FONET BİLGİ TEKNOLOJİLERİ A.Ş.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2026

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ

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FONET BİLGİ TEKNOLOJİLERİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026
(Currency –Turkish Lira "TL" in terms of purchasing power of the "TL" at 30 September 2026 unless otherwise expressed.)

	Notes	Not Reviewed 30 September 2026	Audited 31 December 2025
ASSETS			
Current assets			
Cash and cash equivalents	5	152.415.493	149.301.987
Financial investments	7	47.521.419	48.929.484
Trade receivables			
- Trade receivables from third parties	*8*	*191.938.070*	*157.986.016*
Other receivables			
- Other receivables from third parties	*9*	*2.602.654*	*1.927.588*
Inventories	10	1.428.308	--
Prepaid expenses	11	7.417.775	1.819.740
Other current assets	18	29.441	--
Total current assets		**403.353.160**	**359.964.815**
Non-current assets			
Other receivables			
- Other receivables from third parties	*9*	*115.500*	*143.586*
Property, plant and equipment	12	102.873.172	107.734.932
Intangible assets	14	1.836.597.675	1.649.012.829
Right of use assets	13	5.071.768	8.208.295
Deferred tax assets	26	235.960.059	164.816.393
Total non-current assets		**2.180.618.174**	**1.929.916.035**
Total assets		**2.583.971.334**	**2.289.880.850**

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

	Notes	Not Reviewed 30 September 2026	Audited 31 December 2025
LIABILITIES			
Current liabilities			
Short-term borrowings	6	21.260.583	41.260.073
Current portion of non- current borrowings	6	--	6.288.826
Lease liabilities	6	5.828.981	3.316.883
Other financial liabilities	6	18.197.202	20.446.826
Trade payables			
- Trade payables to third parties	*8*	*2.799.476*	*18.447.761*
Employee benefit obligations	17	59.931.172	40.111.177
Other payables			
- Other payables to third parties	*9*	*8.568.393*	*20.244.972*
Deferred income	11	248.496	69.251
Short term provisions			
- Short term provisions for employee benefits	*17*	*3.142.935*	*2.586.237*
- Other short-term provisions	*16*	*632.179*	*608.410*
Other current liabilities	18	345.135	235.586
Total current liabilities		**120.954.552**	**153.616.002**
Non-current liabilities			
Long-term borrowings	6	--	651.887
Lease liabilities	6	13.141.779	15.458.382
Long-term provisions			
- Long-term provisions for employee benefits	*17*	*15.617.407*	*8.563.930*
Deferred tax liabilities	26	128.156.049	9.153.308
Total non-current liabilities		**156.915.235**	**33.827.507**
Equity			
Share capital	19	936.000.000	936.000.000
Capital adjustment differences	19	382.766.103	382.766.103
Share premiums		(25.392.653)	(25.392.653)
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Remeasurement gains/losses on defined benefit plans	*19*	*(2.794.965)*	*2.013.446*
Restricted reserves			
- Legal reserves	*19*	*120.423.301*	*93.528.362*
Retained earnings		686.627.144	436.442.878
Net profit for the period		208.472.617	277.079.205
Total equity		**2.306.101.547**	**2.102.437.341**
Total liabilities		**2.583.971.334**	**2.289.880.850**

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

FONET BİLGİ TEKNOLOJİLERİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 1 JANUARY – 30 SEPTEMBER 2026
(Currency –Turkish Lira "TL" in terms of purchasing power of the "TL" at 30 September 2026 unless otherwise expressed.)

	Notes	Not Reviewed 1 January – 30 September 2026	Not Reviewed 1 January – 30 September 2025	Not Reviewed 1 July – 30 September 2026	Not Reviewed 1 July – 30 September 2025
Net sales	20	847.178.984	675.809.241	326.230.030	271.950.274
Cost of sales (-)	20	(478.527.046)	(446.676.161)	(150.634.827)	(177.256.187)
Gross profit		**368.651.938**	**229.133.080**	**175.595.203**	**94.694.087**
General administrative expenses (-)	21	(96.393.342)	(76.848.746)	(36.424.855)	(22.153.122)
Marketing expenses (-)	21	(20.323.428)	(10.119.883)	(4.533.059)	(4.385.635)
Research and development expenses (-)	21	(27.140.799)	(3.178.800)	(16.207.576)	(492.284)
Other operating income	22	47.055.886	53.189.842	15.098.989	15.151.461
Other operating expenses (-)	22	(6.050.259)	(4.162.439)	1.383.443	(624.968)
Operating profit		**265.799.996**	**188.013.054**	**134.912.145**	**82.189.539**
Income from investing activities	23	7.283.558	--	(29.155.862)	--
Expense from investing activities (-)	23	(6.196.919)	--	(5.923.914)	--
Operating profit before finance expense		**266.886.635**	**188.013.054**	**99.832.369**	**82.189.539**
Finance income	24	23.557.119	16.185.943	8.676.523	9.865.262
Finance expenses (-)	24	(14.709.039)	(19.765.178)	(4.616.691)	(6.628.900)
Monetary gain / (loss)	27	(20.364.721)	(4.905.078)	5.898.302	35.404.666
Profit before tax from continuing operations		**255.369.994**	**179.528.741**	**109.790.503**	**120.830.567**
Tax income / (expense) from continuing operations					
- Deferred tax (expense) / income	*26*	*(46.897.377)*	*(42.622.499)*	*(10.684.704)*	*(31.596.215)*
Net profit for the period		**208.472.617**	**136.906.242**	**99.105.799**	**89.234.352**
Distribution of income for the period attributable to:					
Equity holders of the parent	28	208.472.617	136.906.242	99.105.799	89.234.352
Earnings per share	**28**	**0,22**	**0,95**	**0,11**	**0,62**
Other comprehensive income					
Items not to be reclassified to profit or loss					
- Remeasurement gains / (losses) on defined benefit plans		*(4.808.411)*	*(3.945.972)*	*1.189.476*	*(3.681.984)*
- Deferred tax effects of remeasurement gains / (losses) on defined benefit plans		*961.682*	*789.182*	*(237.894)*	*736.386*
Other comprehensive income		**(3.846.729)**	**(3.156.790)**	**951.582**	**(2.945.598)**
Total comprehensive income		**204.625.888**	**133.749.452**	**100.057.381**	**86.288.754**
Distribution of total comprehensive income attributable to:					
Equity holders of the parent		204.625.888	133.749.452	100.057.381	86.288.754
EBITDA	**29**	**382.718.769**	**274.669.506**	**209.567.293**	**115.119.068**
EBITDA Margin	**29**	**45,18**	**40,64**	**64,24**	**42,33**

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

FONET BİLGİ TEKNOLOJİLERİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS PERIOD ENDED 1 JANUARY – 30 SEPTEMBER 2026
(Currency –Turkish Lira "TL" in terms of purchasing power of the "TL" at 30 September 2026 unless otherwise expressed.)

					Other Comprehensive Income or Expense not to be Reclassified to Profit or Loss		Accumulated profit / loss			
	Notes	Share capital	Capital adjustment differences	Share premiums	Remeasurement gains/(losses) on defined benefit plans	Restricted reserves	Retained earnings	Net profit / (loss) for the period	Attributable to equity holders of the parent	Total equity
Balance at 1 January 2025	**19**	**144.000.000**	**668.903.791**	**(25.392.653)**	**4.242.659**	**70.167.037**	**721.194.673**	**244.471.847**	**1.827.587.354**	**1.827.587.354**
Transfers		--	--	--	--	14.582.417	229.889.430	(244.471.847)	--	--
Other comprehensive income		--	--	--	(3.945.972)	--	--	--	(3.945.972)	--
R&D discount		--	--	--	--	8.778.908	(8.778.908)	--	--	--
Net profit for the period		--	--	--	--	--	--	136.906.242	136.906.242	--
Balance at 30 September 2025	**19**	**144.000.000**	**668.903.791**	**(25.392.653)**	**296.687**	**93.528.362**	**942.305.195**	**136.906.242**	**1.960.547.624**	**1.960.547.624**
Balance at 1 January 2026	**19**	**936.000.000**	**382.766.103**	**(25.392.653)**	**2.013.446**	**93.528.362**	**436.442.878**	**277.079.205**	**2.102.437.341**	**2.102.437.341**
Transfers		--	--	--	--	16.898.757	260.180.448	(277.079.205)	--	--
Other comprehensive income		--	--	--	(4.808.411)	--	--	--	(4.808.411)	(4.808.411)
R&D discount		--	--	--	--	9.996.182	(9.996.182)	--	--	--
Net profit for the period		--	--	--	--	--	--	208.472.617	208.472.617	208.472.617
Balance at 30 September 2026	**19**	**936.000.000**	**382.766.103**	**(25.392.653)**	**(2.794.965)**	**120.423.301**	**686.627.144**	**208.472.617**	**2.306.101.547**	**2.306.101.547**

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

	Notes	1 January - 30 September 2026	1 January – 30 September 2025
A. Cash flows from operating activities			
Profit from continuing operations		**208.472.617**	**136.906.242**
Adjustments to reconcile profit / (loss)			
Adjustments for depreciation and amortisation expenses	29	157.924.400	135.683.855
Adjustments for employee benefit provisions (reversals)	17	4.820.708	2.055.033
Adjustments for general provisions (reversals)		--	--
Adjustments for litigation and penalty provisions (reversals)	22	142.778	(152.339)
Deferred finance expenses arising from purchases on credit	22	3.485.451	1.194.638
Unaccrued finance income arising from sales on credit	22	--	(90.693)
Adjustments for interest expenses		12.238.438	10.580.710
Adjustments for monetary gains / (losses)		29.412.004	17.832.289
Adjustments for tax (income)/expense	26	46.897.377	42.622.499
Adjustments for interest income	24	(21.859.902)	(6.854.306)
Adjustments for working capital			
Adjustments for decrease (increase) in inventories	10	(1.428.308)	(53.124.238)
Adjustments for decrease (increase) in trade receivables		(37.430.575)	(37.121.378)
Adjustments for decrease (increase) in other receivables	9	(646.980)	(234.548)
Adjustments for decrease (increase) in prepaid expenses	11	(5.598.035)	(4.676.413)
Adjustments for increase (decrease) in other current assets	18	(29.441)	--
Adjustments for increase (decrease) in trade payables	8	(15.648.285)	(2.144.368)
Adjustments for increase (decrease) in other payables	9	(11.676.579)	5.590.358
Adjustments for increase (decrease) in employee benefit obligations	17	19.819.995	4.782.978
Adjustments for increase (decrease) in deferred income	11	179.245	183.401
Adjustments for increase (decrease) in other liabilities		109.549	67.623
Cash flows generated from operating activities		**389.184.457**	**253.101.343**
Severance pay paid		(276.378)	(1.974.381)
Cash flows generated from operating activities, net		**388.908.079**	**251.126.962**
B. Cash flows from investment activities			
Proceeds from sale of shares or debt instruments of other entities or funds	7	1.408.065	--
Cash outflows for the acquisition of equity instruments or debt instruments of other entities or funds		--	(11.004.480)
Cash flows from purchases of property, plant and equipment	12	(13.103.197)	(1.661.191)
Cash flows from purchases of intangible assets	14	(324.387.001)	(231.077.756)
Interest received		21.859.902	6.854.306
Other cash inflows / (outflows)		(20.761)	--
Cash flows used in investment activities, net		**(314.242.992)**	**(236.889.121)**
C. Cash flows from financing activities			
Cash outflows for repayment of borrowings	6	(29.189.827)	(11.927.944)
Interest paid		(10.838.293)	(9.454.958)
Other cash inflows / (outflows)	6	195.495	8.163.479
Cash flows generated from financing activities, net		**(39.832.625)**	**(13.219.423)**
Inflation Effect on Cash and Cash Equivalents		**(31.718.956)**	**(20.004.588)**
Net Increase / (Decrease) in Cash and Cash Equivalents		**3.113.506**	**(18.986.170)**
D. Cash and Cash Equivalents at the Beginning of the Period	**5**	**149.301.987**	**50.453.315**
Cash and Cash Equivalents at the End of the Period		**152.415.493**	**31.467.145**

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

1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

Fonet Bilgi Teknolojileri Anonim Şirketi ("The Company" or "Fonet") was established in in 1997 to provide computer software and technical support to both Public and Private Institutions. The Company has operated as a Limited Company until 31 May 2011. As of 1 September 2011, the Company changed its type and became an incorporated company.

