NETAŞ TELEKOMÜNİKASYON A.Ş.
AND ITS' SUBSIDIARIES

As at and for the period ended 31 March 2025
Condensed consolidated financial statements

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

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	Notes	Unreviewed 31 March 2025	Audited 31 December 2024
ASSETS			
Current Assets		**4.925.930.302**	**5.468.448.938**
Cash and Cash Equivalents	5	327.993.161	481.554.076
Trade Receivables		2.911.677.402	3.416.994.189
Due from related parties	*22*	*13.737.831*	*70.667.551*
Trade receivables, third parties	*7*	*2.897.939.571*	*3.346.326.638*
Other Receivables		7.552.801	6.895.316
Other receivables, third parties		*7.552.801*	*6.895.316*
Inventories	*8*	655.628.628	560.791.255
Contract Assets related to Goods and Services Provided		822.632.400	770.556.988
Contract Assets related to Goods and Services Provided	*4*	*822.632.400*	*770.556.988*
Prepaid Expenses		85.082.879	110.080.835
Current Income Tax Assets	*20*	70.332.539	64.729.663
Other Current Assets		45.030.492	56.846.616
Non-Current Assets		**2.345.339.493**	**2.215.771.973**
Property, Plant and Equipment	*9*	149.569.807	142.310.684
Right of Use Assets	*11*	375.952.679	368.211.287
Financial Investments	3	51.033.228	47.674.804
Intangible Assets		832.928.408	785.301.937
Goodwill	*10*	*692.171.995*	*646.621.149*
Other intangible assets	*10*	*140.756.413*	*138.680.788*
Prepaid Expenses		-	1.178.336
Deferred Tax Assets	*20*	935.855.371	871.094.925
TOTAL ASSETS		**7.271.269.795**	**7.684.220.911**

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

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2025
(Unless otherwise stated the amounts are in TL)

	Notes	Unreviewed 31 March 2025	Audited 31 December 2024
LIABILITIES			
Short Term Liabilities		**6.686.159.500**	**7.182.294.744**
Short Term Borrowings		1.988.129.961	1.792.933.939
Short Term Bank Loans	*6*	*1.988.129.961*	*1.792.933.939*
Short-Term Portion of Long-Term Borrowings		*155.376.754*	*146.960.238*
Short-Term Portion of Long-Term Lease Liabilities	*6*	*155.376.754*	*146.960.238*
Trade Payables		3.192.936.418	3.714.412.475
Due to related parties	*22*	*1.748.849.936*	*1.718.973.834*
Trade payables, third parties	*7*	*1.444.086.482*	*1.995.438.641*
Other Payables		47.939.254	130.290.278
Other payables, third parties		*47.939.254*	*130.290.278*
Employee Benefit Obligations	*15*	255.118.118	148.873.959
Contract Liabilities		947.314.974	1.120.482.468
Contract Liabilities	*4*	*947.314.974*	*1.120.482.468*
Provisions		*94.779.686*	*124.022.546*
Provisions for Employee Benefits	*15*	*63.476.330*	*84.127.839*
Other Short Term Provisions	*13*	*31.303.356*	*39.894.707*
Current Income Tax Liabilities	*20*	4.564.335	4.318.841
Long Term Liabilities		**630.920.383**	**484.760.957**
Long Term Financial Liabilities			
Long Term Borrowings		484.099.563	327.650.596
Bank Loans	*6*	*219.856.445*	*76.365.925*
Lease Liabilities	*6*	*264.243.118*	*251.284.671*
Provisions		146.820.820	157.110.361
Provisions for Employee Benefits	*15*	*146.820.820*	*157.110.361*
SHAREHOLDERS' EQUITY			
Equity Attributable to Equity Holders of the Parent		**(61.785.825)**	**3.548.927**
Share Capital	*16*	64.864.800	64.864.800
Share Capital Adjustments		41.612.160	41.612.160
Other comprehensive income to be reclassed in profit and loss		188.117.565	160.383.276
Currency Translation Differences		*188.117.565*	*160.383.276*
Other comprehensive income not to be reclassed in profit and loss		545.032.543	558.483.922
Remeasurement gain/ (loss) on defined benefit plans		*(72.545.402)*	*(72.545.402)*
Currency Translation Differences		*617.577.945*	*631.029.324*
Restricted Reserves	*16*	34.897.360	34.897.360
Retained Earnings		(856.692.591)	(576.150.759)
Net Loss for the Period		(79.617.662)	(280.541.832)
Non-controlling interests		**15.975.737**	**13.616.283**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7.271.269.795**	**7.684.220.911**

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

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2025
(Unless otherwise stated the amounts are in TL)

		Unreviewed	
	Notes	1 January- 31 March 2025	1 January- 31 March 2024
INCOME OR LOSS FROM OPERATIONS			
Revenue	17	2.121.582.972	1.719.059.796
Cost of Sales (-)	4	(1.940.904.789)	(1.593.903.663)
GROSS PROFIT		**180.678.183**	**125.156.133**
Sales, Marketing and Distribution Expenses (-)	4	(82.314.040)	(78.322.725)
General Administrative Expenses (-)	4	(85.928.826)	(62.762.409)
Research and Development Expenses (-)	4	(3.769.521)	(11.789.850)
Other Income from Operating Activities	18	3.033.858	27.932.538
Other Expenses from Operating Activities (-)	18	(9.883.387)	(7.136.662)
OPERATING LOSS		**1.816.267**	**(6.922.975)**
Income from Investment Activities		1.749.782	47.981
Expenses from Investment Activities (-)		(549.734)	(165.187)
OPERATING LOSS BEFORE FINANCE INCOME AND (EXPENSES)		**3.016.315**	**(7.040.181)**
Financial Income	19	12.456.032	25.478.414
Financial Expenses (-)	19	(82.792.598)	(107.300.847)
Monetary Gain / (Loss)		(12.829.196)	2.754.870
LOSS BEFORE TAX		**(80.149.447)**	**(86.107.744)**
Tax (Expenses)/ Income		**2.891.239**	**2.438.946**
Deferred Tax Income	20	*2.891.239*	*2.438.946*
NET LOSS FOR THE YEAR		**(77.258.208)**	**(83.668.798)**
Attributable to:			
Non-controlling Interest		*2.359.454*	*1.625.121*
Equity Holders of the Parent		*(79.617.662)*	*(85.293.919)*
Earn/(Loss) per share	21	*(1,2274)*	*(1,3149)*
OTHER COMPREHENSIVE INCOME/ (EXPENSES)			
Other comprehensive income or (expenses) that will not be reclassified subsequently to profit of loss		**(13.451.379)**	**114.400.386**
Foreign currency translation differences, excluding the translation of subsidaries abroad		(13.451.379)	114.400.386
Other comprehensive income or expenses that will be reclassified subsequently to profit of (loss)		**27.734.289**	**(78.766.866)**
Foreign currency translation differences, the translation of subsidaries abroad		27.734.289	(78.766.866)
OTHER COMPREHENSIVE INCOME/ (LOSS)		**14.282.910**	**35.633.520**
TOTAL COMPREHENSIVE LOSS		**(62.975.298)**	**(48.035.278)**
Attributable to:			
Non-controlling Interest		4.718.908	3.250.242
Equity Holders of the Parent		(67.694.206)	(51.285.520)

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

(Unless otherwise stated the amounts are in TL)

