.040)
Disposals	74.590.051	10.190	3.400.882	1.958.047	79.959.170
31 December 2023	(818.348.215)	(863.011)	(79.431.579)	(268.539.507)	(1.167.182.312)
Net book value at 31 December 2023	86.630.890	80.206	10.695.058	30.278.210	127.684.364

As of 31 December 2023, depreciation charge is TL 38.388.040. TL 12.276.331 is accounted in cost of sales, TL 24.091.649 in general administrative expenses, TL 2.020.060 in sales, marketing, and distribution expenses.

As of 31 December 2023, the total insurance amount of the Group's asset values is TL 291.277.390.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2023.

As of 31 December 2023, there are not any mortgage and financial leasing on property, plant and equipment.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

12 PROPERTY, PLANT AND EQUIPMENT (Cont’d)

Tangible fixed assets are depreciated principally on a straight-line basis using the following rates:

	Useful Lives
Machinery and Equipment	3-10
Vehicles	5-10
Leasehold Improvements	5-10
Furniture and fixtures	5-15

13 INTANGIBLE ASSETS

Goodwill

The shares transfer of "Netaş Bilişim Teknolojileri A.Ş."("Netaş Bilişim") and its subsidiary BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret A.Ş. ("BDH") was completed on 11 October 2011. With the acquisition of these shares, the Group has acquired Enterprise and BDH operating segments. The Enterprise business unit consists of financial sector, general sector and telecom sector customers under the Systems Integration business segment.

During the acquisition, fair value of the customer relations has been identified as a separable intangible asset. Further, a write-up is made on the inventory based on the mark-up margin on the inventory. The difference between the net amount transferred and the total fair value of the net assets acquired is recognized as goodwill.

Changes in goodwill between the acquisition date and the balance sheet date is presented below:

Cost	2024	2023
Opening Balance	539.546.509	342.704.462
Translation difference	107.074.640	196.842.047
Closing Balance	646.621.149	539.546.509

With the estimated statement of profit or loss and potential projects of the future and revenue streams of related segments covering the period between 1 January 2024 and 31 December 2027, a valuation report has been prepared.

A valuation report has been prepared for the determination of the value to be used in the testing of impairment of goodwill as of 31 December 2024. The valuation report has been prepared by an independent valuation company. Income approach has been applied in the valuation study of related segments. The present value of cash flows expected to be generated by the Company in the future is calculated by discounting cash flows today using a discount rate appropriate to the Company's risk profile.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

13 INTANGIBLE ASSETS (Cont'd)

Goodwill (Cont'd)

The result of income approach and sensitivity analysis indicates that, the firm value of related segments is between USD 42 million and USD 50 million. Considering the Company's adjusted net debt level of USD 9.5 million as of the valuation date, the share value is estimated to be between USD 42 million and USD 50 million.

Considering the future cash flows of the Group, the Company Management concluded that there is no impairment in the goodwill amount as of 31 December 2024.

Significant assumptions used in discounted cash flow projections

The significant assumptions used in the calculation of recoverable amounts are discount rates and final growth rates. The after-tax discount rate was used in the valuation studies. The Weighted Average Cost of Capital rate used in the study is variable and 13,5% (31 December 2023: 12,7%) over the years since the tax rate will be changed during the projection period. In the WACC calculation, 0,85 (31 December 2023: 0,82) was used as asset beta. Throughout the projection period, the company's debt / capital ratio is predicted to be 19,3% (31 December 2023: 19,4%) and a business risk premium of 1% (31 December 2023: 1%) has been considered in the WACC calculation.

The weighted average cost of capital used in the calculation of discounted cash flows is 0,5% higher or lower (13,5% or 14% instead of 13%), as of 31 December 2024 in the fair value calculation. It causes an increase of 95,3 million TL and a decrease of 88,2 million TL respectively. As a result of the impairment sensitivity test, it was determined that there was no impairment in the cash generating unit values.

Other Intangible Assets

1 January- 31 December 2024				
	Customer Relations (*)	Intangible Assets (**)	Construction in Progress	Total
Cost				
Opening balance	314.036.181	717.393.163	174.644	1.031.603.988
Translation difference	30.372.911	151.144.352	284.407	181.801.670
Additions	-	1.586.906	5.394.166	6.981.072
Disposals	-	-	-	-
Closing balance	344.409.092	870.124.421	5.853.217	1.220.386.730
Accumulated amortization				
Opening balance	(314.036.181)	(573.801.188)	-	(887.837.369)
Translation difference	(30.372.911)	(125.459.080)	-	(155.831.991)
Period charge	-	(38.036.582)	-	(38.036.582)
Disposals	-	-	-	-
Closing balance	(344.409.092)	(737.296.850)	-	(1.081.705.942)
			-	
Net book value	-	132.827.571	5.853.217	138.680.788

(\*) The purchase of shares of Netaş Bilişim Teknolojileri Anonim Şirketi ("Netaş Bilişim") and its subsidiary The contractual customer portfolio amount is related to this purchase.

(\*\*) Other intangible assets are included rights, computer software and licenses.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

13 INTANGIBLE ASSETS (Cont'd)

Other Intangible Assets (Cont'd)

As of 31 December 2024, amortization charge is TL 38.036.582. TL 20.205.880 is accounted in cost of sales, TL 17.812.103 in general administrative expenses and TL 18.599 in sales, marketing and distribution expenses.

1 January- 31 December 2023				
	Customer Relations (*)	Other Intangible Assets (**)	Construction in Progress	Total
Cost				
Opening balance	199.466.771	671.726.282	-	871.193.053
Adjustments due to change in accounting policy (Note: 2.1d)	-	22.022.083	-	22.022.083
Recalculated 1 January 2023 balance	199.466.771	693.748.365	-	893.215.136
Translation difference	114.569.410	49.486.907	33.649	164.089.966
Additions	-	74.665	140.995	215.660
Disposals	-	(25.916.774)	-	(25.916.774)
Transfers	-	-	-	-
Closing balance	314.036.181	717.393.163	174.644	1.031.603.988
Accumulated amortization				
Opening balance	(199.466.771)	(555.523.117)	-	(754.989.888)
Adjustments due to change in accounting policy (Note: 2.1d)	-	(19.576.747)	-	(19.576.747)
Recalculated 1 January 2023 balance	(199.466.771)	(575.099.864)	-	(774.566.635)
Translation difference	(114.569.410)	8.923.943	-	(105.645.467)
Period charge	-	(33.542.041)	-	(33.542.041)
Disposals	-	25.916.774	-	25.916.774
Closing balance	(314.036.181)	(573.801.188)	-	(887.837.369)
Net book value				
	-	143.591.975	174.644	143.766.619

(\*)The purchase of shares of Netaş Bilişim Teknolojileri Anonim Şirketi ("Netaş Bilişim") and its subsidiary The contractual customer portfolio amount is related to this purchase.

(\*\*) Other intangible assets are included rights, computer software and licenses.

As of 31 December 2023, amortization charge is TL 33.542.041. TL 20.766.674 is accounted in cost of sales, TL 12.746.824 in general administrative expenses and TL 28.543 in sales, marketing and distribution expenses.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

13 INTANGIBLE ASSETS (Cont'd)

Other Intangible Assets (Cont'd)

Intangible fixed assets are amortized principally on a straight-line basis using the following rates, which amortize the assets over their expected useful lives:

	Amortization Ratio (%)
Softwares	20
Customer Portfolio	10
Licenses	3-15
Rights	20

14 RIGHT OF USE ASSETS

According to TFRS 16, the Group includes the right to use and the lease obligation in its financial statements at the date when the lease begins. The right to use asset is initially measured at its cost and then measures at accumulated depreciation and accumulated impairment losses at the cost adjusted for re-measurement of the lease liability. The right of use asset was initially measured at its cost value and is measured at its fair value in accordance with the Group's accounting policies after the lease started.