The Company's headquarter is located at Kızılırmak Mahallesi 1445. Sokak No: 2B/1 The Paragon Tower, Çankaya / ANKARA.

The Company has five branches: one located at Üniversiteler Mahallesi 1596. Cad. Hacettepe Teknokent 6. Ar-Ge Binası E Blok Kat: 5 No: 29 Çankaya / ANKARA; one at Büyükdere Cad. Emlak Kredi Blokları: 33/4 Levent / İSTANBUL; one at İpekyol Cad. No: 12/1 ŞANLIURFA; one at Ulubağ Mah. Recep Tayyip Erdoğan Bulvarı Şanlıurfa Teknokent No: 287A / 205 ŞANLIURFA; and one at Yaşamal mahallesi, Z. Ahmedbayov caddesi, No: 2 / 46 Bakü, AZERBAIJAN. In addition, the Company has a liaison office abroad located at Klarabergsviadukten 70 D4. 111 64 Stockholm, SWEDEN.

The Company provides information management systems, system integration, consultancy and turnkey project services in the field of health informatics. Although the Company's main field of activity is health informatics, it may also participate in various IT projects related to its areas of expertise. The Company develops solutions to meet the needs of institutions and organizations by combining one or more of its products.

The software products which are completely owned by Fonet are as follows:

S.No	Module Name	S.No	Module Name
1	Consultation Management System	32	Home Health Care Services Management System
2	Appointment Management System	33	Interoperability System
3	Patient Registration / Admission Management System	34	Decision Support Management System
4	Emergency Management System	35	Material Resource and Inventory Management System
5	Outpatient Clinic Management System	36	Fixture and Asset Management System
6	Clinical Management System	37	Financial Information Man. S. (Invoice, Cash Desk, etc.)
7	Laboratory Information System	38	Purchasing Information System
8	Radiology Information System	39	Human Resources / Pay-Roll Information System
9	PACS (Picture Archiving and Communication S.)	40	Personnel Attendance Control Management System
10	Nursing Management System	41	Document Management System
11	Operating Room Information System	42	Medical Record Archive Management System
12	Pharmacy Information System	43	Device Tracking Management System
13	Cancer Management System	44	Medical Device Calibration and Quality Control M. Sys.
14	Mouth and Dental Health Information System	45	Quality Management System
15	Physical Treatment and Rehabilitation Man. S	46	Quality Indicator Management System
16	Intensive Care Management System	47	Laundry Management System
17	Haemodialysis Management System	48	Occupational Health and Safety Management System
18	Pathology Management System	49	LCD / Display Information and Qmatic Man. Sys
19	Psychology Management System	50	Kiosk Management System
20	Oncology Management System	51	SMS Management System
21	Diet Management System	52	Technical Service Management System
22	Blood Centre Information System	53	Central Computer Management System
23	Sterilization Information System	54	Process Management System
24	Healthcare Commission Management System	55	Medical Waste Management System
25	Organ and Tissue Donation Management S	56	Dynamic Medical / Administrative Module Des. Sys.
26	Clinic Engineering Information System	57	Subscription Counter Tracking Module
27	Information System, Statistic & Reporting Sys	58	Mobile Doctor Examination Man. System
28	Medical Research Management System	59	Online Examination Module (Videocall)
29	Pregnant Education Management System	60	Mobile Patient Management System
30	Diabetes Education Management System	61	ICU Management System
31	Social Services Management System	62	Remote Health Information System

1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (CONTINUED)

The Company's main product is Fonet HIS ("Hospital Information Management System"). Fonet HIS ensures that all medical, administrative and financial business processes of health institutions are managed within the automation system. Fonet HIS consists of 62 separate software modules. Fonet HIS has been developed completely by their own engineers and actively operates in over 230 health institutions including hospitals in Somalia, Niger, Azerbaijan, Northern Cyprus and the Republic of Moldova.

In addition to its core product, Fonet HBYS, and supplementary systems, Fonet also provides turnkey project solutions. Among these solutions, the Company continues its operations as the contractor of two major projects in the Turkish Republic of Northern Cyprus: the "TRNC e-Insurance Information System" and the "TRNC Health Information System".

In line with its strategy to expand its product range and enter new markets in the healthcare field, the company has completed the development of two products for which it began R&D efforts, successfully completed the Ministry of Health's accreditation tests, and initiated field sales and installation activities. The Intensive Care Management System allows hospitals to integrate their intensive care unit devices into the system, enabling all patient processes to be monitored and reported through the system. The other product is the Remote Health Information System, developed in accordance with regulations designed to maximize healthcare accessibility, especially during the pandemic when access issues arose.

The average number of personnel employed within the Group as of 30 September 2026 is 592. (31 December 2025: 527)

Detailed information about the personnel is as follows:

	30 September 2026	31 December 2025
Permanent indefinite-term contracted personnel of the Group	211	151
Fixed term contracted personnel employed by the Group within the scope of contracts with hospitals	381	376
Total number of personnel	**592**	**527**

The shareholders of the Company and shares are as follows:

	30 September 2026		31 December 2025	
Shareholders	**Share Amount**	**Rate%**	**Share Amount**	**Rate %**
Other (public part)	577.083.005	61,65%	577.083.005	61,65%
Abdülkerim GAZEN	358.916.995	38,35%	358.916.995	38,35%
Share capital	**936.000.000**	**100%**	**936.000.000**	**100%**
Capital adjustment differences	382.766.103		382.766.103	
Capital	**1.318.766.103**		**1.318.766.103**	

1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (CONTINUED)

The Company's issued capital consists of 936.000.000 shares, all with a par value of 1 Turkish Liras each as at 30 September 2026 (31 December 2025: 936.000.000 shares).

As of 30 September 2026, 936.000.000 shares of 52.000.000 shares consist of Group A shares and 884.000.000 shares consist of Group B shares. Group A shares has a privilege in determining the members of the board of directors and in exercising voting rights in the general assembly.

At the ordinary and extraordinary general assembly meetings to be held by the Company, group (A) shareholders have 15 voting rights for each share, and Group (B) shareholders have 1 voting right for each share.

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and transitioned to the registered capital system with the approval of the Capital Markets Board dated 27.02.2015, under decision number 5/253. The Company's registered capital ceiling is TL 2.500.000.000, divided into 2.500.000.000 shares, each with a nominal value of TL 1. The approval for the registered capital ceiling is valid for the period between 2024 and 2028.

Subsidiaries fully consolidated included in the accompanying consolidated financial statements

Pidata Bilişim Teknolojileri Anonim Şirketi ("Pidata")

The Company was established on 16 July 2018 and registered in Ankara. The establishment of the Company was announced in the Turkish Trade Registry Gazette dated 19 July 2018, numbered 9624.

In addition to providing turnkey project services, Pidata is engaged in the development, sale and support of its ERP product. Tales ERP, developed by Pidata, is used in both the public and private sectors. All shares of Pidata are owned by Fonet Bilgi Teknolojileri Anonim Şirketi.

Company Title	Share Rate%	Main operating activity	Type of activity	Country	Year of establishment
Pidata Bilişim Teknolojileri A.Ş.	100	Information Technologies	Services	Turkey/Ankara	2018

From here on after, Fonet Bilgi Teknolojileri Anonim Şirketi and the aforementioned subsidiary will be referred as "Group" or "Community".

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board ("CMB") Communiqué No. II-14.1, "Principles of Financial Reporting in Capital Markets," published in the Official Gazette dated 13 June 2013 and numbered 28676. Pursuant to Article 5 of the Communiqué, the consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"), which are in line with the International Financial Reporting Standards ("IFRS"). In addition, the financial statements have been presented in accordance with the Turkish Financial Reporting Taxonomy published by the POA on 4 October 2022.

The Company and its subsidiaries registered in Turkey maintain their statutory books and prepare their statutory financial statements in accordance with the principles and requirements set out by the CMB, and in compliance with the provisions of the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey. The consolidated financial statements have been prepared based on the statutory records, with necessary adjustments and reclassifications made, including those for changes in the purchasing power of the Turkish Lira, in order to present them fairly in accordance with TFRS.

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

2.1 Basis of presentation (Continued)

Presentation and functional currency

For the purpose of the condensed consolidated financial statements, the functional and presentation currency of the Group is accepted as Turkish Lira "TL."

The condensed consolidated financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In accordance with the aforementioned standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the reporting date. Comparative financial statements for previous periods are also expressed in terms of the current measuring unit at the end of the reporting period for comparative purposes. Accordingly, the Group has also presented its financial statements as at 31 December 2025 in terms of the purchasing power as of 30 September 2026.

Pursuant to the resolution of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that inflation accounting shall be applied in accordance with the provisions of TAS 29, starting from the annual financial statements for the reporting periods ending on or after 31 December 2023, by issuers and capital market institutions subject to financial reporting regulations based on TFRS.

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute. As of 30 September 2026, the indices and adjustment coefficients used in the preparation of the consolidated financial statements are as follows:

Date	Index (*)	Adjustment Factor	Three Year Cumulative Inflation Rates
30 September 2026	137,23	1,00000	%158
31 December 2025	110,39	1,24317	%211
30 September 2025	105,78	1,29732	%222

(*) As of 2026, TURKSTAT has updated the base year used in its index calculations to 2025=100. Accordingly, index values published in previous periods using different base years and scales have been revised in line with the new base year. To ensure comparability of the data, historical data have also been aligned with the same base year.