			Other comprehensive income or expenses will be reclassified subsequently to profit or loss	Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss			Retained Earnings				
	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 at 1 January 2024	**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**
Transfer	-	-	-	-	-	-	99.670.615	(99.670.615)	-	-	-
Total comprehensive expense	-	-	(78.766.866)	114.400.386	-	-	-	(85.293.919)	(49.660.399)	1.625.121	**(48.035.278)**
Net Loss for Period	-	-	-	-	-	-	-	*(85.293.919)*	*(85.293.919)*	*1.625.121*	***(83.668.798)***
Other Comprehensive expense	-	-	*(78.766.866)*	*114.400.386*	-	-	-	-	*35.633.520*	-	***35.633.520***
Balance as at 31 March 2024	**64.864.800**	**41.612.160**	**8.611.364**	**739.045.336**	**(59.553.558)**	**34.897.360**	**(576.150.759)**	**(85.293.919)**	**168.032.784**	**6.695.035**	**174.727.819**
Balance as at 1 January 2025	**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**	**17.165.210**
Transfer	-	-	-	-	-	-	(280.541.832)	280.541.832	-	-	-
Total comprehensive Expense	-	-	27.734.289	(13.451.379)	-	-	-	(79.617.662)	(65.334.752)	2.359.454	**(62.975.298)**
Net Loss for Period	-	-	-	-	-	-	-	*(79.617.662)*	*(79.617.662)*	*2.359.454*	***(77.258.208)***
Other Comprehensive Income	-	-	*27.734.289*	*(13.451.379)*	-	-	-	-	*14.282.910*	-	***14.282.910***
Balance as at 31 March 2025	**64.864.800**	**41.612.160**	**188.117.565**	**617.577.945**	**(72.545.402)**	**34.897.360**	**(856.692.591)**	**(79.617.662)**	**(61.785.825)**	**15.975.737**	**(45.810.088)**

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		Unreviewed	
	Notes	Current Period 1 January- 31 March 2025	Previous Period 1 January- 31 March 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Loss) for the Period		**(77.258.208)**	**(83.668.798)**
Profit/(Loss) from Continuing Operations		*(77.258.208)*	*(83.668.798)*
Adjustments to Reconcile Profit/Loss		**147.052.599**	**131.970.237**
Adjustments for Depreciation and Amortisation Expenses	9-10-11	46.169.346	31.443.131
Adjustments for (Reversal of) Impairment Loss Recognised in Profit or Loss		1.570.833	376.687
Adjustments for (Reversal of) Provision of Receivables	*7*	*(286.256)*	*218.754*
Adjustment for Reversal of Provision of Inventory	*8*	*1.857.089*	*157.933*
Adjustments For Provisions		64.204.236	36.155.945
Adjustments for Provisions Related with Employee Benefits		*74.245.431*	*54.101.108*
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		*755.312*	*1.544.290*
Adjustments for (Reversal of) Other Provisions		*(10.796.507)*	*(19.489.453)*
Adjustments for Interest (Income) and Expenses		49.192.955	86.066.065
Adjustments for Interest Income	*19*	*(12.456.032)*	*(5.682.054)*
Adjustments for Interest Expense	*19*	*63.458.512*	*92.451.521*
Unearned Financial Loss/Income from Credit Sales	*18*	*(1.809.525)*	*(703.402)*
Adjustments For Unrealised Foreign Exchange Losses (Gains)	*19*	(10.053.484)	(19.796.360)
Adjustments for Losses Tax Expense	*20*	(2.891.239)	(2.438.946)
Adjustments for (Gains)/Lossesdisposal of non-current assets		(1.140.048)	163.715
Adjustments for (Gains)/Losses Arising From Sale of Property, Plant and Equipment		*(1.140.048)*	*163.715*
Changes in Working Capital		**(288.207.644)**	**509.286.266**
Adjustments for Decrease / (Increase) in Trade Receivables		748.120.715	2.835.263.575
Decrease (Increase) in Trade Receivables from Related Parties		*61.907.854*	*(4.013.828)*
Decrease (Increase) in Trade Receivables from Third Parties		*686.212.861*	*2.839.277.403*
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		15.648.902	44.578.062
Adjustments for Decrease (Increase) in Other Receivables Related with Operations from Third Parties		*15.648.902*	*44.578.062*
Adjustments for Decrease / (Increase) in Inventories		(57.189.852)	235.868.867
Decrease / (Increase) in Prepaid Expenses		34.013.879	1.162.886
Adjustments for (Decrease) in Trade Payables		(783.135.661)	(2.012.624.389)
Increase (Decrease) in Trade Payables to Related Parties		(91.216.000)	(938.330.557)
(Decrease)/Increase in Trade Payables to Third Parties		*(691.919.661)*	*(1.074.293.832)*
Increase (Decrease) in Payables due to Employee Benefits		95.756.820	(106.568.038)
(Decrease)/Increase in Contract Assets		2.206.022	235.197.434
Adjustments for Decrease in Other Operating Payables		(91.529.246)	(200.221.246)
(Decrease) in Other Operating Payables to Unrelated Parties		*(91.529.246)*	*(200.221.246)*
(Decrease)/ Increase in Contract Liabilities		(252.099.223)	(523.370.885)
Cash Flows (Used in) Generated From Operations		**(218.413.253)**	**557.587.705**
Payments Related with Provisions for Employee Benefits		(105.186.481)	(72.745.109)
Income Taxes Paid	20	(5.357.382)	(1.187.167)
		(328.957.116)	**483.655.429**

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	Notes	Unreviewed Current Period 1 January- 31 March 2025	Unreviewed Previous Period 1 January- 31 March 2024
B.CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		1.692.133	(163.715)
Proceeds from Sales of Property, Plant, Equipment		*1.692.133*	*(163.715)*
Proceeds from Intangible Assets		-	-
Purchase of Property, Plant, Equipment and Intangible Assets		(3.344.718)	(4.461.952)
Purchase of Property, Plant, Equipment	*9*	*(1.898.331)*	*(2.100.869)*
Purchase of Intangible Assets	*10*	*(1.446.387)*	*(2.361.083)*
Interest Received	*19*	12.456.032	5.682.054
Other Outflows of Cash		(3.358.424)	(3.804.756)
		7.445.023	**(2.748.369)**
C.CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Inflows from Borrowings	*6*	655.243.288	482.317.482
Outflows from Borrowings	*6*	(403.123.521)	(520.018.419)
Interest Paid		(48.030.441)	(90.052.491)
Payments of lease liabilities		(39.855.163)	(6.124.084)
		164.234.163	**(133.877.512)**
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		**(157.277.930)**	**347.029.548**
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		3.717.015	(118.776.763)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(153.560.915)**	**228.252.785**
E.CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	*5*	481.554.076	90.112.867
CASH AND CASH EQUIVALENTS AT END OF YEAR (A+B+C+D+E)	*5*	**327.993.161**	**318.365.652**

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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 Istanbul. 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 former headquarter which is registered at Yenişehir Mah. Osmanlı Bulvarı No: 11 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 Hizmetleri 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 EUR 1.200 (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.

1 ORGANIZATION AND OPERATIONS OF THE GROUP(Cont'd)

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 16.

As of 31 March 2025, the Group has no blue-collar employees (31 December 2024: None). The average number of white-collar personnel employed in the Group as of 31 March 2025 is 1.432 (31 December 2024: 1.486).

Approval of Condensed Consolidated Financial Statements

The financial statements were approved by the Board of Directors on 6 May 2025. The General Assembly has the right to change the interim condensed consolidated financial statements.

2 BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

a) Statement of Compliance

The accompanying financial statements are prepared in accordance with Turkish Financial Reporting Standards Accounting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") together with the provisions of the communique of "Principles of Financial Reporting in Capital Market" issued by Capital Markets Board of Turkey ("CMB")'s dated 13 September 2013 and published in the Official Gazette numbered 28676 Series II. No.14.1. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS interpretations and TFRS interpretations. TFRS are updated in harmony with the changes and updates in International Financial Reporting Standards ("IFRS") by the communiqués announced by the POA.