As of 31 December 2024, and 2023 the movement table of the right of use assets is as follows:

	Buildings	Vehicles	Total
Cost			
1 January 2024	318.903.180	243.137.090	562.040.270
Translation difference	94.366.834	68.095.334	162.462.168
Additions	104.454.211	52.551.174	157.005.385
31 December 2024	517.724.225	363.783.598	881.507.823
Accumulated Amortization			
1 January 2024	(190.418.509)	(158.198.635)	(348.617.144)
Translation difference	(45.072.718)	(46.483.671)	(91.556.389)
Additions	(32.023.879)	(41.099.124)	(73.123.003)
31 December 2024	(267.515.106)	(245.781.430)	(513.296.536)
Net book value at 31 December 2024	250.209.119	118.002.168	368.211.287

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

14 RIGHT OF USE ASSETS (Cont'd)

	Buildings	Vehicles	Total
Cost			
1 January 2023	157.616.557	104.840.101	262.456.658
Adjustments due to change in accounting policy (Note: 2.1d)	40.501.802	64.290.855	104.792.657
Recalculated 1 January 2023 balance	198.118.359	169.130.956	367.249.315
Translation difference	75.861.795	33.118.260	108.980.055
Additions	44.923.026	40.887.874	85.810.900
31 December 2023	318.903.180	243.137.090	562.040.270
Accumulated Amortization			
1 January 2023	(99.314.255)	(74.746.369)	(174.060.624)
Adjustments due to change in accounting policy (Note: 2.1d)	(18.919.834)	(39.589.705)	(58.509.539)
Recalculated 1 January 2023 balance	(118.234.089)	(114.336.074)	(232.570.163)
Translation difference	(50.938.814)	(25.905.912)	(76.844.726)
Additions	(21.245.606)	(17.956.649)	(39.202.255)
31 December 2023	(190.418.509)	(158.198.635)	(348.617.144)
Net book value at 31 December 2023	128.484.671	84.938.455	213.423.126

15 GOVERNMENT GRANTS

For the period ended 31 December 2024 the Group has received approved, well deserved and accrued incentive from TÜBİTAK TL 6.991.445 (31 December 2023: TL 1.128.515)

The Group is qualified for the incentives and exemptions provided by Support of Research and Development Act, numbered 5746 effective from 24 November 2008.

As of 31 December 2024, the Group has a corporate tax benefit of TL 4.946.024.871 due to research and development disbursement and this amount has been transferred (As of 31 December 2023, the Group has a corporate tax benefit of TL 3.318.722.438 due to research and development disbursement and amount is not utilized by the year end). The Group has booked deferred tax assets amounting to TL 744.029.072 for unused R&D tax benefit (Note 26). The unused tax advantages of the Group related to research and development activities has unlimited maturity.

For the period ended 31 December 2024, the amount of income tax incentive within the scope of Act numbered 5746 is TL 34.040.683 (31 December 2023: TL 17.131.516) and the total amount of social premium incentive within the scope of Act numbered 5746 and Social Security and General Health Insurance Act numbered 5510 is TL 105.583.162 (31 December 2023: TL 21.893.875). The related incentive income is accounted for by netting it off with the personnel expenses incurred.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

16 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions	31 December 2024	31 December 2023
Onerous Contracts (*)	12.596.565	62.246.925
Provision for legal cases	27.298.142	22.682.320
Provisions for return	-	27.303.104
	39.894.707	112.232.349

(\*) The compulsory reasons created by the pandemic caused the Group's basic assumptions about the projects taken in the past to change. These changes, on the other hand, necessitated the expense of additional costs and similar provisions in previous projects. It has been evaluated within the scope of TAS 37 and a provision has been made for possible expenses.

For the year ended 31 December 2024, the Group has cash outflows of TL 7.156.960 for legal cases during the year (31 December 2023: TL 2.343.324).

	Onerous Contracts (*)	Provision for returns	Provision for Legal Cases	Total
1 January 2024	62.246.925	27.303.104	22.682.320	112.232.349
Provision booked and released	(57.648.132)	(30.423.027)	7.055.685	(81.015.474)
Payments	-	-	(7.156.960)	(7.156.960)
Currency translations	7.997.772	3.119.923	4.717.097	15.834.792
31 December 2024	12.596.565	-	27.298.142	39.894.707

	Onerous Contracts (*)	Provision for returns	Provision for Legal Cases	Total
1 January 2023	73.802.713	13.874.351	12.738.590	100.415.654
Provision booked and released	(43.552.346)	4.407.693	7.475.631	(31.669.022)
Payments	-	-	(2.343.324)	(2.343.324)
Currency translations	31.996.558	9.021.060	4.811.423	45.829.041
31 December 2023	62.246.925	27.303.104	22.682.320	112.232.349

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

17 COMMITMENTS

The Group's off-balance sheet commitments as of 31 December 2024 and 31 December 2023 are as follows:

Guarantee Letters Given

The off-balance sheet commitments and contingencies as of 31 December 2024 and 31 December 2023 are as follows:

Commitments, Pledges, Mortgages, Sureties ("CPMS") are given by the Company	31 December 2024	31 December 2023
A. Total amount of CPMS is given on behalf of own legal personality	-	-
B. Total amount of CPMS is given in favor of subsidiaries which are fully consolidated	-	-
C. Total amount of CPMS is given for assurance of third party's debts in order to conduct of usual business activities	-	-
D. Total Amount of other CPMS	-	-
i. Total amount of CPMS is given in favor of parent company	-	-
ii. Total amount of CPMS is given in favor of other group companies, which B and C doesn't include	-	-
iii. The amount of CPMS is given in favor of third party which C doesn't include	-	-
	-	-

Guarantee Letters Received

Original Currency				
	TL Equivalent	TL	USD	EURO
31 December 2024	35.003.544	868.513	967.538	-

Original Currency				
	TL Equivalent	TL	USD	EURO
31 December 2023	4.250.306	300.000	23.538	100.000

Guarantees Given

According to the System Integration Agreement signed between fully consolidated subsidiary, Netaş Bilişim, and Cisco System International B.V., the Company agrees that all financial obligations will be jointly performed by the Company and Netaş Bilişim.

According to the contract between the Company and İGA Havalimanları İnşaatı Adi Ortaklığı Ticari İşletmesi, fully consolidated subsidiary and subcontracter named BDH, and its whole commitments are guaranteed by Netaş.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

18 EMPLOYEE BENEFITS

Employee Benefit Obligations:

	31 December 2024	31 December 2023
Social security payables	86.480.983	81.776.759
Payables to employees	62.392.976	43.737.572
	148.873.959	125.514.331

Short Term and Long Term Provisions for Employee Benefits:

Short Term	31 December 2024	31 December 2023
Provision for employee premiums	84.127.839	88.422.594
	84.127.839	88.422.594
Long Term		
Unused vacation provision	39.802.761	26.673.944
Provision for severance indemnity	116.594.372	93.936.851
Provision for retirement benefits	713.228	595.124
	157.110.361	121.205.919
Total		
Provision for employee premiums	84.127.839	88.422.594
Unused vacation provision	39.802.761	26.673.944
Provision for severance indemnity	116.594.372	93.936.851
Provision for retirement benefits	713.228	595.124
	241.238.200	209.628.513

An actuarial valuation was performed by an independent and authorized company for the Company's total liability for severance indemnity and retirement benefit as of 31 December 2024. Expected interest and service charges for 2025 have also been calculated by the actuarial firm. Expected service and interest charges will be amortized on a periodic basis during the year.

Severance Indemnity

Under Turkish Law, the Group is required to pay employment termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires.