The main elements of the adjustments made by the Group for financial reporting purposes in highly inflationary economies are as follows;

- The consolidated financial statements for the current period prepared in TL are expressed in terms of the purchasing power of money as of the balance sheet date, with the amounts from previous reporting periods also adjusted according to the purchasing power of money as of the latest balance sheet date.

- Monetary assets and liabilities are not restated as they are already expressed in terms of the current purchasing power as of the balance sheet date. In cases where the inflation-adjusted values of non-monetary items (inventories, tangible and intangible fixed assets, equity items, etc.) exceed their recoverable amounts or net realizable values, the provisions of TAS 36 and TAS 2 have been applied, respectively.

- Non-monetary assets and liabilities, as well as equity items that are not expressed in terms of the current purchasing power as of the balance sheet date, have been restated using the relevant adjustment coefficients.

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

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

- Non-monetary assets and liabilities, as well as equity items not expressed at the current purchasing power as of the statement of financial position date, have been restated using the relevant adjustment coefficients.

- All items in the income statement, except for non-monetary items in the balance sheet that affect the income statement, have been indexed using the coefficients calculated based on the periods in which income and expense accounts were initially reflected in the financial statements.

- The effect of inflation on the Group's net monetary asset position for the current period has been recorded under net monetary position gains/(losses) in the consolidated statement of profit or loss (Note 27).

Going concern

The accompanying consolidated financial statements have been prepared on a going concern basis. Under this principle, the Group is expected to continue its operations in the foreseeable future and will be able to utilize its assets and meet its liabilities as they fall due in the normal course of business.

2.2 Changes in accounting policies

Accounting policies are amended if the Group's financial position, performance or cash flows and the effects of events are likely to result in a more appropriate and reliable presentation of the consolidated financial statements. If the amendments to the accounting policies affect previous periods, the policy is applied retroactively in the consolidated financial statements as if the policy have always been exercised. Accounting policy changes arising from the application of a new standard shall be applied retroactively or in accordance with the transition provisions of the standard, if any. Changes that are not covered by any transitional provision are applied retrospectively.

2.3 Comparative information and restatement of prior period financial statements

The Group's financial statements are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when deemed necessary and important differences are disclosed.

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the *consolidated* financial statements as of 30 September 2026 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 2026 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2026 are as follows:

Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognized on the 'settlement date'. It also introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The new requirements are applied retrospectively with an adjustment to opening retained earnings.

The amendments did not have a significant impact on the financial position or performance of the Group.

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

2.4 The new standards, amendments and interpretations (Continued)

i) The new standards, amendments and interpretations which are effective as of 1 January 2026 are as follows: (continued)

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings;

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.

- *TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.

- *TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price".

- *TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':* The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.

- *TAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flow. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

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

2.4 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

TFRS 17 - The New Standard for Insurance Contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flow and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2027 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and.
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

The standard is not applicable for the Group and will not have an impact on the financial position or performance.

TFRS 18 – Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

The Group is in the process of assessing the impact of the standard on financial position or performance.

TFRS 19 – Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

The standard is not applicable for the Group.

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the POA in April 2026 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with TAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

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

2.4 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 21 - Translation to a Hyperinflationary Presentation (Continued)

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. If an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and it translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, then it is required to apply the amendments from the beginning of the annual reporting period in which it first applies the amendments. In addition, it restates the comparative amounts of its foreign operations included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with TAS 29. Other entities will apply the amendments retrospectively.

The standard is not applicable for the Group and will not have an impact on the financial position or performance.

Amendments to TAS 28 - Fair Value Option for Investments in Associates and Joint Ventures

The amendments issued by the Board in June 2026 clarify which entities can apply the fair value option in TAS 28. The amendments explained that a 'similar entity' includes an entity with a main business activity of investing in particular types of assets, as described in paragraph 49(a) of TFRS 18. It is also clarified that eligibility to apply the fair value option is assessed based on the entity that directly holds the investment in the associate or joint venture.

The amendments are applied when an entity first applies TFRS 18. If an entity elects to apply TFRS 18 for an earlier period, the amendments are applied consistently with that early application. However, if TFRS 18 is applied early for a period beginning before the issuance of the amendments, entities apply the amendments for the first reporting period ending on or after their issuance. The amendments are applied retrospectively.

The standard is not applicable for the Group and will not have an impact on the financial position or performance.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following IFRS 20 and amendments to IAS 28 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

IFRS 20 – Standard for Regulatory Assets and Regulatory Liabilities

In May 2026, the Board issued IFRS 20, which sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense. IFRS 20 introduces requirements that will result in information that supplements the information an entity already provides by applying IFRS accounting standards, such as IFRS 15. Such information enables users of financial statements to understand the total allowed compensation for regulatory goods or services supplied in each reporting period and the related rights and obligations.

The standard is not applicable for the Group.

2.5 Summary of Significant Accounting Policies

Basis of consolidation

The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS applying uniform accounting policies and presentation.

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

2.5 Summary of Significant Accounting Policies (Continued)

Basis of consolidation (continued)

Subsidiaries

As of 30 September 2026, the Group has control over financial and operating policies consolidated financial statements includes the financial statements of the subsidiaries.

As of 30 September 2026, the direct and indirect participation rates of the companies subject to consolidation are as follows.

Company Title	Share Rate%	Main operating activity	Type of activity	Country
Pidata Bilişim Teknolojileri A.Ş.	100	Information Technologies	Services	Turkey/Ankara

The parent company controls more than half of the voting rights in a partnership, directly or indirectly, and the entity has the authority to manage its financial and operational policies, control is considered to exist. In consolidation of financial statements, all profits and losses, including intercompany balances, transactions and unrealized profits and losses are offset. Consolidated financial statements are prepared by applying consistent accounting policies for similar transactions and accounts. The financial statements of the subsidiaries are prepared for the same accounting period as the parent company. Subsidiaries begin to be consolidated from the date the control passes to the Company, and the consolidation process ends when the control leaves the Group.

Income and expenses of subsidiaries purchased or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of purchase to the date of disposal.

In case of a situation or event that may cause any change in at least one of the criteria listed above, the Company re-evaluates whether it has control power over its investment.

Non-controlling shares in the net assets of the subsidiaries included in consolidation are included as a separate item in the Group's equity. Equity of the consolidated subsidiaries and non-parent shares within the current period operations are shown separately in the consolidated financial statements as non-controlling interests. Non-controlling shares consist of the amounts belonging to non-controlling shares at the first purchase date and the amount of non-parent shares in changes in the shareholder's equity starting from the date of purchase.

Total comprehensive income is transferred to parent shareholders and non-controlling shares, even if non-controlling interests result in a negative balance.

In cases where the Group does not have majority voting right over the invested company / asset, it has control power over the invested company / asset if there is sufficient voting right to direct / manage the activities of the relevant investment. The Company takes into account all relevant events and conditions in the assessment of whether the majority of votes in the relevant investment is sufficient to provide control power, including the following factors.

- Comparing the voting right of the company with the voting right of other shareholders;
- Potential voting rights of the company and other shareholders;
- Rights arising from other contractual agreements, and
- Other events and conditions that may indicate whether the Company has current power in managing the relevant activities (including voting at previous general meetings) in cases where a decision is required.

Cash flows related to all intra-group assets and liabilities, equity, income and expenses and transactions between the Group companies are eliminated in consolidation.

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

2.5 Summary of Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

Subsidiaries (Continued)

Unrealized income and expenses arising from intra-group transactions, intra-group balances and intra-group transactions are mutually deleted during the preparation of consolidated financial statements. The profits and losses resulting from the transactions between the subsidiary and the parent and the subsidiaries subject to consolidation and jointly controlled partnerships are netted off in proportion to the parent's share in the subsidiary. Unrealized losses are deleted in the same way as unrealized gains unless there is evidence of impairment.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and other short-term highly liquid investments with maturities less than 3 months or 3 months from the date of purchase, which can be immediately converted to cash and without significant risk of value change.

Trade receivables

Trade receivables resulting from the provision of products or services to the buyer are shown as deducted unaccrued finance income. Trade receivables after unaccrued financial income are calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the effective interest method. Short-term receivables with no specified interest rate are shown at their original invoice value unless the effect of the original effective interest rate is significant.

When there is an objective finding that there is no collection opportunity, a provision for impairment is made for the related trade receivables. Objective evidence is when the claim is pending or in preparation for litigation or enforcement, the buyer is in significant financial difficulty, the buyer is in default, or it is probable that a significant and unpredictable delay will occur. The amount of the provision in question is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable.

Following the provision for impairment, if all or part of the amount of the impaired receivable is collected, the collected amount is deducted from the provision for impairment and recorded in other operating income.

The "simplified approach" defined in IFRS 9 has been preferred within the scope of the impairment calculations of trade receivables (with a maturity of less than one year) that are accounted at amortized cost in the financial statements and that do not contain a significant financing component. With this approach, the Group measures the provision for losses on trade receivables at an amount equal to lifetime expected credit losses, unless the trade receivables are impaired for certain reasons (excluding realized impairment losses).

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labour and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property, Plant and Equipment

The property, plant and equipment of the Group, which are held for use in the production or supply of goods and services, to be rented to others (for non-real estate assets) or to be used for administrative purposes, are stated with their cost values within the framework of the cost model.

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

2.5 Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Cost value of the tangible asset; The purchase price, import taxes, and non-refundable taxes consist of charges to make the tangible fixed asset available. Expenditures such as repair and maintenance after the use of the tangible fixed asset are reported in the income statement in the period they occur. If the expenditures provide an economic increase in the future use of the related tangible fixed asset, these expenditures are added to the cost of the asset.

Private costs include the expenditures made for the rented real estate, and in cases where the useful life is longer than the term of the rental contract, it is depreciated over the useful lives during the rental period.

Economic life and depreciation method are regularly reviewed; accordingly, it is checked whether the method and the depreciation period are in line with the economic benefits to be obtained from the related asset and corrections are made when necessary. Depreciation is reserved from the date on which the tangible assets are ready for use. Depreciation is continued to be reserved in the period when the relevant assets are idle.

Subsequent expenditures

Expenditures incurred after the asset has been recognized are added to the cost of the asset if it is probable that future economic benefits will be obtained and the cost of the expenditure can be measured reliably.

These expenditures added to the cost of the asset are depreciated over the asset's useful life. The carrying amounts of replaced parts are removed from the relevant accounts as part of subsequent expenditures.

All other expenditures are recognized in the income statement in the period incurred on an accrual basis.

Amortization

Property, plant, and equipment are depreciated using the straight-line method over their estimated useful lives, based on the cost of acquisition or revalued amount, less the residual value of the assets.

Depreciation methods, useful lives, and residual values are reviewed at the end of each reporting period and are adjusted if necessary.