The condensed consolidated financial statements are presented in accordance with the formats provided in Examples of Financial Statements and User guide issued by CMB and the TAS Taxonomy issued by POA.

The condensed consolidated financial statements and explanatory notes of the Group are presented in accordance with the formats provided in Examples of Financial Statements and User guide published on 4 June 2022 by POA.

For the period ended 31 March 2025, the Group prepared its condensed consolidated financial statements in accordance with the Turkish Accounting Standard No.34 Interim Financial Reporting. Condensed consolidated financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Group's annual financial statements as of 31 December 2024.

b) Basis of presentation of condensed consolidated financial statements

The details of the Company's subsidiaries as of 31 March 2025 and 31 December 2024 are as follows:

	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 telecomunication 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

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

2.1 Basis of Presentation(Cont'd)

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

The condensed 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 condensed 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 March 2025 and 31 December 2024, the Group has no associates.

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.

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

2.1 Basis of Presentation(Cont'd)

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 (US $) is the currency that the Group's operations are denominated and has a significant impact on the Group's operations. US $ 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 US $ 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.

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

- Assets and liabilities have been translated to TL by using USD rate as of 31 March 2025 1 USD: 37,7656 TL (31 December 2024; 1 USD 35,2803 TL)
- Statements of profit or loss and statements of cash flows have been translated to TL by using three months average exchange rate (1 USD: 36,1905 TL) for the period ended 31 March 2025 (for the period ended 31 March 2024 1 USD: 30,8858 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.

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

2.1 Basis of Presentation(Cont'd)

c) Functional Currency and Reporting Currency

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 Telecomunication 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 31 March 2025 and 31 December 2024. The correction is calculated with the consumer price index correction coefficients published by Turkish Statistical Institute, derived from Turkey in general. The indices and adjustment coefficients for the related periods used in the restatement of consolidated financial statements are as follows:

Date	Index	Conversion Factor
31 March 2025	2.954,69	1,000
31 December 2024	2.684,55	1,101

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 IAS 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 IAS 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(Cont'd)

2.2 Comparative Information and Restatement of Prior Period Condensed Consolidated Financial Statements

Group's condensed 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

If the changes in accounting estimates are for only one period, they are applied prospectively both in the current period when the change is made and in the future periods if the change is made. There has been no significant change in the accounting estimates of the Group in the current year.

The Group has applied consistent accounting policies in the condensed consolidated financial statements for the periods presented, and there are no significant changes in the accounting policies and estimates during the current period.

2.4 The New Standards, Amendments, and Interpretations

The accounting policies adopted in preparation of the condensed consolidated financial statements as at March 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2025. 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 condensed consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the condensed consolidated financial statements and disclosures, when the new standards and interpretations become effective.

ii) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (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.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

<u>Classification of financial assets with contingent feature</u>

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.

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

2.4 The New Standards, Amendments, and Interpretations(Cont't)

ii) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (POA) (Cont'd)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Cont'd)

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 Group 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(Cont'd)

2.4 The New Standards, Amendments, and Interpretations(Cont't)

ii) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (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.

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.

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

2.4 The New Standards, Amendments, and Interpretations(Cont't)

ii) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (POA) (Cont'd)

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to: (Cont'd)

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.

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 2025:

1. Lack of Exchangeability – Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates

These newly adopted amendments to standards have not been a significant impact on the consolidated financial statements of the Group.

2.5 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ending on 31 March 2025 have been prepared in accordance with the TAS 34 standard for the preparation of the interim financial statements. Summary consolidated significant accounting used in the preparation of financial statements. The policies are consistent with the accounting policies explained in detail in the consolidated financial statements dated December 31, 2024. Therefore, the condensed consolidated financial statements should be evaluated together with the financial statements for the year ending on December 31, 2024.

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

2.6 Going Concern

As of 31 March 2025, the financial statements have been prepared on the basis of going concern. As of 31 March 2025, current assets of the Group are amounting to TL 4.925.930.302 (31 December 2024: TL 5.468.448.938) and short term liabilities of the Company are amounting to TL 6.686.159.500 (31 December 2024: TL 7.182.294.744). The Group's short term liabilities exceeded current assets TL 1.760.229.198 (31 December 2024: TL 1.713.845.806) and a significant part of short-term liabilities consists of trade payables to related parties (TL 1.748.849.936) (31 December 2024: TL 1.718.973.834). Besides the current period loss of the Group is TL 79.617.662 and accumulated loss is TL 936.310.253. The plans and measures of the Group management regarding this situation are given below.

As of March 31, 2025, 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 346.610.222, and half of the total of expenses, depreciations and personnel expenses arising from accrued leases is TL 567.801.489. As of March 31, 2025, the Company's capital loss situation according to the TCC is eliminated.

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.

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.

3 FINANCIAL INVESMENTS

Financial Investment Funds

As of 31 March 2025 and 31 December 2024, the details of financial investments and investments accounted for using the equity method are as follows:

	31 March 2025	31 December 2024
Private Investment Capital Fund	51.033.228	47.674.804
Total	**51.033.228**	**47.674.804**

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 March 2025 and 31 December 2024 is as follows:

	2025	2024
As of 1 January	47.674.804	39.338.713
Foreign currency conversion differences	3.358.424	3.804.756
As of 31 March	**51.033.228**	**43.143.469**

3 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)

31 March 2025 For the period ended	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	894.820.102	988.306.281	-	238.456.589	-	**2.121.582.972**
Cost of sales (-)	(822.979.926)	(898.563.212)	-	(219.361.651)	-	**(1.940.904.789)**
Gross margin	**71.840.176**	**89.743.069**	**-**	**19.094.938**	**-**	**180.678.183**
Sales,marketing and distribution expenses (-)	(14.776.044)	(51.482.191)	-	(16.055.805)	-	**(82.314.040)**
General administrative expenses (-)	-	-	-	-	(85.928.826)	**(85.928.826)**
Research and development expenses (-)	-	-	(3.769.521)	-	-	**(3.769.521)**
Operating profit / (loss) of segment	**57.064.132**	**38.260.878**	**(3.769.521)**	**3.039.133**	**(85.928.826)**	**8.665.796**

31 March 2024 For the period ended	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	692.122.847	813.834.380	-	213.102.569	-	**1.719.059.796**
Cost of sales (-)	(633.859.823)	(744.508.866)	-	(215.534.974)	-	**(1.593.903.663)**
Gross margin	**58.263.024**	**69.325.514**	**-**	**(2.432.405)**	**-**	**125.156.133**
Sales,marketing and distribution expenses (-)	(19.818.118)	(39.983.337)	-	(18.521.270)	-	**(78.322.725)**
General administrative expenses (-)	-	-	-	-	(62.762.409)	**(62.762.409)**
Research and development expenses (-)	-	-	(11.789.850)	-	-	**(11.789.850)**
Operating profit / (loss) of segment	**38.444.906**	**29.342.177**	**(11.789.850)**	**(20.953.675)**	**(62.762.409)**	**(27.718.851)**

4 SEGMENT REPORTING(Cont'd)

31 March 2025	**Telecom**	**System Integration**	**Technology**	**BDH**	**Unallocated (*)**	**Total**
Trade receivables	1.674.209.021	1.118.840.692	-	103.326.283	1.563.575	2.897.939.571
Due from related parties	13.737.831	-	-	-	-	13.737.831
Inventories	332.057.344	280.812.167	-	42.759.117	-	655.628.628
Contract assets	345.535.972	428.454.845	-	48.641.583	-	822.632.400
Segments assets	**2.365.540.168**	**1.828.107.704**	**-**	**194.726.983**	**1.563.575**	**4.389.938.430**
Trade payables (*)	317.404.937	980.079.357	-	121.405.013	25.197.175	1.444.086.482
Due to related parties	1.748.849.936	-	-	-	-	1.748.849.936
Contract liabilities	619.254.898	328.042.376	-	17.700	-	947.314.974
Other short term provision	-	2.220.380	-	-	29.082.976	31.303.356
Segment liabilities	**2.685.509.771**	**1.310.342.113**	**-**	**121.422.713**	**54.280.151**	**4.171.554.748**

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**

(*) Unallocated trade payables are comprised of as rent, trade payable, inventory insurance, consultancy etc.