The provision is made in respect of all eligible employees, at a rate of 30 days gross pay for each year of service. The retirement pay provision ceiling at the respective balance sheet dates, is subject to a maximum of TL 41.828,42 per year as of 31 December 2024. (31 December 2023: TL 23.489,83). The provision for employee termination benefits is not funded, as there is no funding requirement.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

18 EMPLOYEE BENEFITS (Cont'd)

Severance Indemnity (Cont'd)

The movement for severance indemnity provision is as follows:

	31 December 2024	31 December 2023
Present value of severance indemnity provision	116.594.372	93.936.851
Net liability in balance sheet	116.594.372	93.936.851
Current service cost	10.071.163	16.347.512
Interest cost	14.368.647	6.260.168
Extra payment or loss / (gain)	8.063.457	2.985.796
Period charge at 31 December	32.503.267	25.593.476

Movement for severance indemnity provision:	2024	2023
1 January	93.936.851	66.376.541
Period charge	32.503.267	25.593.476
Severance indemnity paid	(27.168.205)	(22.560.127)
Actuarial (gain)/ loss	17.322.459	24.526.961
31 December	116.594.372	93.936.851

The assumption calculated to determine present value of severance indemnity and retirement benefit provision as of 31 December 2024 and 2023 are as follows:

Assumptions	31 December 2024	31 December 2023
Annual inflation rate	23,35%	20,00%
Annual discount rate	28,48%	23,60%
Net discount rate	4,16%	3,00%

18 EMPLOYEE BENEFITS (Cont’d)

Provision for Employee Bonus and Unused Vacation

The movement for employee bonus provision is as follows:

Movement for employee bonus provision:	2024	2023
1 January	88.422.594	50.090.562
Period charge	113.308.208	101.413.718
Payments	(117.602.963)	(63.081.686)
31 December	84.127.839	88.422.594

Movement for unused vacation provision:	2024	2023
1 January	26.673.944	17.083.671
Period charge	23.059.655	22.597.362
Payments	(9.930.838)	(13.007.089)
31 December	39.802.761	26.673.944

19 OTHER ASSETS

Other Current Assets	31 December 2024	31 December 2023
VAT receivable	54.568.986	70.786.113
Personnel and business advances	962.561	348.445
Other	1.315.069	171.452
	56.846.616	71.306.010

20 SHAREHOLDERS' EQUITY

Paid in Capital

Shareholding structure of Company as of 31 December 2024 and 31 December 2023 are as follows:

Name	Share Class	Capital Nominal Value (TL)	Capital Amount (Number)	Shareholding Ratio (%)
ZTE Cooperatief U.A.	A	23.351.328	23.351.328	36,00%
ZTE Cooperatief U.A.	B	7.817.023	7.817.023	12,05%
ZTE Cooperatief U.A. (Total)		31.168.351	31.168.351	48,05%
Türk Silahlı Kuvvetlerini Güçlendirme Vakfı	A	9.729.720	9.729.720	15,00%
Public	B	23.966.729	23.966.729	36,95%
Total		64.864.800	64.864.800	100%

The capital of the company is TL 64.864.800 which is divided into 64.864.800 shares with a nominal value of TL 1 each. The share capital of the Company is fully paid.

The Company's share in actual circulation in Borsa Istanbul is 36.95%. (31 December 2023: 36.95%)

In accordance with the Capital Market Board Communiqué No. II-18.1 numbered Registered Capital System, the registered capital system of the Company has been expired due to the expiry date of the authorized capital ceiling (TL 300.000.000).

The shares of the company are divided into two groups, consisting of (A) and (B) group registered shares.

33.081.048 (thirty-three million eighty-one thousand and forty-eight) of these shares constitute the registered (A) group of shares, and 31.783.752 (Thirty-one million seven hundred and eighty-three thousand seven hundred and fifty-two) shares constitute the (B) group registered shares. The differentiation of the shares in (A) and (B) groups, does not give the owners any rights or privileges, except as provided in Articles 9 and 15.

The proportion of (A) group registered shares within the issued capital shall be maintained in capital increases. Pre-emptive rights of shareholders shall be exercised within the respective share groups.

(B) group registered shares can be freely transferred without being subject to any limitation or condition within the framework of Turkish Commercial Code (“TCC”) and Capital Markets Legislation. However, concerning the transfer of (A) group registered shares the existing shareholders in Group (A) are entitled to preemptive rights which are required to be exercised within 30 days from the date of the offer for sale. Therefore, a shareholder wishing to transfer its shares, in full or in part, must first offer, in writing, to transfer its shares to the other shareholders in Group A in proportion to their respective shares, stating the price and other conditions for sale. If any shareholder, to whom the offer was made, declines to purchase the offered shares, such shares shall be offered to the other shareholders in proportion to their share ownership and this method will be pursued in the same manner until all shares are sold or rejected. Following the application of the above procedures, the transferor will be free to offer any rejected shares to third parties without restrictions provided that the price and other conditions of sale are no more favorable to the third party than the price and other conditions contained in the initial offer.

The required quorum for meetings and the required majority for resolutions of the shareholders at ordinary and extraordinary meetings shall be subject to the provisions of the TCC and Capital Markets legislation. However, resolution of the shareholders concerning amendments to the Articles of Association shall require the affirmative votes of the shareholders representing at least one half of the total number of shares within Group A.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

20 SHAREHOLDERS' EQUITY (Cont'd)

Share Capital Adjustments

According to CMB Decree No: XI-26 “Changes to CMB Decree No: XI-20 Accounting Principles in Hyperinflationary Periods”, shareholders' equity is shown at their normal values in the financial statements and the account differences occurred in correction of shareholders' equity are shown under the “Foreign Currency Translation Adjustments” account.

According to Board of Directors decision on 5 April 2004 referring to the Annual General Meeting decision and related CMB Decrees, conversion differences within the meaning of the law, occurred in prior periods were net- off with accumulated losses. Equity Foreign Currency Translation Adjustments are shown in the consolidated statement of financial position under “Share Capital Adjustments” in the Shareholders' Equity.

Legal Reserves

Legal reserves are reserves appropriated from the profit of prior periods for certain purposes other than profit distribution or due to legal or contractual requirements. These reserves are shown in the amounts in the legal records of the Company, and the differences in the preparation of the consolidated financial statements in accordance with TFRS are associated with retained earnings.

The details of restricted reserves are as follows as of 31 December 2024 and 31 December 2024:

	31 December 2024	31 December 2023
Primary legal reserves	11.997.507	11.997.507
Secondary legal reserves	22.899.853	22.899.853
<b>Total</b>	<b>34.897.360</b>	<b>34.897.360</b>

According to Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The primary legal reserves, appropriated out of historical statutory profit at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid in share capital. The secondary legal reserve is appropriated after the first legal reserves and dividends, at the rate of 10% per annum of all cash distribution.

As of 31 December 2024, the primary legal reserve amount of the group is 18% of the paid-in capital and there is no limit to the secondary legal reserve amount. These reserves can only be used to cover losses, to maintain the company in times when things are not going well, or to prevent unemployment and to mitigate the effects of such losses, unless they exceed half of the paid-in capital of the company.