Land and buildings are not depreciated, as their economic lives are considered to be infinite.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	30 September 2026	31 December 2025
Buildings	50 year	50 year
Motor vehicles	5 year	5 year
Fixtures and fittings	3-15 years	3-15 years
Leasehold improvements	3-15 years	3-15 years

Property, plant, and equipment are recognized as assets and begin to be depreciated when they are ready for use.

Intangible Assets

Intangible assets purchased

Purchased intangible assets are shown with the amount after accumulated amortization and accumulated impairment losses are deducted from their cost values. These assets are amortized using the straight-line method based on their expected useful life. The expected useful life and depreciation method are reviewed annually in order to determine the possible effects of the changes that occur in the estimations and the changes in the estimations are accounted prospectively.

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

2.5 Summary of Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Computer software

Purchased computer software is activated over the costs incurred during the purchase and from the purchase until it is ready for use.

Evaluation of research costs and development costs under Articles 52 to 67 of TAS 38

Planned activities with the aim of obtaining new technological information or findings are defined as research and expense is recorded when the research expenses incurred at this stage are realized.

The application of research findings or other information to a plan prepared to produce new or significantly improved products, processes, systems or services is defined as development and is included in the financial statements as intangible assets resulting from development if all of the following conditions exist.

Intangible fixed assets created within the company resulting from development activities (or the development phase of an in-house project) are registered only when all of the following conditions are met.

- It is technically possible to complete the intangible asset so that it is ready for use or ready for sale,
- Intention to complete, use or sell the intangible asset,
- The intangible asset can be used or sold, it is clear how the asset will provide a possible future economic benefit,
- Appropriate technical, financial and other resources are available to complete the development of the intangible asset, to use or sell it; and,
- The development cost of the asset can be reliably measured in the development process.

The amount of intangible assets created within the enterprise is the Total amount of the expenditures incurred from the moment the intangible asset meets the accounting requirements stated above. When intangible assets created within the business cannot be recorded, development expenses are recorded as expense in the period they occur. After initial accounting, intangible assets created within the business are also shown over the amount after deducting accumulated depreciation and accumulated impairments from cost values such as separately purchased intangible assets.

The Group purchases some of the intangible assets from outside, under paragraphs 27 to 32 of TAS 38. In this context, it activates the costs obtained separately and which are directly related to the asset. In particular, the costs incurred in accordance with the 28th paragraph of TAS 38 are activated.

The depreciation periods for intangible assets which approximate the economic useful lives of such assets, are as follows:

	30 September 2026	**31 December 2025**
Rights	10-15 years	10-15 years
Development costs	12 year	12 year
Cloud-based HIS	15 year	15 year
Tales ERP	15 year	15 year
Web portals	5 year	5 year
Other intangible assets	3-10 years	3-10 years

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

2.5 Summary of Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of assets

Assets with an indefinite life, such as goodwill, are not amortized. Each year, an impairment test is applied for these assets. For assets that are subject to amortization, an impairment test is applied in case of situations or events where it is not possible to recover the book value. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. The recoverable amount is the higher of fair value less costs to sell or value in use. For assessment of impairment, assets are grouped at the lowest level with separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date.

Borrowing costs

In the case of assets (featured assets) that require considerable time to be ready for use and sale, borrowing costs directly associated with the purchase, construction or production are included in the cost of the asset until the related asset is made ready for use or sale.

All other borrowing costs are recorded in the income statement in the period they occur.

Right-of-use assets and lease liabilities

Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. If there is a remeasurement of lease liabilities, this amount is also adjusted accordingly.

The cost of a right-of-use asset includes:

(a) The initial measurement amount of the lease liability
(b) The amount obtained by deducting any lease incentives received from all lease payments made on or before the commencement date
(c) All initial direct costs incurred by the Group.

Until the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group depreciates the right-of-use asset using the straight-line method from the commencement date of the lease to the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

Lease liabilities

The Group measures the lease liability at the present value of unpaid lease payments as of the commencement date of the lease.

At the commencement date of the lease, the lease liability includes the following lease payments that are to be made for the right to use the underlying asset over the lease term and are unpaid as of the commencement date:

(a) Fixed payments
(b) Variable lease payments that are measured at the commencement date of the lease using an index or rate

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

2.5 Summary of Significant Accounting Policies (Continued)

Right-of-use assets and lease liabilities (Continued)

Lease liabilities (continued)

(c) Amounts expected to be paid by the Group under residual value guarantees
(d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option
(e) Penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments not dependent on an index or rate are recognized as expenses in the period in which the triggering event or condition occurs.

The Group determines the revised discount rate for the remaining lease term as the implicit rate in the lease if it can be readily determined; otherwise, as the Group's incremental borrowing rate at the date of the reassessment.

Subsequent to the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and by decreasing the carrying amount to reflect lease payments made.

Additionally, a change in the lease term, a change in fixed lease payments, or a change in the assessment of the purchase option of the underlying asset results in a remeasurement of lease liabilities.

Short term leases and leases of low-value assets

The Group evaluates whether a contract is a lease or contains lease terms at the inception of the contract. The Group recognizes the right-of-use asset and the related lease liability for all leases of which it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets.

Financial liabilities

Financial liabilities are recorded with their values after the transaction expenses are deducted from the financial debt amount received on the date of receipt. Financial liabilities are followed in the financial statements with their discounted values calculated with an effective interest rate on the following dates.

The difference between the proceeds of financial liabilities (net of transaction costs) and their redemption value is recognized in the statement of profit or loss over the term of the liability using the effective interest method. Qualifying assets are defined as those that necessarily take a substantial period of time to be made ready for their intended use or sale. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are recognized in the statement of profit or loss as incurred.

Financial debts are classified as short-term liabilities if the company does not have unconditional right such as postponing the liability for 12 months from the balance sheet date.

Trade payables

Trade payables are recorded at their fair values and are subsequently accounted for at their discounted values using the effective interest rate.

Financial instruments

Financial instruments are accounted for in accordance with the provisions of TFRS 9 "Financial Instruments".

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Non-derivative financial assets

Financial assets other than trade receivables, other receivables, and cash and cash equivalents that do not have a significant financing component are measured at fair value at initial recognition.

In case the trade receivables do not have a significant financing component (or the facilitating application is chosen), these receivables are measured at the transaction price at the time of initial recognition.

In the initial measurement of financial assets other than those at fair value through profit or loss, transaction costs directly attributable to their acquisition or issuance are added to or deducted from fair value. Financial assets bought and sold in the normal way are recorded on the transaction date.

Classification of financial assets

Financial assets are recognized at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, based on (a) the business model the entity uses to manage the financial asset, and (b) the contractual cash flows of the financial asset. Classified as reflected. If the business model used for the management of financial assets is changed, all financial assets affected by this change are reclassified. Reclassification of financial assets.

It is applied prospectively from the date of reclassification. In such cases, no adjustments are made for gains, losses (including impairment gains or losses) or interest previously recognized.

Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

(a) holding the financial asset under a business model that seeks to collect contractual cash flows; and,

(b) the contractual terms of the financial asset result in cash flows at specified dates that include only payments of principal and interest on the principal outstanding balance.

Interest income on financial assets shown at amortized cost is calculated using the effective interest method. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except:

(a) credit-impaired financial assets at purchase or origination: For such financial assets, a credit-adjusted effective interest rate is applied to the amortized cost of the financial asset from initial recognition.

(b) financial assets that were not credit-impaired financial assets when purchased or created but subsequently became credit-impaired financial assets: For such financial assets, the effective interest rate is applied to the amortized cost of the asset in subsequent reporting periods.

If the contractual cash flows of a financial asset have been changed or otherwise restructured and such modification or restructuring does not result in derecognition of the financial asset, the gross carrying amount of the financial asset is recalculated and the restructuring gain or loss is recognized in profit or loss.

In the absence of reasonable expectations of a partial or total recovery of a financial asset's value, it is derecognized, directly reducing the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets that meet the following conditions are recognized at fair value through other comprehensive income measured by reflection:

(a) holding the financial asset under a business model aimed at collecting contractual cash flows and selling the financial asset; and,

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets at fair value through other comprehensive income (continued)

(b) the contractual terms of the financial asset give rise to cash flows on certain dates that include only payments of principal and interest on the principal balance.

Gains or losses on a financial asset measured at fair value through other comprehensive income, other than impairment gains or losses and foreign exchange gains or losses, are recognized in other comprehensive income until the financial asset is derecognized or reclassified.

When a financial asset is reclassified, the total gain or loss previously recognized in other comprehensive income is subtracted from equity as a reclassification adjustment and recognized in profit or loss at the reclassification date.

If a financial asset measured at fair value through other comprehensive income is reclassified, the total gain or loss previously recognized in other comprehensive income is recognized. Interest calculated using the effective interest method is recognized as profit or loss.

At initial recognition, an irrevocable choice may be made to present subsequent changes in the fair value of an investment in a non-trading equity instrument in other comprehensive income.

Financial assets at fair value through profit or loss

Unless a financial asset is measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

These financial assets, which constitute derivative products that have not been determined as an effective hedging instrument against financial risk, are also classified as financial assets at fair value through profit or loss. Related financial assets are shown with their fair values and gains and losses resulting from the valuation are recognized in the profit or loss statement.

Impairment of financial assets

The depreciation amount for the financial assets shown from their amortized value is the difference between the present value calculated by discounting the expected cash flows over the effective interest rate of the financial asset and the book value.

Financial assets or groups of financial assets, other than financial assets whose fair value difference is reflected in profit or loss, are assessed at each balance sheet on whether there are indicators of impairment. Impairment loss occurs when one or more events occur after the initial recognition of the financial asset and the adverse impact of that event on the future cash flows that can be reliably predicted by the relevant financial asset or group of assets is impaired.

Except for trade receivables, where the carrying amount is reduced through the use of a reserve account, the impairment is directly deducted from the book value of the relevant financial asset. If the trade receivable is not collected, the amount in question is deleted by deducting from the reserve account. Changes in reserve account are accounted for in the income statement.

Except for the equity instruments available for sale, if the impairment loss decreases in the following period and the decrease can be associated with an event that occurred after the impairment loss is recognized, the impairment loss previously recognized will not exceed the amortized cost at the date when the impairment was not recognized. is cancelled in the income statement. The increase in the fair value of equity instruments available for sale after the impairment is directly accounted for in equity.

Non-derivative financial liabilities

Financial liabilities are measured at fair value on initial recognition. In the initial measurement of liabilities other than those at fair value through profit or loss, transaction costs directly attributable to their acquisition or issuance are added to the fair value.

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial instruments (Continued)

Non-derivative financial liabilities (continued)

All financial liabilities are classified as measured at amortized cost at subsequent recognition, except for:

(a) Financial liabilities at fair value through profit or loss: These liabilities are measured at fair value at subsequent recognition, including derivatives.