4 SEGMENT REPORTING(Cont'd)

Reconciliation of (loss) before tax, assets, liabilities, and other material items:

	For the period ended 31 March 2025	For the period ended 31 March 2024
Operating (loss) of segment	8.665.796	(27.718.851)
Other (expenses)/income from operating activities (net)	(6.849.529)	20.795.876
Other (expenses)/income from investments (net)	1.200.048	(117.206)
Finance (expenses)/income (net)	(83.165.762)	(79.067.563)
(Loss) before tax	**(80.149.447)**	**(86.107.744)**

Assets	**31 March 2025**	**31 December 2024**
Segment assets	4.389.938.430	4.748.342.432
Other assets (*)	2.881.331.365	2.935.878.479
Total assets	**7.271.269.795**	**7.684.220.911**

Liabilities	**31 March 2025**	**31 December 2024**
Segment liabilities	4.171.554.748	4.874.789.650
Other liabilities (*)	3.145.525.135	2.792.266.051
Total liabilities	**7.317.079.883**	**7.667.055.701**

(*) 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 March 2025	**31 December 2024**
Bank- demand deposits	121.043.161	255.852.092
Bank- time deposits	206.950.000	225.701.984
	327.993.161	**481.554.076**

Currency	**Original Currency Amount**	**Interest Rate %**	**Maturity**	**31 March 2025**
TL	206.950.000	39,00-43,50	April 2025	206.950.000
				206.950.000

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

As of 31 March 2025, and 31 December 2024 there are no restriction / blockage on bank accounts.

The exchange rate risk carried by cash and cash equivalents are presented in Note 23.

6 BORROWINGS

	31 March 2025	31 December 2024
Short term financial liabilities		
Short term unsecured loans	1.988.129.961	1.792.933.939
	1.988.129.961	**1.792.933.939**

As of the details of short-term unsecured loans of the Group are given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 March 2025
USD	52.643.939	6,25-9,50	April 2025-March 2026	1.988.129.961
				1.988.129.961

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2024
TL	50.819.691	6,25-9,50	February 2025-December 2025	1.792.933.939
				1.792.933.939

(*) Presents the lower and upper rates.

6 BORROWINGS(Cont'd)

	31 March 2025	31 December 2024
Short-Term Portion of Long-Term Financial Liabilities		
Short-Term Portion of Long-Term Lease Liabilities	155.376.754	146.960.238
	155.376.754	**146.960.238**

	31 March 2025	31 December 2024
Long term financial liabilities		
Long term lease liabilities	264.243.118	251.284.671
Long term unsecured bank loans	219.856.445	76.365.925
	484.099.563	**327.650.596**

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 March 2025
USD	5.821.606	8,25-8,68	June 2026-November 2026	219.856.445
				219.856.445

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2024
USD	2.164.549	8,45	June 2026	76.365.925
				76.365.925

The Group has no collaterals given for bank loans as of 31 March 2025 and 31 December 2024.

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 condensed consolidated statement of cash flows.

	2025	2024
Opening-1 January	1.869.299.864	1.297.908.289
Cash inflow under within borrowings received	655.243.288	482.317.482
Cash pouflow under within borrowings received	(459.790.240)	(616.261.916)
Interest accruals changes	8.636.278	6.191.006
Currency translations changes	134.597.216	229.006.464
Closing-31 March	**2.207.986.406**	**1.399.161.325**

The reconciliation of the Group's debts from lease transactions for the three-month accounting periods ending on March 31, 2025 and 2024 is as follows:

	2025	2024
Opening-1 January	398.244.909	284.566.414
Additions	27.182.877	10.362.241
Interest expenses and foreign exchange loss on lease liabilities	15.428.071	2.399.030
Lease payments	(39.855.163)	(6.124.084)
Foreign Currency Translation Difference	18.619.178	12.767.682
Closing-31 March	**419.619.872**	**303.971.283**

As of March 31, 2025, 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 financial borrowings and leasing transactions and the exchange rate risk carried over are presented in Note 23.

7 TRADE RECEIVABLES AND PAYABLES

Trade Receivables from Third Parties	**31 March 2025**	**31 December 2024**
Trade receivables	3.338.007.149	3.755.311.303
Discount on trade receivables (*)	(56.388.393)	(51.238.406)
Allowances for doubtful receivables (-)	(383.679.185)	(357.746.259)
	2.897.939.571	**3.346.326.638**

(*) Trade receivables as of reporting date are accounted at amortized cost using the effective interest rate method.

Movement of Allowance for Doubtful Receivables	**2025**	**2024**
Reported as of 1 January	**(357.746.259)**	**(298.823.538)**
Charge for the period	-	(218.754)
Provision no longer required	286.256	-
Currency translation differences	(26.219.182)	(28.707.692)
As of 31 March	**(383.679.185)**	**(327.749.984)**

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.

Trade Payables to Third Parties	**31 March 2025**	**31 December 2024**
Trade payables	1.444.086.482	1.995.438.641
	1.444.086.482	**1.995.438.641**

8 INVENTORIES

	31 March 2025	**31 December 2024**
Raw materials	309.211.878	174.387.217
Finished goods	84.878.755	74.275.442
Trade goods	273.212.872	321.224.783
Allowance for inventory impairment (-)	(11.674.877)	(9.096.187)
	655.628.628	**560.791.255**

Movement for allowance:	**2025**	**2024**
Opening-1 January	**(9.096.187)**	**(600.937)**
Released for the year	-	1.105.141
Provision	(1.857.089)	(1.263.074)
Foreign currency translation difference	(721.601)	(119.159)
Closing-31 March	**(11.674.877)**	**(878.029)**

9 PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
Cost					
1 January 2025	**1.058.158.046**	**1.299.156**	**104.661.542**	**371.831.943**	**1.535.950.687**
Translation difference	78.281.674	121.494	8.571.273	29.185.602	116.160.043
Purchases	1.617.746	-	280.585	-	1.898.331
Disposals	(3.721.100)	-	(151.309)	-	(3.872.409)
31 March 2025	**1.134.336.366**	**1.420.650**	**113.362.091**	**401.017.545**	**1.650.136.652**
Accumulated Depreciation					
1 January 2025	**(964.342.459)**	**(1.299.156)**	**(93.100.982)**	**(334.897.406)**	**(1.393.640.003)**
Translation difference	(69.401.163)	(121.494)	(7.345.439)	(25.087.535)	(101.955.631)
Period charge	(5.257.263)	-	(729.059)	(2.305.213)	(8.291.535)
Disposals	3.224.169	-	96.155	-	3.320.324
31 March 2025	**(1.035.776.716)**	**(1.420.650)**	**(101.079.325)**	**(362.290.154)**	**(1.500.566.845)**
Net book value at 31 March 2025	**98.559.650**	**-**	**12.282.766**	**38.727.391**	**149.569.807**

As of 31 March 2025, depreciation charge is TL 8.291.535. TL 3.587.887 is accounted in cost of sales, TL 4.290.461 in general administrative expenses, TL 413.187 in sales, marketing, and distribution expenses.

As of 31 March 2025, there are not any mortgage and financial leasing on property, plant and equipment.