Retained Earnings (Losses)

Retained earnings other than net period profit are presented in this item. The extraordinary reserves that are retained by the nature of their accumulated profit and are therefore not restricted, are also recognized as retained earnings.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

21 REVENUE AND COST OF SALES

The details of the Group's sales by geographies are as follows:

	1 Ocak-31 Aralık 2024	1 Ocak-31 Aralık 2023
<b>Net domestic sales</b>	<b>8.797.185.738</b>	<b>6.707.471.980</b>
<b>Net export</b>	<b>378.201.328</b>	<b>250.815.639</b>
<i>Asia</i>	335.521.165	225.427.796
<i>United States</i>	27.906.614	18.981.117
<i>Europe</i>	14.257.785	5.794.607
<i>Africa</i>	515.764	612.119
<b>Total net sales</b>	<b>9.175.387.066</b>	<b>6.958.287.619</b>

The details of the Group's cost of sales are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Equipment expenses	5.960.957.609	4.411.676.033
Personnel expenses	1.456.099.400	1.034.712.437
Service/Support expenses	833.473.544	752.809.533
Depreciation and amortization expenses	79.181.758	54.514.743
Transportation expenses	62.652.954	37.956.858
Impairment of provision in inventory	20.650.335	3.235.871
Other	112.661.118	60.072.771
	<b>8.525.676.718</b>	<b>6.354.978.246</b>

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

21 REVENUE AND COST OF SALES (Cont'd)

The distribution of the Group's sales according to the income types in the segments and the fulfillment times of the performance obligations is as follows:

1 January-31 December 2024					
Performance Obligations:	Telecom	System Integration	Technology	BDH	Total
Hardware performance obligation	3.141.225.843	1.271.467.945	-	-	4.412.693.788
Licence performance obligation	-	2.309.298.750	-	-	2.309.298.750
Maintenance performance obligation	68.750.601	532.539.695	-	1.042.117.159	1.643.407.455
Design performance obligation	22.532.259	115.567.743	-	-	138.100.002
Installation performance obligation	83.853.797	120.694.492	-	-	204.548.289
Other performance obligations	23.584.265	443.754.517	-	-	467.338.782
	3.339.946.765	4.793.323.142	-	1.042.117.159	9.175.387.066
Satisfaction of Performance Obligations:					
At a point in time	3.276.161.889	3.627.100.146	-	1.042.117.159	7.945.379.194
Overtime	63.784.876	1.166.222.996	-	-	1.230.007.872
	3.339.946.765	4.793.323.142	-	1.042.117.159	9.175.387.066
1 January-31 December 2023					
Performance Obligations:	Telecom	System Integration	Technology	BDH	Total
Hardware performance obligation	2.037.354.521	1.337.696.660	-	-	3.375.051.181
Licence performance obligation	-	1.648.659.236	-	-	1.648.659.236
Maintenance performance obligation	28.934.961	431.111.254	-	715.287.710	1.175.333.925
Design performance obligation	24.448.494	128.080.840	-	-	152.529.334
Installation performance obligation	46.476.875	101.108.276	-	-	147.585.151
Other performance obligations	24.947.889	434.180.903	-	-	459.128.792
	2.162.162.740	4.080.837.169	-	715.287.710	6.958.287.619
Satisfaction of Performance Obligations:					
At a point in time	2.128.877.563	3.264.721.102	-	715.287.710	6.108.886.375
Overtime	33.285.177	816.116.067	-	-	849.401.244
	2.162.162.740	4.080.837.169	-	715.287.710	6.958.287.619

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

22 RESEARCH AND DEVELOPMENT, SALES, MARKETING AND DISTRIBUTION, AND GENERAL ADMINISTRATIVE EXPENSES

The details of research and development, marketing, sales and distribution and general administrative expenses are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Sales, marketing and distribution expenses	366.852.738	228.152.785
General administrative expenses	286.302.869	218.909.666
Research and development expenses	22.777.655	2.386.154
	675.933.262	449.448.605
Personnel expenses	434.451.097	254.472.937
Depreciation and amortization expenses	66.285.414	56.617.593
Consultancy, audit and legal expenses	39.146.208	27.188.406
Software expenses	36.967.888	42.028.636
Outsourced service expenses	21.363.745	11.714.248
Communication expenses	10.143.639	5.645.407
Severance indemnity and pension provision expenses	9.995.409	7.725.688
Electricity,water and gas expenses	9.540.601	9.806.564
Private health insurance expenses	8.520.741	4.961.600
Travel and meeting expenses	8.376.765	6.615.624
Personnel transportation expenses	7.769.704	5.321.163
Cafeteria expenses	5.204.732	2.436.158
Other insures expenses	4.864.874	2.713.442
Maintenance expenses	3.769.076	4.526.144
Fair and advertising expenses	2.630.827	2.893.529
Training expenses	2.538.467	1.709.130
Consumable material expenses	1.425.555	1.489.948
Other	2.938.520	1.582.388
	675.933.262	449.448.605

The breakdown of personnel and depreciation expenses in cost of sales, research and development, marketing, sales and distribution and general administrative expenses is as follows:

Personnel expenses:	1 January- 31 December 2024	1 January- 31 December 2023
Cost of sales	1.456.099.400	1.034.712.437
Sales, marketing and distribution expenses	227.987.312	141.225.353
General administrative expenses	183.686.130	110.861.430
Research and development expenses	22.777.655	2.386.154
	1.890.550.497	1.289.185.374
Depreciation and amortization expenses:	1 January- 31 December 2024	1 January- 31 December 2023
Cost of sales	79.181.758	54.514.743
General administrative expenses	53.010.109	46.590.891
Sales, marketing and distribution expenses	13.275.305	10.026.702
	145.467.172	111.132.336

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

23 INCOME AND EXPENSES FROM OTHER OPERATING ACTIVITIES

Income from Other Operating Activities	1 January- 31 December 2024	1 January- 31 December 2023
Discount income, net (*)	17.609.440	-
Foreign exchange income, net	7.412.023	-
Reversal for doubtful receivables expenses	1.524.500	3.476.434
	<b>26.545.963</b>	<b>3.476.434</b>

(\*) Rediscount incomes/ (expenses) from trade receivables (representing the interest component calculated using the effective interest method) are accounted for in Other Operating Income/ (Expenses).

Expenses from Other Operating Activities	1 January- 31 December 2024	1 January- 31 December 2023
Other tax expenses	15.968.878	24.552.156
Legal case expenses	3.235.928	12.248.032
Expenses for doubtful receivables provision	274.487	-
Foreign exchange expenses, net	-	41.304.776
Discount loss on receivables, net (*)	-	17.866.675
Other expenses and losses	8.820.628	20.519.801
	<b>28.299.921</b>	<b>116.491.440</b>

24 INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The breakdown of personnel and depreciation expenses in cost of sales, research and development, marketing, sales and distribution and general administrative expenses is as follows:

Income from Investing Activities	1 January- 31 December 2024	1 January- 31 December 2023
Income from sales of property, plant and equipment	903.975	388.002
Income from scrap sales	553.991	236.104
	<b>1.457.966</b>	<b>624.106</b>

Expenses from Investing Activities	1 January- 31 December 2024	1 January- 31 December 2023
Loss from sales of tangible assets	330.643	474.268
Financial investment fund valuations	-	475.324
	<b>330.643</b>	<b>949.592</b>

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

25 FINANCE INCOME / EXPENSES

Financial Income	1 January- 31 December 2024	1 January- 31 December 2023
Interest income	46.182.886	11.862.741
Foreign exchange gains, net (*)	6.856.606	249.916.752
	<b>53.039.492</b>	<b>261.779.493</b>

(\*) Foreign exchange gains and losses related to cash and cash equivalents, borrowings, and other financial liabilities and currency translation difference.

Financial Expenses	1 January- 31 December 2024	1 January- 31 December 2023
Bank interest expenses	251.264.538	265.281.562
Interest and foreign exchange loss on leases	39.115.836	35.875.427
Guarantee letter commissions	27.038.162	22.261.669
Bank loan commisions and expenses	6.475.308	21.607.913
Other financial expenses	4.440.923	13.134.792
	<b>328.334.767</b>	<b>358.161.363</b>

26 TAX ASSETS AND LIABILITIES

Corporate Tax

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is declared by the evening of the last day of the fourth month following the end of the relevant accounting period and paid in a single installment by the end of the relevant month. Corporations are required to calculate provisional tax with the current rate on their financial profits realized in three-month periods and declare it by the 17th day of the second month following the period and pay it by the evening of the 17th day. Provisional taxes paid during the year are offset against the corporate tax calculated on the annual corporate tax return of that year. If there is a provisional tax amount left despite the offset, this amount can be refunded in cash or offset against other financial debts.