(b) Financial liabilities arising when the transfer of a financial asset does not qualify for derecognition or if the continuing relationship approach is applied: An asset continues to be presented to the extent of the continuing relationship. A corresponding liability is also reflected in the financial statements. The transferred asset and the associated liability. Rights and obligations that continue to be retained are measured to reflect. Liability associated with the transferred asset. measured in the same manner as the net book value of the transferred asset.

(c) Contingent consideration recognized by the acquirer in a business combination to which IFRS 3 applies: After initial recognition, the fair value changes n such contingent consideration are measured through profit.

Derivative financial instruments

Derivative financial instruments are valued with their acquisition cost, which is equal to their fair value when they are first recorded, and their fair value in the following periods. Differences between fair value and acquisition cost are reflected in profit or loss.

Financial assets and liabilities are recorded only if they become a party to the contract of financial instruments.

The asset is derecognized when the contractual rights to the cash flows of the financial asset expire or the related financial asset and all the risks and rewards of ownership of that asset are transferred to another party. In cases where all the risks and rewards of ownership of the asset are not transferred to another party and control of the asset is retained, the remaining interest in the asset and the liabilities arising from and due to this asset continue to be recognized.

In the event that all the risks and rewards of ownership of a transferred asset are retained, the financial asset continues to be accounted for, and a collateralized liability amount is also recognized for the income earned against the transferred financial asset. A financial liability is derecognized, only if the obligation defined in the contract ceases to exist, is cancelled or expires.

Revenue

The Group generates revenue through the sale of internally developed software programs. Revenue is recognized when control of the products is transferred to the customer. The Group's revenue primarily consists of income from the sale of software products as described in Note 1.

Revenues; within the scope of "TAS 15 Revenue from Customer Contracts" standard, it is reflected in the financial statements at an amount reflecting the price that the Group expects to be entitled to in return for the transfer of the goods or services it has committed to its customers.

For this purpose, a 5-step process is applied in the recognition of revenue within the framework of IFRS 15 provisions.

- Identification of contracts with the customer
- Determination of separate performance criteria and obligations in the contract
- Determination of the contract price
- Distribution of the sales price to the liabilities
- Recognition of revenue as contractual obligations are fulfilled.

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

2.5 Summary of Significant Accounting Policies (Continued)

Revenue (Continued)

In accordance with IFRS 15, when the Group fulfils the performance obligations promised in the customer contracts, in other words, when the control of the goods and services is transferred to the customer, the revenue is recognized in the financial statements. The Group records performance obligations over time or at a specific moment.

If the timing of the payments agreed by the parties to the contract provides a significant financial benefit, the promised price is adjusted for the effect of the time value of money when determining the transaction price.

If the Group, at the beginning of the contract, predicts that the period between the transfer date of the promised good or service to the customer and the date the customer pays for such good or service will be one year or less, it chooses the facilitating application and does not adjust the promised price for the effect of a significant financing component.

Additional explanations for some important income groups are given below.

Revenue from product sales

The Group generates revenue by selling the software programs it has produced. Revenue is recognized when control of products is transferred to the customer.

The Group's revenue mainly consists of sales revenues from the software products mentioned in Note 1.

Software development services

Software development services that constitute the Group's field of activity; It consists of the services provided by providing human resources to the customer or projected software development services by being understood over the man hour. The control of software development services passes to the customer as the service is provided, and the customer receives and consumes the benefit from this act at the same time.

The completion phase of the contract is determined by the time spent, and the revenue, working hours and direct expenses from the contracts are recognized over the contract fees as they occur. Revenues from such services are recorded as income on an accrual basis over the hours of service provided on the basis of the contract, in accordance with the periodicity principle.

In the short-term and one-time services, the Group takes the income into the financial statements "at a certain moment of time" when the control is passed to the customer.

Cost and expenses

Expenses are accounted for on an accrual basis. Operating expenses are recorded as soon as the related expenses are incurred. The cost of goods and services is recognized as an expense when the relevant revenue is recognized.

Employee benefits and retirement benefits

Severance pay

In accordance with the current labour law in Turkey, businesses operating in Turkey are obligated to make a certain payment to employees who have completed one year of service and leave the job due to retirement, military service, or death, or whose employment is terminated without any valid reason.

The amount of the payment is calculated based on one month's salary/wage for each year of service, and the lesser of the severance pay ceiling in effect at the date of the financial position statement. The provision for severance pay has been calculated based on the present value of future obligations due to employees' retirements and is reflected in the accompanying consolidated financial statements.

Provision for unused vacation

In accordance with the current labour law in Turkey, businesses operating in Turkey are obligated to make a payment for unused leave days if an employee earns the right to leave and then leaves the job. The provision for unused leave is the total undiscounted obligation for leave days earned but not yet taken by employees.

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial income and financial expenses

Financial income mainly consists of interest income and foreign exchange income. Financial income is recognized in the statement of comprehensive income on an accrual basis.

Financial expenses mainly consist of foreign exchange difference expenses and interest expenses related to loans. Assets that necessarily require a long period of time to be ready for their intended use or sale are defined as qualifying assets. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that began to be capitalized on or after 1 January 2009 are capitalized as part of the asset. Other borrowing costs are recorded in the statement of comprehensive income.

Foreign currency transactions

The financial statements of the Group are presented in the currency (functional currency unit) valid in the basic economic environment in which they operate. The Group's financial status and operating results are expressed in TL, which is the current currency and the presentation unit for the financial statements. During the preparation of the Group's financial statements, transactions in foreign currency (currencies other than TL) are recorded based on the exchange rates at the date of the transaction. Foreign currency indexed monetary assets and liabilities in the balance sheet are converted into Turkish Lira by using the exchange rates valid on the balance sheet date. Of the non-monetary items that are monitored with their fair value, those recorded in foreign currency are converted into TL based on the exchange rates on the date the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

When the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Obligations and assets that arise from past events but whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are not recognized in the financial statements and are treated as contingent liabilities and contingent assets. Contingent liabilities are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. If the outflow of resources is probable, contingent liabilities are recognized in the financial statements.

Contingent assets are not recognized in the financial statements but are disclosed when the inflow of economic benefits is probable and the amount can be reliably measured. Otherwise, contingent assets are only disclosed in the notes.

Onerous contracts

A contract is considered onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received by the Company. Present obligations arising under onerous contracts are measured and recognized as a provision.

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

2.5 Summary of Significant Accounting Policies (Continued)

Taxes Calculated on Corporate Income and Deferred Tax

As Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the consolidated financial statements.

Current tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss in that it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the reporting period.

Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Carrying amount of deferred tax asset is reviewed at each reporting period. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit sufficient to allow some or all of the benefits to be obtained. Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized, or the liabilities will be fulfilled, and which have been enacted or substantially enacted as of the reporting date.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfil its liabilities as of the reporting period are taken into account. Deferred tax assets and liabilities, when there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to settle its current tax assets and liabilities on a net basis is deducted.

Earnings per share

Earnings per share for the period is calculated by dividing the portion of profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares during the period is determined by adjusting the number of ordinary shares outstanding at the beginning of the period and the number of shares issued during the period by a time-weighted factor.

Companies in Turkey can increase their capital by distributing shares ("bonus shares") to existing shareholders from retained earnings and equity inflation adjustment differences. When earnings per share are calculated, these bonus shares are considered as issued shares. Therefore, the weighted average share weight used in calculating.

Dividend

Dividends receivables are recognized as income in the period when they are declared. Dividends payables are recognized as an appropriation of profit in the period in which they are declared.

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

2.5 Summary of Significant Accounting Policies (Continued)

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity'.

(a) A person or a close member of that person's family is related to a reporting entity if that person:
  i. has control or joint control over the reporting entity
  ii. has significant influence over the reporting entity
  iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity

(b) the entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others,

(c) both entities are joint ventures of the same third party,

(d) the party is a member of the key management personnel of the Group or its parent,

(e) the party is a close family member of any individual mentioned in (a) or (d) articles,

(f) the entity is a; business that is controlled, jointly controlled, under significant influence or an individual abovementioned in (d) or (e) has direct or indirect significant voting rights; or,

(g) the entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

A transaction with a related party is the transfer of resources, services, or obligations between related parties, regardless of whether a consideration is charged. In the ordinary course of business, the Group may enter into various transactions with related parties.

Government grants and incentives

A government incentive is not recognized in the financial statements without reasonable assurance that the entity will meet the conditions for obtaining the grant and that the incentive will be received.

Government incentives are systematically recognized in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as an expense. Government grants as a financing instrument are not recognized in profit or loss to offset the item of expenditure they finance. It should be associated with the statement of financial position (balance sheet) as unearned income and systematically reflected in profit or loss over the economic life of the related assets.

Government incentives given to cover previously incurred expenses or losses or to provide emergency financing support to the business without incurring any future costs are recognized in profit or loss in the period they become collectible.

The benefit of a loan from the government at a rate lower than the market rate is considered a government incentive. The benefit generated by the lower interest rate is measured as the difference between the initial carrying amount of the loan and the earnings earned.

Events after the reporting date

Events after the reporting period include all events between the reporting date and the date the financial statements are authorized for issue, even if they occur after any profit announcement or other selected financial information has been made public. In the event that events requiring adjustment occur after the reporting period, the Group adjusts the amounts recognized in the financial statements in accordance with this new situation. Significant non-adjusting events are disclosed in the footnotes.

Statement of cash flows

The Group organizes the cash flow statements in order to inform the users of the financial statements about the changes in the net assets, the financial structure and the ability to direct the amount and timing of the cash flows according to the changing conditions. In the cash flow statement, cash flows for the period are classified and reported based on operating, investment and financing activities.

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

2.5 Summary of Significant Accounting Policies (Continued)

Statement of cash flows (Continued)

Cash flows arising from operating activities show cash flows arising from the main activities of the Group. Cash flows related to investment activities show the cash flows used and obtained by the Group in its investment activities (fixed asset investments and financial investments). Cash flows related to financial activities show the resources used by the Group in financial activities and repayments of these resources.

Cash and cash equivalents include cash and demand bank deposits, and short-term investments with high liquidity that can be easily converted to a certain amount of cash, with a maturity of 3 months or less.

Significant accounting judgments, estimates and assumptions

Provision for doubtful receivables

The provision for doubtful receivables reflects the amounts that the management believes will cover the future losses of the receivables that exist as of the reporting date but have the risk of being uncollectible within the current economic conditions. While assessing whether the receivables are impaired or not, the past performance of the debtors, their credibility in the market, their performance from the date of the statement of financial position until the date of approval of the financial statements and the renegotiated conditions are also taken into account. In addition, the "simplified approach" defined in TFRS 9 has been preferred within the scope of the impairment calculations of trade receivables that are accounted at amortized cost in the financial statements and that do not contain a significant financing component (with a maturity of less than one year).

With this approach, the Group measures the loss allowance for trade receivables at an amount equal to "lifetime expected credit losses", unless the trade receivables are impaired for certain reasons (excluding realized impairment losses).

Severance pay provision

Severance pay provision, discount rates. It is determined by actuarial calculations based on certain assumptions including future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions involve significant uncertainties.