9 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
Cost					
1 January 2024	**915.070.929**	**1.046.833**	**94.071.492**	**306.351.739**	**1.316.540.993**
Translation difference	77.364.428	24.698	6.183.590	24.063.701	107.636.417
Purchases	2.071.881	-	28.988	-	2.100.869
Disposals	(147.676)	-	(38.315)	-	(185.991)
31 March 2024	**994.359.562**	**1.071.531**	**100.245.755**	**330.415.440**	**1.426.092.288**
Accumulated Depreciation					
1 January 2024	**(827.174.594)**	**(954.545)**	**(82.454.171)**	**(271.924.415)**	**(1.182.507.725)**
Translation difference	(73.203.489)	(24.699)	(5.764.603)	(23.806.555)	(102.799.346)
Period charge	(5.791.922)	(39.605)	(976.347)	(1.566.137)	(8.374.011)
Disposals	147.676	-	38.315	-	185.991
31 March 2024	**(906.022.329)**	**(1.018.849)**	**(89.156.806)**	**(297.297.107)**	**(1.293.495.091)**
Net book value at 31 March 2024	**88.337.233**	**52.682**	**11.088.949**	**33.118.333**	**132.597.197**

As of 31 March 2024, depreciation charge is TL 8.374.011. TL 3.260.179 is accounted in cost of sales, TL 4.631.149 in general administrative expenses, TL 482.683 in sales, marketing, and distribution expenses.

As of 31 March 2024, there are not any mortgage and financial leasing on property, plant and equipment.

9 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

10 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	**2025**	**2024**
Opening-1 January	646.621.149	539.546.509
Translation difference	45.550.846	52.183.789
Closing-31 March	**692.171.995**	**591.730.298**

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.

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 March 2025.

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% over the years since the tax rate will be changed during the projection period. In the WACC calculation, 0,85 was used as asset beta. Throughout the projection period, the company's debt / capital ratio is predicted to be 19,3% and a business risk premium of 1% has been considered in the WACC calculation.

10 INTANGIBLE ASSETS(Cont'd)

Other Intangible Assets

	1 January- 31 March 2025			
	Customer Relations (*)	**Other Intangible Assets (**)**	**Construction in Progress**	**Total**
Cost				
Opening balance	**344.409.092**	**870.124.421**	**5.853.217**	**1.220.386.730**
Translation difference	30.372.911	63.921.392	(140.498)	94.153.805
Additions	-	1.446.387	-	1.446.387
Transfers	-	3.660.736	(3.660.736)	-
Closing balance	**374.782.003**	**939.152.936**	**2.051.983**	**1.315.986.922**
Accumulated amortization				
Opening balance	**(344.409.092)**	**(737.296.850)**	**-**	**(1.081.705.942)**
Translation difference	(30.372.911)	(53.989.277)	-	(84.362.188)
Period charge	-	(9.162.379)	-	(9.162.379)
Closing balance	**(374.782.003)**	**(800.448.506)**	**-**	**(1.175.230.509)**
Net book value	**-**	**138.704.430**	**2.051.983**	**140.756.413**

(*) 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 March 2025, amortization charge is TL 9.162.379. TL 4.190.404 is accounted in cost of sales, TL 4.970.672 in general administrative expenses and TL 1.303 in sales, marketing and distribution expenses.

	1 January- 31 March 2024			
	Customer Relations (*)	**Other Intangible Assets(**)**	**Construction in Progress**	**Total**
Cost				
Opening balance	**314.036.181**	**723.023.669**	**174.644**	**1.037.234.494**
Translation difference	30.372.911	65.824.271	69.216	96.266.398
Additions	-	1.206.426	1.154.657	2.361.083
Disposals	-	-	-	-
Closing balance	**344.409.092**	**790.054.366**	**1.398.517**	**1.135.861.975**
Accumulated amortization				
Opening balance	**(314.036.181)**	**(579.194.489)**	**-**	**(893.230.670)**
Translation difference	(30.372.911)	(52.483.421)	-	(82.856.332)
Period charge	-	(10.035.778)	-	(10.035.778)
Disposals	-	-	-	-
Closing balance	**(344.409.092)**	**(641.713.688)**	**-**	**(986.122.780)**
Net book value	**-**	**148.340.678**	**1.398.517**	**149.739.195**

(*) 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 March 2024, amortization charge is TL 10.035.778. TL 5.948.384 is accounted in cost of sales, TL 4.080.661 in general administrative expenses and TL 6.733 in sales, marketing and distribution expenses.

10 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:

	Depreciation Ratio (%)
Softwares	20
Customer Portfolio	10
Licenses	3-15
Rights	20

11 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 March 2025, and 2024 the movement table of the right of use assets is as follows:

	Buildings	Vehicles	Total
Cost			
1 January 2025	**517.724.225**	**363.783.598**	**881.507.823**
Translation difference	21.510.829	10.388.823	31.899.652
Additions	(7.849.855)	35.032.732	27.182.877
31 March 2025	**531.385.199**	**409.205.153**	**940.590.352**
1 January 2025	**(267.515.106)**	**(245.781.430)**	**(513.296.536)**
Translation difference	(14.282.217)	(8.343.488)	(22.625.705)
Additions	(13.184.431)	(15.531.001)	(28.715.432)
31 March 2025	**(294.981.754)**	**(269.655.919)**	**(564.637.673)**
Net book value at 31 March 2025	**236.403.445**	**139.549.234**	**375.952.679**

	Buildings	Vehicles	Total
Cost			
1 January 2024	**329.252.265**	**259.564.792**	**588.817.057**
Translation difference	25.190.388	9.608.081	34.798.469
Additions	4.249.935	6.112.306	10.362.241
31 March 2024	**358.692.588**	**275.285.179**	**633.977.767**
1 January 2024	**(195.252.935)**	**(168.314.660)**	**(363.567.595)**
Translation difference	(14.529.347)	(7.526.281)	(22.055.628)
Additions	(6.454.303)	(6.579.039)	(13.033.342)
31 March 2024	**(216.236.585)**	**(182.419.980)**	**(398.656.565)**
Net book value at 31 March 2024	**142.456.003**	**92.865.199**	**235.321.202**

12 GOVERNMENT GRANTS

For the period ended 31 March 2025 the Group has received approved, well deserved and accrued incentive from TÜBİTAK amounting to TL 848.854 (31 December 2024: TL 6.991.445)

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 March 2025, the Group has a corporate tax benefit of TL 5.170.575.811 due to research and development disbursement and this amount has been transferred (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 amount is not utilized by the year end). The Group has booked deferred tax assets for unused R&D tax benefit amounting to TL 3.275.456.442 (Note 20). The partially and entirely recoverable deferred tax assets have been estimated under the current conditions. The future profit projections, the last dates when other tax assets can be used, and the potential tax planning strategies have been considered in the estimation exercise. The following assumptions have been made in the estimation of the recoverable deferred tax assets as of 31 March 2025.

• The lifespan of accrued but unused R&D incentives is unlimited.

• It has been done based on tax profit projections prepared by the management.

Based on the evaluations conducted according to the current analyses, it has been concluded that the deferred tax asset calculated under the R&D incentive is recoverable. It is anticipated that the relevant deferred tax assets will be recovered within 5 years starting from the year 2025.

For the period ended 31 March 2025, the amount of income tax incentive within the scope of Act numbered 5746 is TL 7.769.236 (31 December 2024: TL 34.040.683) 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 9.505.660 (31 December 2024: TL 105.583.162).

13 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions	**31 March 2025**	**31 December 2024**
Executory Contracts (*)	2.220.380	12.596.565
Provision for legal cases	29.082.976	27.298.142
	31.303.356	**39.894.707**

(*) 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.