According to the Article 21 of the "Law on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Decree Law No. 375 on Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023" published in the Official Gazette dated 15 July 2023 and numbered 32249. In accordance with the amendments made in Article 32 of the Corporate Tax Law No. 5520 regulating the corporate tax rate, the general rate applied in corporate tax has been increased from 20% to 25% starting from the declarations to be submitted as of 1 October 2023. Accordingly, the Company and its subsidiaries in Turkey have used the tax rate of 25% in the calculation of the period tax for the years 2023 and 2024.

Within the scope of the respective alteration, the tax rate used in the calculation of deferred tax as of 31 December 2024 is 25%. (31 December 2023: 25%).

The corporate tax rate is applied to the net corporate income by adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and by deducting the exceptions and deductions in the tax laws. In Turkey, provisional tax is calculated and accrued on a quarterly basis.

26 TAX ASSETS AND LIABILITIES (Cont'd)

Corporate Tax (Cont'd)

As of 31 December 2021, the conditions required for the inflation adjustment of the financial statements as of 31 December 2021 have been met in accordance with Article 298 of the Tax Procedure Law. However, in accordance with the provisional article 33 of the Tax Procedure Law numbered 213 with the Law numbered 7352 "Law on Amendments to the Tax Procedure Law and Corporate Tax Law" published in the Official Gazette dated 29 January 2022 and numbered 31734:

- Repeated financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods and the temporary tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment under Article 298 are met, including the temporary tax periods,
- The financial statements dated 31 December 2023 will be subject to inflation correction in a way that will not affect the corporate tax base.

According to the "General Communiqué on Tax Procedure Law No. 555" published in the Official Gazette dated 30 December 2023 and numbered 32415 and the repeated article 298 of the Tax Procedure Law No. 213, it is essential that the financial statements of the enterprises operating in Turkey for the 2023 accounting period are subject to inflation adjustment. The inflation adjusted financial statements will constitute an opening balance sheet base in the tax returns to be prepared as of 1 January 2024 and the effects of inflation will not be taken into consideration in the calculation of the period tax for the years 2023 and 2024.

In accordance with the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of 31 December 2023 and 31 December 2024 are included in the deferred tax calculation as of 31 December 2023 and 31 December 2024.

Tax legislation in Turkey does not allow to fill consolidated tax returns of the Company and its subsidiaries. Therefore, provisions for taxes, as included in the consolidated financial statements, it has been calculated based on individual companies.

Accumulated losses can be carried 5 years maximum to be deducted from the taxable profit of the following years. However, accumulated losses cannot be deducted from the profit occurred in the prior years retroactively.

Corporate tax rate in Malta is 35% (31 December 2023: 35%). Corporate tax rate in Kazakhstan is 20% (31 December 2023: 20%). Corporate tax rate in Algeria is 26% (31 December 2023: 26%).

Withholding tax

In addition to corporate taxes, companies should also calculate withholding taxes surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15 % with the code numbered 5520 article 15 commencing from 23 July 2006. With the Presidential Decree No. 4936, dated 31 December 2021, published in the Official Gazette dated 22 December 2021, the dividend withholding tax rate was reduced from 15% to 10%. With the Presidential Decree No. 9286, dated 21 December 2024, published in the Official Gazette dated 22 December 2024, the dividend withholding tax rate was increased from 10% to 15%. Transfer from retained earnings to share capital is not subject to withholding taxes.

26 TAX ASSETS AND LIABILITIES (Cont'd)

Deferred Taxes

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements prepared in accordance with TFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and are set out below.

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

Deferred tax assets/(liabilities)	31 December 2024	31 December 2023
Trade receivables	(70.047.742)	(16.188.180)
Tangible and intangible assets	(95.983.394)	(62.444.832)
Trade payables and cost provisions	60.539.878	35.352.725
Carryforward tax losses	151.525.713	208.568.860
Carryforward tax losses and unused R&D tax exemption	744.029.072	483.486.412
Provision for unused vacation	9.013.711	5.702.006
Inventory and contract assets	(25.240.303)	(53.594.127)
Provisions for employee premiums	19.383.228	20.615.882
Contract liabilities	24.405.959	35.410.298
Legal provision	5.269.455	3.993.322
Severance indemnity and retirement provisions	48.969.753	42.715.603
Other	(770.405)	(2.901.435)
	871.094.925	700.716.534

	31 December 2024	31 December 2023
Deferred Tax Assets	871.094.925	700.716.534
Net Amount	871.094.925	700.716.534

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

26 TAX ASSETS AND LIABILITIES (Cont'd)

Deferred Taxes (Cont'd)

The movement of deferred tax assets/ (liabilities) is as follows:

Movement for deferred taxes is as follows:	31 December 2024	31 December 2023
Balance as of January, 1	700.716.534	306.058.392
Current charge deferred tax income	25.704.331	176.817.852
Accounting under equity	4.330.615	6.131.740
Translation difference	140.343.445	211.708.550
Closing	871.094.925	700.716.534

	31 December 2024	31 December 2023
Corporate tax	7.789.468	17.692.911
Prepaid taxes	(68.200.290)	(61.615.803)
Current tax liabilities/ (Current income tax assets )	(60.410.822)	(43.922.892)

	31 December 2024	31 December 2023
Tax reconciliation		
(Loss) before tax	(289.910.326)	(58.674.354)
Tax rate	25%	25%
Computed tax expense	72.477.582	14.668.589
Tax effects of:		
Non-deductible expenses	(47.886.106)	(74.858.119)
Effect of legal tax rate change on deferred tax balance	-	3.536.357
Effect of changes in carryforward tax losses on which deferred tax is calculated	(93.149.361)	-
Tax effect calculated from unused R&D tax exemption and carryforward tax losses	61.914.521	113.781.775
Tax income resulting from indexing legal records according to inflation	-	96.530.898
Functional currency difference and other adjustments	24.558.227	5.465.441
Total tax (loss)/ income	17.914.863	159.124.941

The Group has a total accumulated financial loss of TL 903.246.200 that can be offset against future years' profits, and a deferred tax asset of TL 151.525.713 has been recognized over this amount. In addition, the Group calculated a deferred tax asset of TL 744.029.072 based on the corporate tax deduction arising from the R&D incentive it did not use (Note 15).

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

26 TAX ASSETS AND LIABILITIES (Cont'd)

Deferred Taxes (Cont'd)

The distribution of previous years' losses that recognized deferred tax asset by years is as follows;

	Year occurred	Year can be used	31 December 2023	31 December 2022
	2019	2024	-	77.148.938
	2021	2026	290.896.416	290.896.416
	2022	2027	249.849.723	249.849.723
	2023	2028	218.075.161	216.380.362
	2024	2029	144.424.900	-
			903.246.200	834.275.439

Movement for deferred taxes as of 31 December 2024 and 2023 are as follows;

	1 January 2024	Charge to Period	Charge to Equity	Translation Difference	31 December 2024
Tangible and intangible assets	(62.444.832)	(23.940.106)	-	(9.598.456)	(95.983.394)
Trade receivables	(16.188.180)	(46.997.127)	-	(6.862.435)	(70.047.742)
Trade payables and cost provisions	35.352.725	17.184.638	-	8.002.515	60.539.878
Inventory and contract assets	(53.594.127)	38.038.767	-	(9.684.943)	(25.240.303)
Provisions for employee bonuses	20.615.882	(4.517.301)	-	3.284.647	19.383.228
Provision for unused vacation	5.702.006	2.150.243	-	1.161.462	9.013.711
Severance indemnity and retirement provisions	42.715.603	(4.309.848)	4.330.615	6.233.383	48.969.753
Contract liabilities	35.410.298	(16.769.493)	-	5.765.154	24.405.959
Carryforward tax losses	208.568.860	(91.519.926)	-	34.476.779	151.525.713
Unused R&D tax exemption	483.486.412	153.434.447	-	107.108.213	744.029.072
Legal Provision	3.993.322	449.674	-	826.459	5.269.455
Other	(2.901.435)	2.500.363	-	(369.333)	(770.405)
	700.716.534	25.704.331	4.330.615	140.343.445	871.094.925