Provision for litigation

The probability of loss of the ongoing lawsuits and the consequences to be incurred in case of loss are evaluated in line with the opinions of the Group's legal advisors, and the Group management makes its best estimates using the data at hand and estimates the provision it deems necessary.

Research and development expenses

The application of research findings or other information to a plan to produce new, unique and significantly improved products, processes, systems and products is defined as development and the costs incurred for these activities are capitalized by the Group. When capitalizing on the remuneration of staff directly involved in the creation of the asset, management considers how much time each staff member spends in research and development. Expenses related to research activities are recorded as direct expense.

Deferred tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. These differences are generally due to the fact that the tax base amounts of some income and expense items take place in different periods in the legal financial statements and the financial statements prepared in accordance with TFRS.

3. BUSINESS COMBINATION

None. (31 December 2025: None).

4. SEGMENT REPORTING

Fonet Bilgi Teknolojileri Anonim Şirketi and its subsidiary Pidata Bilişim Teknolojileri A.Ş. operates in the same sector and in the same geographical regions.

5. CASH AND CASH EQUIVALENTS

	30 September 2026	31 December2025
Cash on hands	294	367
Banks (*)		
- Time deposits	*125.053.482*	*136.847.457*
- Demand deposits	*27.361.717*	*12.454.163*
Total	**152.415.493**	**149.301.987**

As of the balance sheet date, all time deposits consist of TL assets with maturities ranging from 2 to 17 days, and the interest rates are evaluated between 29,48%-35%.

(*) The Company's demand deposits amount to TL 199.239 held with participation banks and TL 27.162.478 held with other banks, while its time deposits amount to TL 51.083.777 with participation banks and TL 73.969.705 with other banks.

6. FINANCIAL BORROWINGS

Current borrowings	30 September 2026	31 December 2025
Bank loans (*)	21.104.001	40.504.144
Credit card debts	18.197.202	20.446.826
Lease liabilities	5.828.981	3.316.883
Accrued interest	156.582	755.929
Short-term principal instalments and interest of long-term loans	--	6.288.826
Total	**45.286.766**	**71.312.608**

Non-current borrowings	30 September 2026	31 December 2025
Lease liabilities	13.141.779	15.458.382
Long-term loans	--	651.887
Total	**13.141.779**	**16.110.269**

(*) The Group's loans are in the form of installment loans, and the interest rates are evaluated between 40,08% and 52,68%.

Repayment terms of bank loans	30 September 2026	31 December 2025
0-3 months	45.286.766	71.312.608
Total	**45.286.766**	**71.312.608**

All loans are in Turkish Lira, and the details of the collateral, pledges, and mortgages provided against the loans are included in Note 16.

6. FINANCIAL BORROWINGS (CONTINUED)

Details of lease liabilities	30 September 2026	31 December 2025
1-2 years	5.828.981	3.316.883
2-3 years	6.640.269	5.857.763
3-4 years	4.438.195	5.838.295
4-5 years	2.063.315	3.762.324
Total	**18.970.760**	**18.775.265**

7. FINANCIAL ASSETS

As of 30 September 2026, the details of the Group's short-term financial investments are as follows:

	30 September 2026	31 December 2025
Listed equity securities	47.521.419	48.929.484
	47.521.419	**48.929.484**

8. TRADE RECEIVABLES AND TRADE PAYABLES

As of 30 September 2026, the Group has no long-term trade receivables or payables.

Short-term trade receivables	30 September 2026	31 December 2025
Trade receivables from related parties (Note 25)	--	--
Trade receivables		
- Trade receivables	198.556.464	162.080.875
- Doubtful trade receivables	28.500	35.430
- Provision for doubtful trade receivables (-)	(28.500)	(35.430)
Deferred finance expenses (-)	(6.618.394)	(4.094.859)
Total	**191.938.070**	**157.986.016**

The movement of provision for doubtful trade receivables is as follows:

	30 September 2026	31 December 2025	30 September 2025
Beginning of the period	**35.430**	**--**	**--**
Provisions recognized during the period (Note 22)	--	35.430	--
Monetary gain / (loss)	(6.930)	--	--
Provision for the end of the period	**28.500**	**35.430**	**--**

Short-term trade payables	30 September 2026	31 December 2025
Trade payables		
-Trade payables	2.821.608	18.636.211
Deferred finance income (-)	(22.132)	(188.450)
Total	**2.799.476**	**18.447.761**

9. OTHER RECEIVABLES AND OTHER LIABILITIES

As of 30 September 2026, the Group has no long-term other liabilities.

Short-term other receivables	**30 September 2026**	**31 December 2025**
Deposits and guarantees given	1.641.118	1.306.002
Due to personnel	712.306	621.586
Tax receivables	249.230	--
Total	**2.602.654**	**1.927.588**

Long-term other receivables	**30 September 2026**	**31 December 2025**
Deposits and guarantees given	115.500	143.586
Total	**115.500**	**143.586**

Short-term other payables	**30 September 2026**	**31 December 2025**
Taxes and funds payables	8.524.925	20.244.972
Other payables	43.468	--
Total	**8.568.393**	**20.244.972**

10. INVENTORIES

	30 September 2026	**31 December 2025**
Merchandises	1.428.308	--
Total	**1.428.308**	**--**

(*) The Group's merchandise consists of hardware (server) equipment.

11. PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses	**30 September 2026**	**31 December 2025**
Advances given for purchases (*)	7.086.770	927.195
Prepaid expenses	182.321	886.689
Advances given for business purposes	148.684	5.856
Total	**7.417.775**	**1.819.740**

(*) It consists of advances paid by the Group to suppliers for the purchase of goods and/or services.

Short-term deferred income	**30 September 2026**	**31 December 2025**
Advances received	248.496	69.251
Total	**248.496**	**69.251**

12. PROPERTY, PLANT AND EQUIPMENT

	31 December 2025	Additions	Disposals	30 September 2026
Cost				
Buildings	34.730.047	--	--	34.730.047
Vehicles	72.895.863	7.519.972	--	80.415.835
Fixtures and fittings	81.607.946	5.583.225	--	87.191.171
Leasehold improvements	36.175.132	--	--	36.175.132
Total	**225.408.988**	**13.103.197**	**--**	**238.512.185**
Accumulated depreciation (-)				
Buildings	10.013.831	520.951	--	10.534.782
Vehicles	20.648.392	10.382.825	--	31.031.217
Fixtures and fittings	71.924.598	3.747.991	--	75.672.589
Leasehold improvements	15.087.235	3.313.190	--	18.400.425
Total	**117.674.056**	**17.964.957**	**--**	**135.639.013**
Net Book Value	**107.734.932**			**102.873.172**

	31 December 2024	Additions	Disposals	31 December 2025
Cost				
Buildings	34.730.047	--	--	34.730.047
Vehicles	58.296.314	25.628.039	(11.028.490)	72.895.863
Fixtures and fittings	78.950.622	2.657.324	--	81.607.946
Leasehold improvements	20.874.231	15.300.901	--	36.175.132
Total	**192.851.214**	**43.586.264**	**(11.028.490)**	**225.408.988**
Accumulated depreciation (-)				
Buildings	9.319.229	694.602	--	10.013.831
Vehicles	22.537.006	9.139.876	(11.028.490)	20.648.392
Fixtures and fittings	67.286.926	4.637.672	--	71.924.598
Leasehold improvements	13.301.480	1.785.755	--	15.087.235
Total	**112.444.641**	**16.257.905**	**(11.028.490)**	**117.674.056**
Net Book Value	**80.406.573**			**107.734.932**

The net book value of the property, plant and equipment assets are as follows:

	30 September 2026	31 December 2025
Vehicles	49.384.618	52.247.471
Buildings	24.195.265	24.716.216
Leasehold improvements	17.774.707	21.087.897
Fixtures and fittings	11.518.582	9.683.348
Total	**102.873.172**	**107.734.932**

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As of 30 September 2026, there is an insurance coverage of TL 30.000.000 on total assets.

There are no restrictive elements on the real estate.

The distribution of depreciation expenses is as follows:

	1 January-30 September 2026	01 January-31 December 2025	1 January – 30 September 2025
Intangible assets (Note 14)	136.802.155	163.408.378	120.917.901
Property, plant and equipment (Note 12)	17.964.957	16.257.905	11.362.722
Depreciation of right-of-use assets (Note 13)	3.157.288	4.537.639	3.403.232
Total	**157.924.400**	**184.203.922**	**135.683.855**

As of 30 September 2026, the total depreciation expense for the year ended is 133.510.762 TL in cost of sales (30 September 2025: 117.614.313 TL) and 24.413.638 TL in general administrative expenses (30 September 2025: 18.069.542 TL).

13. RIGHT OF USE ASSETS

	31 December 2025	Additions	Disposals	30 September 2026
Cost				
Buildings				
Included in the balance sheet within the scope of TFRS 16 right of use assets	31.902.126	20.761	--	31.922.887
Total	**31.902.126**	**20.761**	**--**	**31.922.887**
Accumulated amortization (-)				
Buildings				
Included in the balance sheet within the scope of TFRS 16 right of use assets	23.693.831	3.157.288	--	26.851.119
Total	**23.693.831**	**3.157.288**	**--**	**26.851.119**
Net Book Value	**8.208.295**			**5.071.768**

13. RIGHT OF USE ASSETS (CONTINUED)

	31 December 2024	Additions	Disposals	31 December 2025
Cost				
Buildings				
Included in the balance sheet within the scope of TFRS 16 right of use assets	31.902.126	--	--	31.902.126
Total	**31.902.126**	**--**	**--**	**31.902.126**
Accumulated amortization (-)				
Buildings				
Included in the balance sheet within the scope of TFRS 16 right of use assets	19.156.192	4.537.639	--	23.693.831
Total	**19.156.192**	**4.537.639**	**--**	**23.693.831**
Net Book Value	**12.745.934**			**8.208.295**

As a Lessee

The Group has 6 lease contracts classified as operating leases.

The Group has 6 lease agreements for office premises located at The Paragon İş Merkezi, Çankaya, Ankara (Floor 1, two offices on Floor 4 and offices on Floor 12), Hacettepe Üniversitesi Teknokent Teknoloji Geliştirme Bölgesi and Harran Üniversitesi Teknoloji Geliştirme Bölgesi. The commencement dates of the lease agreements are 15 August 2025, 18 April 2023, 1 July 2021, 1 September 2023 and 15 April 2026, respectively. The lease terms are two years for the Harran Teknokent agreement and five years for the other agreements.