14 COMMITMENTS

The Group’s off-balance sheet commitments as of 31 March 2025 and 31 December 2024 are as follows:

Guarantee Letters Given

The off-balance sheet commitments and contingencies as of 31 March 2025 and 31 December 2024 are as follows:

Commitments, Pledges, Mortgages, Sureties ("CPMS") are given by the Company	31 March 2025	31 December 2024
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 March 2025	**37.408.166**	868.513	967.538	-

		Original Currency		
	TL Equivalent	TL	USD	EURO
31 December 2024	**35.003.544**	868.513	967.538	-

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.

15 EMPLOYEE BENEFITS

Employee Benefit Obligations:

	31 March 2025	31 December 2024
Social security payables	140.312.686	86.480.983
Payables to employees	114.805.432	62.392.976
	255.118.118	**148.873.959**

Short Term and Long-Term Provisions for Employee Benefits:

Short Term	**31 March 2025**	**31 December 2024**
Provision for employee premiums	63.476.330	84.127.839
	63.476.330	**84.127.839**
Long Term		
Unused vacation provision	36.134.279	39.802.761
Provision for severance indemnity	109.923.071	116.594.372
Provision for retirement benefits	763.470	713.228
	146.820.820	**157.110.361**
Total		
Provision for employee premiums	63.476.330	84.127.839
Unused vacation provision	36.134.279	39.802.761
Provision for severance indemnity	109.923.071	116.594.372
Provision for retirement benefits	763.470	713.228
	210.297.150	**241.238.200**

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.

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.

16 SHAREHOLDERS' EQUITY

Paid in Capital

Shareholding structure of Company as of 31 March 2025 and 31 December 2024 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%
Other Shareholders	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

In accordance with the Capital Market Board Communique 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.

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 condensed consolidated statement of financial position under "Share Capital Adjustments" in the Shareholders' Equity.

16 SHAREHOLDERS' EQUITY(Cont'd)

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 condensed consolidated financial statements in accordance with TFRS are associated with retained earnings.

The details of restricted reserves are as follows as of 31 March 2025 and 31 December 2024:

	31 March 2025	31 December 2024
Primary legal reserves	11.997.507	11.997.507
Secondary legal reserves	22.899.853	22.899.853
Total	**34.897.360**	**34.897.360**

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 March 2025, 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.

17 REVENUE

	1 January-31 March 2025	1 January-31 March 2024
Net domestic sales	**2.028.271.134**	**1.672.586.374**
Net export	**93.311.838**	**46.473.422**
Asia	78.587.229	36.502.256
Europe	6.163.017	3.389.458
Africa	823.708	236.552
United States	7.737.884	6.345.156
Total net sales	**2.121.582.972**	**1.719.059.796**

	1 January-31 March 2025				
Performance Obligations:	**Telecom**	**System Integration**	**Technology**	**BDH**	**Total**
Hardware performance obligation	855.011.502	128.544.641	-	-	983.556.143
Licence performance obligation	-	538.444.531	-	-	538.444.531
Maintenance performance obligation	12.352.329	140.633.004	-	238.456.589	391.441.922
Design performance obligation	2.554.910	35.704.828	-	-	38.259.738
Installation performance obligation	23.254.694	9.653.862	-	-	32.908.556
Other performance obligations	1.646.667	135.325.415	-	-	136.972.082
	894.820.102	**988.306.281**	**-**	**238.456.589**	**2.121.582.972**
Satisfaction of Performance Obligations:					
At a point in time	882.168.202	935.511.372	-	238.456.589	2.056.136.163
Overtime	12.651.900	52.794.909	-	-	65.446.809
	894.820.102	**988.306.281**	**-**	**238.456.589**	**2.121.582.972**

	1 January-31 March 2024				
Performance Obligations:	**Telecom**	**System Integration**	**Technology**	**BDH**	**Total**
Hardware performance obligation	667.790.795	128.574.912	-	-	796.365.707
Licence performance obligation	-	429.020.730	-	-	429.020.730
Maintenance performance obligation	11.638.720	102.040.073	-	213.102.569	326.781.362
Design performance obligation	3.682.484	17.129.031	-	-	20.811.515
Installation performance obligation	3.554.665	23.879.008	-	-	27.433.673
Other performance obligations	5.456.183	113.190.626	-	-	118.646.809
	692.122.847	**813.834.380**	**-**	**213.102.569**	**1.719.059.796**
Satisfaction of Performance Obligations:					
At a point in time	683.080.390	753.102.776	-	213.102.569	1.649.285.735
Overtime	9.042.457	60.731.604	-	-	69.774.061
	692.122.847	**813.834.380**	**-**	**213.102.569**	**1.719.059.796**

18 INCOME AND EXPENSES FROM OTHER OPERATING ACTIVITIES

Income from Other Operating Activities	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gains, net	2.747.602	25.972.854
Reversal for doubtful receivables expenses	286.256	-
Other income and gains	-	1.959.684
	3.033.858	**27.932.538**

Expenses from Other Operating Activities	1 January- 31 March 2025	1 January- 31 March 2024
Other tax expenses	6.343.601	4.008.749
Discount loss on receivables, net (*)	1.809.525	703.402
Legal case expenses	1.530.776	2.205.757
Expenses for doubtful receivables provision	-	218.754
Other expenses and losses	199.485	-
	9.883.387	**7.136.662**

(*) Rediscount incomes/ (expenses) from trade receivables (representing the interest component calculated using the effective interest method) are accounted for in Other Operating Income/ (Expenses).

19 FINANCE INCOME / EXPENSES

Financial Income	1 January- 31 March 2025	1 January- 31 March 2024
Interest income	12.456.032	5.682.054
Foreign exchange gains, net (*)	-	19.796.360
	12.456.032	**25.478.414**

(*) 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 March 2025	1 January- 31 March 2024
Bank interest expenses	48.030.441	90.052.491
Interest and foreign exchange loss on leases	15.428.071	9.147.565
Foreign exchange expenses, net (*)	10.053.484	-
Guarantee letter commissions	7.758.402	6.686.948
Other financial expenses	1.522.200	1.413.843
	82.792.598	**107.300.847**

20 TAX ASSETS AND LIABILITIES

Corporate Tax

The Company and its subsidiaries in Turkey is subject to Turkish corporate taxes. Provision is made in the accompanying condensed consolidated financial statements for the estimated charge based on the Company's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

20 TAX ASSETS AND LIABILITIES(Cont'd)

Corporate Tax(Cont'd)

The Company and its subsidiaries in Turkey is subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Company's results for the year.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

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 March 2025 is 25%. (31 December 2024: 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.

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.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the fiscal year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years. Tax legislation in Turkey does not allow to fill condensed consolidated tax returns of the Company and its subsidiaries. Therefore, provisions for taxes, as included in the condensed consolidated financial statements, it has been calculated based on individual companies.

Corporate tax rate in Malta is 35% (2024: 35%). Corporate tax rate in Kazakhstan is 20% (2024: 20%). Corporate tax rate in Algeria is 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. Transfer from retained earnings to share capital is not subject to withholding taxes.

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.