	1 January 2023	Charge to Period	Charge to Equity	Translation Difference	31 December 2023
Tangible and intangible assets	(51.994.926)	12.752.142	-	(23.202.048)	(62.444.832)
Trade receivables	(28.412.906)	23.121.245	-	(10.896.519)	(16.188.180)
Trade payables and cost provisions	24.282.550	(2.080.075)	-	13.150.250	35.352.725
Inventory and contract assets	(50.554.744)	23.506.579	-	(26.545.962)	(53.594.127)
Provisions for employee bonuses	8.369.401	6.342.433	-	5.904.048	20.615.882
Provision for unused vacation	2.377.074	1.656.038	-	1.668.894	5.702.006
Severance indemnity and retirement provisions	21.010.220	6.551.243	6.131.740	9.022.400	42.715.603
Contract liabilities	27.473.281	(6.336.015)	-	14.273.032	35.410.298
Carryforward tax losses and unused R&D tax exemption (Note 15 and Note 26)	350.850.911	113.781.775	-	227.422.586	692.055.272
Legal Provision	1.801.487	934.154		1.257.681	3.993.322
Other	856.044	(3.411.667)	-	(345.812)	(2.901.435)
	306.058.392	176.817.852	6.131.740	211.708.550	700.716.534

26 TAX ASSETS AND LIABILITIES (Cont'd)

Tax Advantages Obtained Within the Scope of Investment Incentive System

As of 31 December 2024, the Group has calculated a deferred tax asset of TL 774.029.072 based on the corporate tax deduction amount arising from the R&D incentive that it did not use. (31 December 2023: TL 483.486.412)

The periods in which deferred tax assets arising from investment incentives are expected to be used and the amounts expected to be recovered in these periods are explained below:

	31 December 2024	31 December 2023
In 2025	21.572.255	-
In 2026	52.713.571	151.751.526
In 2027	156.727.118	205.389.399
In 2028	307.686.459	126.345.487
In 2029	205.329.669	-

The important judgments and assumptions used by the Group in reflecting deferred tax assets arising from investment incentives in the financial statements and the sensitivity analyzes related to these assumptions are explained below:

Significant judgments and assumptions used by the Group in reflecting deferred tax assets arising from investment incentives in the financial statements and the sensitivity analyzes related to these assumptions are explained below:

Significant judgments and assumptions

The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections and expiration dates of other tax assets and tax planning strategies that can be used when necessary were taken into consideration. The following assumptions were used when calculating the recoverable value of deferred tax assets as of 31 December 2024:

- R&D incentives that are entitled but have not yet been used have an unlimited lifespan.
- Made based on tax profit projections prepared by the management.

As a result of the evaluations made according to the current analysis, it has been concluded that the deferred tax asset calculated within the scope of the R&D incentive is recoverable. It is anticipated that these deferred tax assets will be recovered within 5 years starting from 2025.

Sensitivity analyzes

If the assumptions used in the projection period are 0,5% higher or lower, it causes an increase of 111 thousand TL and a decrease of 111 thousand TL, respectively, in the deferred tax asset calculation as of 31 December 2024.

27 LOSS PER SHARE

Earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

	1 January- 31 December 2024	1 January- 31 December 2023
Number of shares	64.864.800	64.864.800
Net profit/ (loss) for the period	(280.541.832)	99.670.615
(Loss) per share (kurus)	(4,3250)	1,5366

28 RELATED PARTY DISCLOSURES

Due from related parties as of 31 December 2024 and 31 December 2023 are as follows:

Due from Related Parties	31 December 2024	31 December 2023
ZTE İstanbul Telekomünikasyon A.Ş. (1)	70.648.264	9.686.111
ZTE Kangxun Telecom (1)	19.287	-
	70.667.551	9.686.111

Due to Related Parties	31 December 2024	31 December 2023
ZTE İstanbul Telekomünikasyon A.Ş. (1)	1.503.610.880	1.132.047.133
ZTE Corporation(2)	215.362.954	214.106.490
	1.718.973.834	1.346.153.623

According to “TAS 24 Related Party Disclosures”, providers of finance, trade unions, public utilities, departments, and agencies of a government that does not control, jointly control or significantly influence the reporting entity, and a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence are not evaluated as related parties. The Group has a significant business relation with Aselsan Elektronik Sanayi ve Ticaret A.Ş. (“Aselsan”) and evaluated in that context.

(1) The company which controlled by main partner

(2) Main partner

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

28 RELATED PARTY DISCLOSURES (Cont'd)

Main transactions with related parties are as follows for the period ended 31 December 2024 and 2023.

Sales	1 January- 31 December 2024	1 January- 31 December 2023
ZTE İstanbul Telekomünikasyon A.Ş. (1)	54.867.280	60.942.508
ZTE Corporation(2)	42.642	12.076.102
	54.909.922	73.018.610

As part of the normal activities of the Group, products are purchased from ZTE Corporation and products and services are sold to ZTE İstanbul Telecommunications. Due to the transactions, debts and receivables are unsecured and the average day maturity varies according to the projects.

Purchases	1 January- 31 December 2024	1 January- 31 December 2023
ZTE İstanbul Telekomünikasyon A.Ş. (1)	2.425.268.478	1.454.012.033
	2.425.268.478	1.454.012.033

(1) The company which controlled by ultimate parent  
(2) Main partner

Benefits to Top Management:

Top management of the Group comprised of, the members of the management and executive committee, General Managers and Deputy General Managers. For the period ended 31 December 2024, total remuneration for the directors and management board of the Group is TL 81.759.489 (31 December 2023: TL 38.732.695). As of 31 December 2024, and 31 December 2023 there is no credit granted to the Group's Management.

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

As of 31 December 2024, and 31 December 2023 the Group's net debt / total equity ratios are as follows:

	31 December 2024	31 December 2023
Short-term and long-term borrowings (*)	1.869.299.864	1.297.908.289
Cash and cash equivalents	(481.554.076)	(90.112.867)
Net financial debt	1.387.745.788	1.207.795.422
Equity	3.548.927	217.693.183
Net financial debt/ Equity Ratio	%39.103	%555

(\*) The mentioned amount does not include lease payables and includes bank borrowings

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

The Group's financial risk management policies are as follows:

Credit risk

Carrying values of the financial assets represents their maximum exposed credit risk. As of the date of balance sheet maximum credit risks are as follows:

31 December 2024	Trade Receivables		Contract Assets related to Goods and Services Provided	Other Receivables	
	Related Parties	Other	Other	Other	Deposits at Banks
Maximum credit risks as of balance sheet date (A+B+C+D)	70.667.551	3.346.326.638	770.556.988	6.895.316	481.554.076
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	70.667.551	2.804.520.461	770.556.988	6.895.316	481.554.076
(B) Net book value of overdue but not impaired financial assets	-	541.806.177	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	357.746.259	-	-	-
Impairment (-)	-	(357.746.259)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

31 December 2023	Trade Receivables		Contract Assets related to Goods and Services Provided	Other Receivables	
	Related Parties	Other	Other	Other	Deposits at Banks
Maximum credit risks as of balance sheet date (A+B+C+D)	9.686.111	2.865.406.633	403.011.780	4.944.536	90.112.867
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	9.686.111	2.443.784.538	403.011.780	4.944.536	90.112.867
(B) Net book value of overdue but not impaired financial assets	-	421.622.095	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	298.823.538	-	-	-
Impairment (-)	-	(298.823.538)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Credit risk (Cont'd)