14. INTANGIBLE ASSETS

	31 December 2025	Additions	Transfers	30 September 2026
Cost				
Development costs —Java based cloud system	1.790.913.297	315.017.893	(2.455.927)	2.103.475.263
Rights	742.447.197	9.369.108	2.455.927	754.272.232
Development costs ".net based HIS"	102.359.208	--	--	102.359.208
Tales ERP	20.450.448	--	--	20.450.448
Total	**2.656.170.150**	**324.387.001**		**2.980.557.151**
Accumulated amortization (-)				
Development costs —Java based cloud system	571.220.389	105.779.904	(221.874)	676.778.419
Rights	326.267.912	29.999.729	221.874	356.489.515
Development costs ".net based HIS"	102.359.208	0	--	102.359.208
Tales ERP	7.309.812	1.022.522	--	8.332.334
Total	**1.007.157.321**	**136.802.155**		**1.143.959.476**
Net Book Value	**1.649.012.829**			**1.836.597.675**

14. INTANGIBLE ASSETS (CONTINUED)

	31 December 2024	Additions	Transfers	31 December 2025
Cost				
Development costs —Java based cloud system	1.528.778.226	262.135.071	--	1.790.913.297
Rights	728.822.361	13.624.836	--	742.447.197
Development costs ".net based HIS"	102.359.208	--	--	102.359.208
Tales ERP	20.450.448	--	--	20.450.448
Total	**2.380.410.243**	**275.759.907**	**--**	**2.656.170.150**
Accumulated amortization (-)				
Development costs —Java based cloud system	450.245.387	120.975.002	--	571.220.389
Rights	285.197.908	41.070.004	--	326.267.912
Development costs ".net based HIS"	102.359.208	--	--	102.359.208
Tales ERP	5.946.440	1.363.372	--	7.309.812
Total	**843.748.943**	**163.408.378**	**--**	**1.007.157.321**
Net Book Value	**1.536.661.300**			**1.649.012.829**

The net book value of the intangible fixed assets are as follows:

	30 September 2026	31 December 2025
Development costs — Java based cloud system"	1.426.696.844	1.219.692.908
Rights	397.782.717	416.179.285
Tales ERP	12.118.114	13.140.636
Total	**1.836.597.675**	**1.649.012.829**

The Group capitalizes the cost of the new HIS program running on Java-based cloud architecture. These costs consist of outsourced services and personnel costs in software development, project implementation and system support departments.

The details of the program costs capitalized during the period are as follows:

	30 September 2026	31 December 2025
Personnel costs (the personnel work on software development, project implementation and information technologies departments)	315.017.893	262.135.071
Total	**315.017.893**	**262.135.071**

15. GOVERNMENT INCENTIVES

The Group has investment incentive certificates that are deemed appropriate to be issued by the Official Departments regarding investment expenditures. The rights owned by the Group due to these incentives are as follows:

a) Incentives within the scope of Technology Development Zones Law (100% Corporate Tax Exemption).
b) Incentives within the scope of research and development law (50% of the employer's share of Social Security Institution.)
c) Group earnings,

I. According to Article 2 of the Transitional Provisions of Law No. 4691, taxpayers subject to Income and Corporate Taxes operating in the region will benefit from Income and Corporate Tax incentives for the profits derived exclusively from software, design, and R&D activities carried out in this region until 31 December 2028.

According to Article 3 of Law No. 5746, taxpayers are eligible for an "R&D discount" incentive, which will be calculated as 100% of the expenses related to research and development conducted within their enterprises, specifically for the pursuit of new technologies and information.

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term other provisions	**30 September 2026**	**31 December 2025**
Litigation provision	632.179	608.410
Total	**632.179**	**608.410**

The movement table of the litigation provision is as follows:

	01.01-30.09.2026	**01.01-30.09.2025**
Opening balance	**608.410**	**875.824**
Additional provisions recognised during the period	142.778	--
Provision no longer required (Note 22)	--	(152.339)
Monetary gain / (loss)	(119.009)	(146.679)
Closing balance	**632.179**	**576.806**

As of the date of this report, summary information about the Group related to litigation and execution are as follows:

	30 September 2026		**31 December 2025**	
	Quantity	**Amount**	**Quantity**	**Amount**
Ongoing lawsuits on behalf of the Group	16	1.941.441	13	1.877.773
Ongoing execution proceedings	4	196.515	4	217.335
Ongoing lawsuits against the Group	18	632.179	17	503.245
Ongoing enforcement proceedings	--	--	2	105.165

The Group management has recognized a provision in the financial statements for TL 632.179. (31 December 2025: TL 608.410) of the ongoing lawsuits against the company.

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Contingent Liabilities

As of 30 September 2026, the tables related to the Group's collateral / pledge / mortgage ("CPM") position are as follows:

	30 September 2026	31 December 2025
CPM provided by the Group		
A. CPM's given in the name of own legal personality	225.128.781	228.316.695
B. CPM's given on behalf of the fully companies	--	--
C. CPM's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPM's given	--	--
i. Total amount of CPM's given on behalf of the majority shareholder	--	--
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C.	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
Total	**225.128.781**	**228.316.695**

The detail of the CPM's given in the name of own legal personality are as follows:

	30 September 2026	31 December 2025
Letters of guarantee	225.128.781	228.316.695
Total	**225.128.781**	**228.316.695**

17. LIABILITIES RELATED TO EMPLOYEE BENEFITS

Short-term liabilities for employee benefits	**30 September 2026**	**31 December 2025**
Due to personnel	42.879.605	28.148.666
Social security premiums payable	17.051.567	11.962.511
	59.931.172	**40.111.177**

Short-term provisions for employee benefits	**30 September 2026**	**31 December 2025**
Provision for unused leave	3.142.935	2.586.237
Total	**3.142.935**	**2.586.237**

17. LIABILITIES RELATED TO EMPLOYEE BENEFITS (CONTINUED)

The movement table for the provision for unused leave is as follows:

	30 September 2026	30 September 2025
Opening balance	**2.586.237**	**3.405.111**
Provision during the period	1.062.582	830.638
Provisions released	--	(70.630)
Monetary gain / (loss)	(505.884)	(619.722)
Provision for the end of the period	**3.142.935**	**3.545.397**

	30 September 2026	31 December 2025
Provision for severance pay	15.617.407	8.563.930
Total	**15.617.407**	**8.563.930**

Provision for severance pay

According to Turkish Labor Law, the Group is required to pay severance pay to each employee who has completed at least one year of service and retires after 25 years of employment, has their employment relationship terminated, is called for military service, or passes away.

As of 30 September 2026, the maximum ceiling for severance pay liability is TL 73.729,87 per year of service (31 December 2025: TL 64.948,77).

The severance pay obligation is not subject to any legal funding.

The severance pay obligation is calculated by estimating the present value of the Group's future probable obligations arising from employees' retirement. TAS 19 ("Employee Benefits") requires the use of actuarial valuation methods to determine the Group's obligations within the framework of defined benefit plans.

The actuarial assumptions used in the calculation of the present value of the obligations are outlined below:

	30 September 2026	31 December 2025
Interest rate %	27,10%	27,15%
Inflation rate %	22,10%	23,03%
Discount rate %	4,11%	3,36%

The movement of provision for employee termination benefits are as follows:

	30 September 2026	30 September 2025
Opening balance	**8.563.930**	**6.934.441**
Service cost	3.758.126	1.295.025
Interest cost (Note 22)	1.400.145	1.125.752
Payments (-)	(276.378)	(1.974.381)
Actuarial gain / (loss)	3.846.729	3.156.790
Monetary gain / (loss)	(1.675.145)	(1.405.900)
Closing balance	**15.617.407**	**9.131.727**

18. OTHER ASSETS AND LIABILITIES

Other current asset	**30 September 2026**	**31 December 2025**
VAT Carried Forward	29.441	--
Total	**29.441**	**--**

Other current liabilities	**30 September 2026**	**31 December 2025**
Enforcement and Private Pension System (PPS) Deductions	276.175	235.586
VAT Payable	68.960	--
Total	**345.135**	**235.586**

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

The information regarding the Group's shareholders and their shares is as follows:

		30 September 2026		**31 December 2025**
Capital	**Share Amount**	**Share Rate %**	**Share Amount**	**Share Rate %**
Other (public part)	577.083.005	61,65%	577.083.005	61,65%
Abdülkerim GAZEN	358.916.995	38,35%	358.916.995	38,35%
Share Capital	**936.000.000**	**100%**	**936.000.000**	**100%**
Capital adjustment differences	382.766.103		382.766.103	
Share Capital	**1.318.766.103**		**1.318.766.103**	

As of 30 September 2026, the Group's capital is divided into 936.000.000 shares, each with a nominal value of 1 TL. (31 December 2025: 936.000.000 shares, each with a nominal value of 1 TL.).

The inflation adjustment differences in capital represent the difference between the inflation-adjusted total amounts of cash and cash-equivalent contributions made to the paid-in capital and the amounts before inflation adjustment.

Other comprehensive income not to be reclassified to profit or loss

	30 September 2026	**31 December 2025**
Actuarial gain / (loss) fund	(2.794.965)	2.013.446
	(2.794.965)	**2.013.446**

Restricted reserves

	30 September 2026	**31 December 2025**
Legal reserves	90.715.655	74.035.533
Restricted funds	29.707.646	19.492.829
Total	**120.423.301**	**93.528.362**

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

Restricted reserves (continued)

According to Article 519, Paragraph 1 of the Turkish Commercial Code No. 6102, legal reserves are allocated as follows: 5% of the "profit" is set aside as the first-tier legal reserve until it reaches 20% of the paid-up/issued capital. After deducting the amount allocated as the first-tier legal reserve from the "profit," the remaining amount is used to allocate the first dividend for shareholders. After allocating the first-tier legal reserve and the first dividend, the General Assembly, taking into account the company's profit distribution policy, is authorized to decide whether to allocate or distribute the remaining balance as extraordinary reserves. The second-tier legal reserve is allocated according to Article 519, Paragraph 2, Clause 3 of the New TCC: After deducting the profit share of 5% of the paid-up/issued capital from the portion that is decided to be distributed, one-tenth of the remaining amount is allocated as the second-tier legal reserve. If it is decided to distribute free shares through an increase in capital, no second-tier legal reserve is allocated.

The registered values of equity inflation adjustment differences and extraordinary reserves can be used for non-cash capital increases, cash profit distribution, or offsetting losses. However, if equity inflation adjustment differences are used for cash profit distribution, they will be subject to corporate tax.

20. REVENUE AND COST OF SALES (-)

Sales revenue	**01.01.-30.09.2026**	**01.01.-30.09.2025**	**01.07.-30.09.2026**	**01.07.-30.09.2025**
Domestic sales revenue (*)	790.764.394	641.627.750	291.796.009	261.032.961
Foreign sales revenue	56.605.623	34.283.374	34.434.021	10.939.990
Gross profit	**847.370.017**	**675.911.124**	**326.230.030**	**271.972.951**
Sales returns	(191.033)	(101.883)	--	(22.677)
Sales revenue (net)	**847.178.984**	**675.809.241**	**326.230.030**	**271.950.274**
Cost of services sold	(463.814.548)	(403.707.167)	(150.518.121)	(135.462.876)
Cost of goods sold	(14.712.498)	(42.968.994)	(116.706)	(41.793.311)
Cost of sales (-)	**(478.527.046)**	**(446.676.161)**	**(150.634.827)**	**(177.256.187)**
Gross profit	**368.651.938**	**229.133.080**	**175.595.203**	**94.694.087**

(*) Of the service sales contracts entered into by the Group in Türkiye during the six-month period ended 30 September 2026, 99% related to sales to public hospitals.