20 TAX ASSETS AND LIABILITIES(Cont'd)

Deferred Taxes(Cont'd)

Deferred tax assets	31 March 2025	31 December 2024
Trade and unbilled receivables	(46.239.722)	(70.047.742)
Tangible and intangible assets	(104.723.490)	(95.983.394)
Trade payables and cost provisions	28.938.772	60.539.878
Carryforward tax losses	159.141.863	151.525.713
Carryforward tax losses and unused R&D tax exemption (Note 12)	818.864.102	744.029.072
Provision for unused vacation	8.109.173	9.013.711
Inventory and contract assets	(29.765.260)	(25.240.303)
Provisions for employee premiums	14.220.405	19.383.228
Contract liabilities	21.271.701	24.405.959
Legal provision	5.715.660	5.269.455
Severance indemnity and retirement provisions	61.207.681	48.969.753
Other	(885.514)	(770.405)
	935.855.371	**871.094.925**

	31 March 2025	31 December 2024
Deferred Tax Assets	935.855.371	871.094.925
Net Amount	**935.855.371**	**871.094.925**

20 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 March 2025	31 March 2024
Balance as of January, 1	**871.094.925**	**700.716.534**
Current charge deferred tax income	2.891.239	2.438.946
Translation difference	61.869.207	67.186.637
Closing	**935.855.371**	**770.342.117**

	1 January- 31 March 2025	1 January- 31 March 2024
Current tax loss	-	-
Deferred tax income	2.891.239	2.438.946
Tax Income (Loss)/Income	**2.891.239**	**2.438.946**

	31 March 2025	31 December 2024
Opening	(60.410.822)	(43.922.892)
Corporate tax	-	7.789.468
Prepaid taxes	(5.357.382)	(24.277.398)
Current tax (liabilities) / Current income tax assets	**(65.768.204)**	**(60.410.822)**

20 TAX ASSETS AND LIABILITIES(Cont'd)

Deferred Taxes(Cont'd)

Movement for deferred taxes as of 31 March 2025 and 2024 are as follows;

	1 January 2025	Charge to Period	Translation Difference	31 March 2025
Tangible and intangible assets	(95.983.394)	(4.382.163)	(4.357.933)	(104.723.490)
Trade receivables	(70.047.742)	27.628.006	(3.819.986)	(46.239.722)
Trade payables and cost provisions	60.539.878	(34.258.398)	2.657.292	28.938.772
Inventory and contract assets	(25.240.303)	(2.780.977)	(1.743.980)	(29.765.260)
Provisions for employee bonuses	19.383.228	(6.199.336)	1.036.513	14.220.405
Provision for unused vacation	9.013.711	(1.435.516)	530.978	8.109.173
Severance indemnity and retirement provisions	48.969.753	9.141.881	3.096.047	61.207.681
Contract liabilities	24.405.959	(4.653.039)	1.518.781	21.271.701
Unused R&D tax exemption (Note 12)	744.029.072	23.725.949	51.109.081	818.864.102
Carryforward tax losses	151.525.713	(3.996.045)	11.612.195	159.141.863
Legal Provision	5.269.455	71.874	374.331	5.715.660
Other	(770.405)	29.003	(144.112)	(885.514)
	871.094.925	**2.891.239**	**61.869.207**	**935.855.371**

	1 January 2024	Charge to Period	Translation Difference	31 March 2024
Tangible and intangible assets	(62.444.832)	(10.525.547)	(4.673.932)	(77.644.311)
Trade receivables	(16.188.181)	7.990.176	(1.225.302)	(9.423.307)
Trade payables and cost provisions	35.352.725	(8.906.785)	2.942.211	29.388.151
Inventory and contract assets	(53.594.127)	(7.445.828)	(5.473.748)	(66.513.703)
Provisions for employee bonuses	20.615.882	(6.683.612)	1.592.119	15.524.389
Provision for unused vacation	5.702.006	(31.496)	519.896	6.190.406
Severance indemnity and retirement provisions	42.715.601	2.059.558	3.139.291	47.914.450
Contract liabilities	35.410.298	8.988.997	3.834.221	48.233.516
Carryforward tax losses and unused R&D tax exemption (Note 12)	692.055.271	13.841.560	66.262.120	772.158.951
Legal Provision	3.993.320	723.037	418.991	5.135.348
Other	(2.901.429)	2.428.886	(149.230)	(621.773)
	700.716.534	**2.438.946**	**67.186.637**	**770.342.117**

The Group has a total accumulated financial loss of TL 1.104.575.731 that can be offset against future years' profits, and a deferred tax asset of TL 159.141.863 has been recognized over this amount. In addition, the Group calculated a deferred tax asset of TL 818.864.102 based on the corporate tax deduction arising from the R&D incentive it did not use.

The distribution of previous years' losses that recognized deferred tax asset by years is as follows;

Year occured	Year can be used	31 March 2025	31 December 2024
2021	2026	290.896.416	290.896.416
2022	2027	249.849.723	249.849.723
2023	2028	218.075.161	218.075.161
2024	2029	144.443.157	144.424.900
		903.264.457	**903.246.200**

The distribution of previous years' losses that are not recognized deferred tax asset by years is as follows;

Year occured	Year can be used	31 March 2025	31 December 2024
2025	2030	201.311.274	-
		201.311.274	**-**

21 EARNING / 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 March 2025	**1 January- 31 March 2024**
Number of shares	64.864.800	64.864.800
Net profit/ (loss) for the period	(79.617.662)	(85.293.919)
Earning / (Loss) per share (kurus)	(1,2274)	(1,3149)

22 RELATED PARTY DISCLOSURES

Due from related parties as of 31 March 2025 and 31 December 2024 are as follows:

Due from Related Parties	**31 March 2025**	**31 December 2024**
ZTE İstanbul Telekomünikasyon(1)	13.737.831	70.648.264
	-	19.287
	13.737.831	**70.667.551**

Due to Related Parties	**31 March 2025**	**31 December 2024**
ZTE İstanbul Telekomünikasyon(1)	1.497.386.247	1.503.610.880
ZTE Corporation(2)	250.064.309	215.362.954
ZTE LLP(1)	1.399.380	-
	1.748.849.936	**1.718.973.834**

According to ‘‘IAS 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.

(1) The company which controlled by main partner

(2) Main partner

22 RELATED PARTY DISCLOSURES(Cont'd)

Main transactions with related parties are as follows for the period ended 31 March 2025 and 2024.

Sales	**1 January- 31 March 2025**	**1 January- 31 March 2024**
ZTE İstanbul Telekomünikasyon(1)	7.665.136	11.143.340
ZTE Corporation(2)	-	23.289
	7.665.136	**11.166.629**

Purchases	**1 January- 31 March 2025**	**1 January- 31 March 2024**
ZTE İstanbul Telekomünikasyon(1)	613.058.112	413.010.334
	613.058.112	**413.010.334**

(1) The company which controlled by main partner

(2) Main partner

(3) Associate

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 March 2025, total remuneration for the directors and management board of the Group is TL 18.569.294 (31 March 2024: TL 11.538.587). As of 31 March 2025, and 31 December 2024 there is no credit granted to the Group's Management.

23 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 March 2025, and 31 December 2024 the Group's net debt / total equity ratios are as follows:

	31 March 2025	**31 December 2024**
Short-term and long-term borrowings (*)	2.207.986.406	1.869.299.864
Cash and cash equivalents	(327.993.161)	(481.554.076)
Net financial debt	1.879.993.245	1.387.745.788
Equity	(61.785.825)	3.548.927
Net Financial Debt / Equity Ratio	**-%3.043**	**%39.103**

(*) The mentioned amount does not include lease payables and includes bank borrowings

23 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 March 2025	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)	**13.737.831**	**2.897.939.571**	**822.632.400**	**7.552.801**	**327.993.161**
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	13.737.831	2.320.742.744	822.632.400	7.552.801	327.993.161
(B) Net book value of overdue but not impaired financial assets	-	577.196.827	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	383.679.185	-	-	-
Impairment (-)	-	(383.679.185)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(Cont'd)

Credit risk (Cont'd)

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	-	-	-	-	-

23 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 March 2025	**Undue**	**1-30 days overdue**	**1-3 months overdue**	**3-6 months overdue**	**6-12 months overdue**	**1-5 years overdue**
Credit loss ratio (%)	0,6%	1,8%	2,8%	4,8%	8,8%	21,4%
As of period	3.232.829.996	133.441.828	144.367.921	59.204.082	33.866.293	161.589.277
Expected credit loss	-	1.384.243	8.617.380	4.108.828	3.790.004	26.826.971