The Group has applied the simplified approach stated in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables. In order to measure the expected credit loss, the Group first classifies its trade receivables by taking into account the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience and forward macroeconomic indicators were calculated and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

As of the date of balance sheet aging of overdue and undue but not impaired financial assets are as follows:

31 December 2024	Undue	1-30 days overdue	1-3 months overdue	3-6 months overdue	6-12 months overdue	1-5 years overdue	Total
Credit loss ratio (%)	0,0%	1,1%	6,1%	7,6%	11,9%	17,8%	
As of period	3.619.455.273	126.000.676	143.104.439	59.508.510	35.417.780	177.774.773	4.161.261.451
Expected credit loss	-	1.340.463	8.237.163	4.200.564	3.780.181	26.819.454	44.377.825

31 December 2023	Undue	1-30 days overdue	1-3 months overdue	3-6 months overdue	6-12 months overdue	1-5 years overdue	Total
Credit loss ratio (%)	0,0%	1,8%	2,8%	4,8%	8,8%	21,4%	
As of period	2.862.361.701	232.909.290	22.021.806	1.894.853	665.979	164.130.167	3.283.983.796
Expected credit loss	-	1.304.046	337.613	126.424	15.015	13.782.285	15.565.383

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Liquidity risk

The Group manages its liquidity risk by having sufficient cash and similar resources to fulfill its current and potential obligations on time. The table showing the liquidity risk of the Group as of 31 December 2024 and 31 December 2023 is presented:

31 December 2024						
Maturities due to agreements	Carrying amount	Cash outflows due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
Non- derivative financial liabilities	6.112.247.526	6.218.143.092	4.272.672.307	1.627.392.868	318.077.917	-
Financial liabilities	1.869.299.864	1.936.677.989	364.320.320	1.486.437.836	85.919.833	-
Lease Liabilities	398.244.909	436.762.350	63.649.234	140.955.032	232.158.084	-
Due to related parties	1.718.973.834	1.718.973.834	1.718.973.834	-	-	-
Other trade payables to third parties	1.995.438.641	1.995.438.641	1.995.438.641	-	-	-
Other payables to third parties	130.290.278	130.290.278	130.290.278	-	-	-

31 December 2023						
Maturities due to agreements	Carrying amount	Cash outflows due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
Non- derivative financial liabilities	4.391.033.783	4.562.389.036	3.133.748.667	1.204.352.337	221.443.731	2.844.301
Financial liabilities	1.297.908.289	1.396.251.816	284.627.834	1.111.623.982	-	-
Lease Liabilities	284.566.414	357.578.140	40.561.753	92.728.355	221.443.731	2.844.301
Due to related parties	1.346.153.623	1.346.153.623	1.346.153.623	-	-	-
Other trade payables to third parties	1.309.444.678	1.309.444.678	1.309.444.678	-	-	-
Other payables to third parties	152.960.779	152.960.779	152.960.779	-	-	-

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Interest rate risk

Interest rate sensitive financial assets are placed in short term financial instruments to avoid any possible interest rate fluctuations. The Group has the following interest sensitive liability as of the balance sheet date.

	31 December 2024	31 December 2023
<b>Fixed interest rate financial instruments</b>	<b>3.578.923.938</b>	<b>2.876.851.169</b>
Cash and Cash Equivalents (*)	225.701.984	6.500.000
Trade Receivables	3.346.326.638	2.865.406.633
Other Receivables	6.895.316	4.944.536
<b>Fixed interest rate financial liabilities</b>	<b>6.112.247.526</b>	<b>4.391.033.783</b>
Short and Long Term Unsecured Loans	1.869.299.864	1.297.908.289
Lease Liabilities	398.244.909	284.566.414
Trade Payables	3.714.412.475	2.655.598.301
Other Payables	130.290.278	152.960.779
<b>Variable interest rate financial instruments</b>	<b>-</b>	<b>-</b>
Short and Long Term Unsecured Loans	-	-
<b>Interest-free financial liabilities</b>	<b>-</b>	<b>-</b>
Non Interest bearing unsecured spot loans	-	-

(\*) As of 31 December 2024 and 31 December 2023, it includes bank time deposits.

Foreign currency risk

The functional currency of the Company is US Dollars. Currency risk generally arises from the change in the value of the US Dollar against TL and other currencies. In order not to be affected by the appreciation or depreciation of the US Dollar against other currencies, the Group evaluates its assets in line with its liabilities to the extent possible and loads its contractual expenses in the contract currency to the extent possible.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

(Unless otherwise stated the amounts are in TL)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk (Cont'd)

As of 31 December 2024 and 31 December 2023 the Group's foreign currency position table is given below:

Original Currency					
31 December 2024	TL Equivalent (*)	TL	Euro	USD	Other
<b>Current Assets</b>	<b>1.059.601.416</b>	<b>900.183.733</b>	<b>1.209.568</b>	<b>2.675.732</b>	<b>7.868.289</b>
Cash and cash equivalents	297.977.043	293.035.524	107.313	-	3.793.868
Trade receivables, third parties	754.729.057	600.252.893	1.102.255	2.675.732	4.074.421
Other receivables, third parties	6.895.316	6.895.316	-	-	-
<b>TOTAL ASSETS (A)</b>	<b>1.059.601.416</b>	<b>900.183.733</b>	<b>1.209.568</b>	<b>2.675.732</b>	<b>7.868.289</b>
<b>Short Term Liabilities</b>	<b>704.075.918</b>	<b>594.652.490</b>	<b>2.238.586</b>	<b>770.290</b>	<b>496</b>
Financial liabilities	-	-	-	-	-
Lease liabilities	146.960.238	146.960.238	-	-	-
Trade payables, third parties	426.825.402	317.401.974	2.238.586	770.290	496
Other payables, third parties	130.290.278	130.290.278	-	-	-
<b>Long Term Liabilities</b>	<b>251.284.671</b>	<b>251.284.671</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lease liabilities	251.284.671	251.284.671	-	-	-
<b>TOTAL LIABILITIES (B)</b>	<b>955.360.589</b>	<b>845.937.161</b>	<b>2.238.586</b>	<b>770.290</b>	<b>496</b>
<b>Net Foreign Currency Asset / (Liability) Position (A-B)</b>	<b>104.240.827</b>	<b>54.246.572</b>	<b>(1.029.018)</b>	<b>1.905.442</b>	<b>7.867.793</b>

(\*) The functional currency of the Company is USD. The USD risk of those whose functional currency is other than USD is explained in the relevant column. In the table above, foreign currencies are shown with their original currency amounts, and their TL equivalents are calculated using period-end exchange rates.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk (Cont'd)

31 Aralık 2023	Original Currency				
	TL Equivalent (*)	TL	Euro	USD	Other
Current Assets	988.947.538	470.994.232	2.249.473	1.768.283	101.048.400
Cash and cash equivalents	25.108.122	16.917.756	210.312	-	6.104.102
Trade receivables, third parties	958.894.880	449.131.940	2.039.161	1.768.283	94.944.298
Other receivables, third parties	4.944.536	4.944.536	-	-	-
TOTAL ASSETS (A)	988.947.538	470.994.232	2.249.473	1.768.283	101.048.400
Short Term Liabilities	1.773.347.154	1.713.234.857	1.357.247	527.353	1.720.667
Financial liabilities	578.199.850	578.199.850	-	-	-
Lease liabilities	128.271.232	128.271.232	-	-	-
Trade payables, third parties	913.915.293	853.802.996	1.357.247	527.353	1.720.667
Other payables, third parties	152.960.779	152.960.779	-	-	-
Long Term Liabilities	156.295.182	156.295.182	-	-	-
Lease liabilities	156.295.182	156.295.182	-	-	-
TOTAL LIABILITIES (B)	1.929.642.336	1.869.530.039	1.357.247	527.353	1.720.667
Net Foreign Currency Asset / (Liability) Position (A-B)	(940.694.798)	(1.398.535.807)	892.226	1.240.930	99.327.733