31 December 2024	**Undue**	**1-30 days overdue**	**1-3 months overdue**	**3-6 months overdue**	**6-12 months overdue**	**1-5 years overdue**
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
Expected credit loss	-	1.340.463	8.237.163	4.200.564	3.780.181	26.819.454

23 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 March 2025 and 31 December 2024 is presented:

31 March 2025

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	**5.868.481.950**	**6.008.574.154**	**3.944.063.112**	**1.444.525.837**	**619.985.205**	**-**
Financial liabilities	2.207.986.406	2.298.239.147	632.833.439	1.291.006.827	374.398.881	-
Lease Liabilities	419.619.872	469.459.335	70.354.001	153.519.010	245.586.324	-
Due to related parties	1.748.849.936	1.748.849.936	1.748.849.936	-	-	-
Other trade payables to third parties	1.444.086.482	1.444.086.482	1.444.086.482	-	-	-
Other payables to third parties	47.939.254	47.939.254	47.939.254	-	-	-

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	-	-	-

23 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 March 2025	31 December 2024
Fixed interest rate financial instruments	**3.126.180.203**	**3.649.591.489**
Cash and Cash Equivalents (*)	206.950.000	225.701.984
Trade Receivables	2.911.677.402	3.416.994.189
Other Receivables	7.552.801	6.895.316
Variable interest rate financial instruments	**-**	**-**
Fixed interest rate financial liabilities	**5.868.481.950**	**6.112.247.526**
Short and Long Term Unsecured Loans	2.207.986.406	1.869.299.864
Lease Liabilities	419.619.872	398.244.909
Trade Payables	3.192.936.418	3.714.412.475
Other Payables	47.939.254	130.290.278
Variable interest rate financial liabilities	**-**	**-**
Short and Long Term Unsecured Loans	-	-
Interest-free financial liabilities	**-**	**-**
Non Interest bearing unsecured spot loans	-	-

(*) As of 31 March 2025, and 31 December 2024 includes bank time deposits.

Foreign currency risk

The functional currency of the Group 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.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk(Cont'd)

As of 31 March 2025, and 31 December 2024 the Group's foreign currency position table is given below:

		Original Currency			
31 March 2025	**TL Equivalent (*)**	**TL**	**Euro**	**USD**	**Other**
Current Assets	**1.085.152.718**	**728.175.276**	**1.820.324**	**2.465.969**	**39.314.652**
Cash and cash equivalents	253.575.166	244.795.013	66.308	-	3.790.674
Trade receivables, third parties	824.024.751	475.827.462	1.754.016	2.465.969	35.523.978
Other receivables, third parties	7.552.801	7.552.801	-	-	-
TOTAL ASSETS (A)	**1.085.152.718**	**728.175.276**	**1.820.324**	**2.465.969**	**39.314.652**
Short Term Liabilities	**668.790.196**	**593.149.745**	**1.183.487**	**727.283**	**82**
Financial liabilities	-	-	-	-	-
Lease liabilities	155.376.754	155.376.754	-	-	-
Trade payables, third parties	465.474.188	389.833.737	1.183.487	727.283	82
Other payables, third parties	47.939.254	47.939.254	-	-	-
Long Term Liabilities	**264.243.118**	**264.243.118**	**-**	**-**	**-**
Lease liabilities	264.243.118	264.243.118	-	-	-
TOTAL LIABILITIES (B)	**933.033.314**	**857.392.863**	**1.183.487**	**727.283**	**82**
Net Foreign Currency Asset / (Liability) Position (A-B)	**152.119.404**	**(129.217.587)**	**636.837**	**1.738.686**	**39.314.570**

(*) The functional currency of the Group 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.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk(Cont'd)

		Original Currency			
31 December 2024	**TL Equivalent (*)**	**TL**	**Euro**	**USD**	**Other**
Current Assets	**1.059.601.416**	**900.183.733**	**1.209.568**	**2.675.732**	**7.868.289**
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	-	-	-
TOTAL ASSETS (A)	**1.059.601.416**	**900.183.733**	**1.209.568**	**2.675.732**	**7.868.289**
Short Term Liabilities	**704.075.918**	**594.652.490**	**2.238.586**	**770.290**	**496**
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	-	-	-
Long Term Liabilities	**251.284.671**	**251.284.671**	**-**	**-**	**-**
Lease liabilities	251.284.671	251.284.671	-	-	-
TOTAL LIABILITIES (B)	**955.360.589**	**845.937.161**	**2.238.586**	**770.290**	**496**
Net Foreign Currency Asset / (Liability) Position (A-B)	**104.240.827**	**54.246.572**	**(1.029.018)**	**1.905.442**	**7.867.793**

(*) The functional currency of the Group 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.

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk(Cont'd)

Exchange Rate Sensitivity Table
31 March 2025

	Profit /(Loss) Appreciation	Devaluation
Effect of 10 % appreciation/devaluation in TL -USD exchange rate :		
Net asset / (liability) in TL	(12.921.759)	12.921.759
Hedged portion from TL risk (-)	-	-
(1) Net effect of TL	**(12.921.759)**	**12.921.759**
Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :		
Net asset / (liability) in EUR	2.592.048	(2.592.048)
Hedged portion from EUR risk (-)	-	-
(2) Net effect of EUR	**2.592.048**	**(2.592.048)**
Effect of 10 % appreciation/devaluation in USD – TL exchange rate :		
Net asset / (liability) in USD	173.869	(173.869)
Hedged portion from USD risk (-)	-	-
(3) Net effect of USD	**173.869**	**(173.869)**
Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:		
Net asset / (liability) in other currencies	7.113.595	(7.113.595)
Hedged portion from other currencies risk (-)	-	-
(4) Net effect of other currencies	**7.113.595**	**(7.113.595)**
TOTAL (1+2+3+4)	**(3.042.247)**	**3.042.247**

31 December 2024

	Profit / (Loss) Appreciation	Devaluation
Effect of 10 % appreciation/devaluation in TL -USD exchange rate :		
Net asset / (liability) in TL	5.424.657	(5.424.657)
Hedged portion from TL risk (-)	-	-
(1) Net effect of TL	**(108.806.255)**	**108.806.255**
Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :		
Net asset / (liability) in EUR	(3.780.221)	3.780.221
Hedged portion from EUR risk (-)	-	-
(2) Net effect of EUR	**23.902**	**(23.902)**
Effect of 10 % appreciation/devaluation in USD – TL exchange rate :		
Net asset / (liability) in USD	190.544	(190.544)
Hedged portion from USD risk (-)	-	-
(3) Net effect of USD	**167.321**	**(167.321)**
Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:		
Net asset / (liability) in other currencies	62.588.070	(62.588.070)
Hedged portion from other currencies risk (-)	-	-
(4) Net effect of other currencies	**2.941.228**	**(2.941.228)**
TOTAL (1+2+3+4)	**(105.673.804)**	**105.673.804**

24 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 Investments:

Currency-protected deposit accounts are a financial asset with cash flows that include principal and interest or dividends, but they also show a derivative product feature as these cash flows may change depending on the change in the exchange rate. Therefore, currency protected deposit accounts are treated as hybrid contracts and accounted for as financial assets whose fair value is recognized in profit or loss in line with the provisions of TFRS 9 regarding mixed contracts. Changes in the fair value of currency-protected deposit accounts are accounted for under the “Income/Expenses from Investing Activities” in the Statement of Profit or Loss and Other Comprehensive Income.

The following methods and assumptions are used to estimate the fair value of financial instruments and these valuations are considered level 2

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 variable 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.

25 SUBSEQUENT EVENTS

None.