(\*) The functional currency of the Company is USD. The USD risk of those whose functional currency is other than USD is explained in the relevant column. In the table above, foreign currencies are shown with their original currency amounts, and their TL equivalents are calculated using period-end exchange rates.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES  
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2024  
(Unless otherwise stated the amounts are in TL)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk (Cont'd)

31 December 2024	Profit /(Loss)		Equity	
	Appreciation	Devaluation	Appreciation	Devaluation
Effect of 10 % appreciation/devaluation in TL -USD exchange rate :				
Net asset / (liability) in TL	5.424.657	(5.424.657)	5.424.657	(5.424.657)
Hedged portion from TL risk (-)	-	-	-	-
(1) Net effect of TL	5.424.657	(5.424.657)	5.424.657	(5.424.657)
Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :				
Net asset / (liability) in EUR	(3.780.221)	3.780.221	(3.780.221)	3.780.221
Hedged portion from EUR risk (-)	-	-	-	-
(2) Net effect of EUR	(3.780.221)	3.780.221	(3.780.221)	3.780.221
Effect of 10 % appreciation/devaluation in USD – TL exchange rate :				
Net asset / (liability) in USD	190.544	(190.544)	190.544	(190.544)
Hedged portion from USD risk (-)	-	-	-	-
(3) Net effect of USD	190.544	(190.544)	190.544	(190.544)
Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:				
Net asset / (liability) in other currencies	62.588.070	(62.588.070)	62.588.070	(62.588.070)
Hedged portion from other currencies risk (-)	-	-	-	-
(4) Net effect of other currencies	62.588.070	(62.588.070)	62.588.070	(62.588.070)
TOTAL (1+2+3+4)	64.423.050	(64.423.050)	64.423.050	(64.423.050)

29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk (Cont'd)

31 December 2023	Profit / (Loss)		Equity	
	Appreciation	Devaluation	Appreciation	Devaluation
Effect of 10 % appreciation/devaluation in TL -USD exchange rate :				
Net asset / (liability) in TL	(139.853.581)	139.853.581	(139.853.581)	139.853.581
Hedged portion from TL risk (-)	-	-	-	-
(1) Net effect of TL	(139.853.581)	139.853.581	(139.853.581)	139.853.581
Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :				
Net asset / (liability) in EUR	2.906.328	(2.906.328)	2.906.328	(2.906.328)
Hedged portion from EUR risk (-)	-	-	-	-
(2) Net effect of EUR	2.906.328	(2.906.328)	2.906.328	(2.906.328)
Effect of 10 % appreciation/devaluation in USD – TL exchange rate :				
Net asset / (liability) in USD	124.093	(124.093)	124.093	(124.093)
Hedged portion from USD risk (-)	-	-	-	-
(3) Net effect of USD	124.093	(124.093)	124.093	(124.093)
Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:				
Net asset / (liability) in other currencies	7.008.771	(7.008.771)	7.008.771	(7.008.771)
Hedged portion from other currencies risk (-)	-	-	-	-
(4) Net effect of other currencies	7.008.771	(7.008.771)	7.008.771	(7.008.771)
TOTAL (1+2+3+4)	(129.814.389)	129.814.389	(129.814.389)	129.814.389

30 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are required in the interpretation of market data to determine fair value. Accordingly, the estimations presented here may not show the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair value of financial instruments and these valuations are considered level 1

Financial Assets:

It is anticipated that the recorded values of financial assets, which are shown at cost including cash and cash equivalents and short term financial inverstments, are equal to their fair values because they are short term.

It is foreseen that the registered values of trade receivables reflect the fair value together with the relevant impairment provisions.

Financial Liabilities:

The fair values of fixed interest and short-term bank loans and other monetary debts are expected to be close to their book values.

The Fair Value Measurement Hierarchy

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

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

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

Level 3: The fair value of the financial assets and financial liabilities where there is no observable market data.

In accordance with fair value hierarchy, while cash and cash equivalent are categorized as of Level 1, other financial asset and liabilities are categorized as Level 2.

31 NET MONETARY POSITION GAINS / (LOSSES) DISCLOSURES

The amounts related to net monetary position gains and (losses) of the Group's Subsidiary ("BDH") before consolidation and elimination adjustments are as follows;

Non-Monetary Items	31 December 2024
Statement of Financial Position Items	
Property, Plant and Equipment	25.757.108
Intangible Assets	283.466
Right of Use Assets	55.447.751
Share Capital	(55.111.076)
Accumulated Losses	(13.941.586)
Statement of Profit and Loss Items	
Revenue	(209.508.153)
Cost of Sales (-)	199.582.571
Sales, Marketing and Distribution Expenses (-)	9.822.980
Other Income from Operating Activities	(766.199)
Other Expenses from Operating Activities (-)	(2.189.750)
Income from Investment Activities	(135.673)
Financial Income	(65.326)
Financial Expenses (-)	3.058.385
NET MONETARY POSITION GAINS	12.234.498

32 SUBSEQUENT EVENTS

None.

33 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENTAUDITOR'S

The Group's explanation regarding the fees for services provided by independent audit firms, prepared pursuant to the POA's Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the POA letter dated 19 August 2021, is as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	5.796.131	3.267.614
Fees for tax advisory services	1.290.100	734.400
Fee for other assurance services	345.000	640.000
Other services other than independent audit	574.232	404.957
	8.005.463	5.046.971

This report is in compliance with the provisions of the Capital Markets Board of Türkiye's “Communiqué on Principles of Financial Reporting in the Capital Markets”, no. II-14.1 and it has been prepared in accordance with the terms and conditions of the “Regulation on Determining the Minimum Content of the Annual Report of the Companies” published by the Ministry of Customs and Trade in the Official Gazette dated August 28, 2012, with issue number 28395; and it has been signed and approved by the members of the Board of Directors of the Company, whose names are written below.

AIGUANG PENG  
Chairman of the Board

BOWEN MEI  
Board Member

ŞUAY ALPAY  
Vice Chairman of the Board

ÖZER KARABULUT  
Independent Board Member

HONGGUANG ZHOU  
Board Member

OSMAN NURİ UÇAN  
Independent Board Member

MING LI  
Board Member

## Netaş Telekomünikasyon A.Ş.

**Company Name:** Netaş Telekomünikasyon A.Ş.

**Trade Registration Number:** 94955/40304

**Mersis No:** 0632000106100010

### Head Office Address

Yenişehir Mahallesi Osmanlı Bulvarı

Aeropark Sitesi B Blok No:11B İç Kapı No:40

Pendik/İstanbul

Phone: +90 (216) 522 20 00

Fax: +90 (216) 522 22 22

### Ankara Contact Address

Üniversiteler Mahallesi, İhsan Doğramacı Bulvarı

No: 33 B Blok ZT-6

ODTÜ Teknokent 06531, Ankara

Phone: +90 (312) 210 18 08

Fax: +90 (312) 210 18 05

**Website:** [www.netas.com.tr](http://www.netas.com.tr)

**Facebook:** <https://facebook.com/NetasTR>

**Twitter:** <https://twitter.com/netastr>

**Youtube:** [www.youtube.com/user/NetasTR](http://www.youtube.com/user/NetasTR)

**Linkedin:** <https://www.linkedin.com/company/netas>

**E-mail:** [webmaster@netas.com.tr](mailto:webmaster@netas.com.tr)



[www.netas.com.tr](http://www.netas.com.tr)