21. EXPENSES BY NATURE

The details of the Group's operating expenses as of the reporting period are as follows;

	01.01.-30.09.2026	**01.01.-30.09.2025**	**01.07.-30.09.2026**	**01.07.-30.09.2025**
General administrative expenses (-)	96.393.342	76.848.746	36.424.855	22.153.122
Research and development expenses (-)	27.140.799	3.178.800	16.207.576	492.284
Marketing, sales and distribution expenses (-)	20.323.428	10.119.883	4.533.059	4.385.635
Total	**143.857.569**	**90.147.429**	**57.165.490**	**27.031.041**

22. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (-)

Other income from operating activities	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Incentive income (*)	46.210.862	39.813.240	16.413.662	14.362.964
Purchase returns	302.324	12.001.954	32.835	90.714
Foreign exchange gain	98.220	611.209	--	573.451
Insurance claim income	81.578	289.899	--	106.654
Reversal of litigation provision (Note 16)	--	152.339	(10.384)	(19.295)
Rediscount income	--	90.693	--	84.706
Reversal of provision for unused vacation	--	70.630	--	3.364
Other	362.902	159.878	(1.337.124)	(51.097)
Total	**47.055.886**	**53.189.842**	**15.098.989**	**15.151.461**

(*) The Company's incentive revenues primarily consist of income derived from imported goods, customs duties, and all kinds of funds exempt from stamp tax and fees, used in research for R&D, innovation, and design projects carried out under the Law No. 5746 on the Support of Research, Development, and Design Activities. These revenues are associated with the documents and transactions conducted within this scope.

Other expenses from operating activities	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Rediscount expense	3.485.451	1.194.638	(1.666.083)	(133.695)
Interest cost on provision for employee benefits (Note 17)	1.400.145	1.125.752	349.637	318.964
Stock exchange expenses	964.512	1.841.595	(62.906)	441.888
Litigation provision expense	142.778	--	142.778	--
Foreign exchange losses	57.373	--	4.790	--
Other	--	454	(151.659)	(2.189)
Total	**6.050.259**	**4.162.439**	**(1.383.443)**	**624.968**

23. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (-)

Income from investing activities	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Gains on sale of securities	5.887.909	--	(2.760.595)	--
Fair value gains on marketable securities	1.395.649	--	(26.395.267)	--
Total	**7.283.558**	**--**	**(29.155.862)**	**--**

Expenses from investing activities	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Fair value losses on marketable securities	5.923.914	--	5.923.914	--
Losses on sale of securities	273.005	--	--	--
Total	**6.196.919**	**--**	**5.923.914**	**--**

24. FINANCE INCOME AND EXPENSES (-)

Finance income	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Interest income	21.859.902	6.854.306	7.773.212	2.582.059
Foreign exchange gain	1.697.217	9.331.637	903.311	7.283.203
Total	**23.557.119**	**16.185.943**	**8.676.523**	**9.865.262**

Finance expenses (-)	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Interest expenses	6.900.578	13.510.576	255.454	4.495.085
Interest expenses on operating leases	3.937.715	2.554.380	2.554.885	1.951.726
Bank commission expenses	1.103.482	967.569	139.143	518.761
Foreign exchange loss	934.582	1.218.737	934.582	(894.456)
Guarentee letter expenses	614.904	595.987	210.382	253.816
Other	1.217.778	917.929	522.245	303.968
Total	**14.709.039**	**19.765.178**	**4.616.691**	**6.628.900**

25. RELATED PARTIES

For the purpose of these financial statements, shareholders, key executives, board members, their families and companies are regarded as related parties and affiliates.

As of 30 September 2026, there is no receivables or payables from related parties. (31 December 2025: None.)

The amount of benefits provided to senior executives in the current period is TL 21.574.359. (31 December 2025: TL 20.718.496).

26. TAXES ON INCOME (Deferred Tax Asset and Liability Included)

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid, and all or part of the profit is dividends;

- To real people
- To individuals and entities exempt or not subject to Income and Corporate Tax,
- Limited taxpayers real and legal persons,

In case of distribution, 15% Income Tax Withholding is calculated. The addition of the period profit to the capital is not considered as profit distribution and no withholding tax is applied.

Corporate tax is declared by the end of the fourth month following the end of the relevant reporting period and is paid on the same day. Prepaid corporate tax during the year relates to that year and is offset against the corporate tax calculated in the corporate tax return to be filed in the following year.

75% of the profits arising from the sale of participation shares, which are in the assets of the corporations for at least two full years, and 50% of the gains from the sale of the immovables that are in the assets for the same period of time, are exempt from tax, provided that they are added to the capital as stipulated in the Corporate Tax Law.

Under Turkish tax legislation, tax losses reported on the tax return can be deducted from the corporate profits of the relevant period for up to five years. However, tax losses cannot be offset against retained earnings from prior years. There is no practice in Turkey to obtain agreement with the tax authority regarding taxes payable. Corporate tax returns are filed with the relevant tax office by the end of the fourth month following the end of the reporting period. Nevertheless, the tax authorities are entitled to examine accounting records within five years, and if any errors are identified, the amounts of taxes payable may be adjusted.

26. TAXES ON INCOME (Deferred Tax Asset and Liability Included) (CONTINUED)

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 30th day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change. The Corporate Tax rate will be applied as 25% for the corporate earnings for the 30 September 2026 taxation period.

Tax provision in the income statement	**30 September 2026**	**30 September 2025**
Deferred tax provision	(46.897.377)	(42.622.499)
Total	**(46.897.377)**	**(42.622.499)**

The Group, deferred income tax assets and liabilities. It calculates by taking into account the effects of temporary differences that arise as a result of different evaluations between the legal financial statements of balance sheet items. These temporary differences generally arise from the recognition of income and expenses in different reporting periods in accordance with the communiqué and tax laws.

The distribution of deferred tax assets calculated using the effective tax rates as of the balance sheet date are summarized below:

	30 September 2026		**31 December 2025**	
	Cumulative Temporary Differences	**Deferred Tax**	**Cumulative Temporary Differences**	**Deferred Tax**
Deferred Tax Assets				
Exemption under investment incentive scheme	853.436.855	213.359.214	316.776.671	79.194.168
Right of use assets	26.851.116	6.712.779	23.693.827	5.923.457
Adjustments related to borrowings	18.970.760	4.742.688	18.775.265	4.693.816
Severance pay provision	15.617.407	3.904.352	8.563.946	2.140.987
Deferred finance expense	6.618.394	1.654.599	4.094.859	1.023.715
Unused vacation provision	3.142.935	785.734	2.586.237	646.559
Adjustments related to loans	1.034.473	258.618	1.286.028	321.507
Provision for litigation	632.179	158.045	608.410	152.103
Accrued loan interest	156.582	39.146	755.929	188.982
Adjustments related to provision for doubtful trade receivables	28.500	7.125	35.430	8.849
Difference between the carrying amount of property, plant and equipment and the tax base	--	--	264.821.539	66.205.389
Equity valuation	17.351.036	4.337.759	17.267.443	4.316.861
Total	**943.840.237**	**235.960.059**	**659.265.584**	**164.816.393**

26. TAXES ON INCOME (Deferred Tax Asset and Liability Included) (CONTINUED)

	30 September 2026		31 December 2025	
	Cumulative Temporary Differences	Deferred Tax	Cumulative Temporary Differences	Deferred Tax
Deferred Tax Liabilities				
Difference between the carrying amount and the tax base of property, plant and equipment	(394.898.597)	(98.724.649)	--	--
Other adjustments related to operating activities	(85.604.140)	(21.401.031)	--	--
Right of use assets	(31.922.884)	(7.980.721)	(31.902.123)	(7.975.531)
Equity valuation	--	--	--	--
Deferred finance income	(22.132)	(5.533)	(188.450)	(47.113)
Differences in prepaid expenses	(38.488)	(9.622)	(4.168)	(1.042)
Adjustments related to subsidiaries	(75.312)	(18.828)	(14.518)	(3.610)
Inventories valuation differences	(62.658)	(15.665)	--	--
Other	--	--	(4.504.048)	(1.126.012)
Total	**(512.624.211)**	**(128.156.049)**	**(36.613.307)**	**(9.153.308)**
Deferred tax assets / (liabilities), net	**431.216.026**	**107.804.010**	**622.652.277**	**155.663.085**

The movements of deferred tax assets / (liabilities) are as follows:

	30 September 2026	31 December 2025	30 September 2025
Opening balance	**155.663.069**	**195.861.252**	**195.861.234**
Deferred tax expense / (income)	(46.897.377)	(39.752.323)	(42.622.499)
Tax effect of actuarial gains / (losses)	(961.682)	(445.844)	(789.182)
Deferred tax assets / (liabilities), net	**107.804.010**	**155.663.085**	**152.449.553**

27. NET MONETARY POSITION GAINS/(LOSSES)

Financial Position Statement Items	30 September 2026	30 September 2025
Inventories	62.658	4.325.268
Prepaid expenses	25.914	10.992
Subsidiaries	545.874	565.781
Property, plant and equipment	14.104.675	14.340.781
Intangible assets	310.175.733	308.820.431
Right-of-use assets	(4.260.829)	(10.292.349)
Deferred tax liabilities	(30.448.659)	(39.708.897)
Other reserves	(446.327)	1.554.152
Share capital	(258.553.163)	(165.424.107)
Restricted reserves	(17.095.104)	(14.430.678)
Retained earnings	(135.701.026)	(192.790.110)
Total	**(121.590.254)**	**(93.028.736)**

27. NET MONETARY POSITION GAINS/(LOSSES) (CONTINUED)

Profit and Loss Statement Items	30 September 2026	30 September 2025
Net sales	(50.293.504)	(49.351.774)
Cost of sales (-)	26.873.733	29.445.654
Research and development expenses	51.503.384	23.502.240
Marketing, sales and distribution expenses	1.964.545	690.667
General administrative expenses	14.631.424	8.511.208
Other income/(expenses) from operating activities	(3.234.704)	(4.699.656)
Finance income/(expenses)	(824.692)	607.525
Income from investing activities	(291.966)	--
Deferred tax income/expense)	60.897.313	79.417.794
Total	**101.225.533**	**88.123.658**
Net monetary position gains/(losses)	**(20.364.721)**	**(4.905.078)**

28. EARNINGS PER SHARE

	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Net profit / (loss) for the period from continued operations				
Net profit / (loss) of parent company from continued operations	208.472.617	136.906.242	99.105.799	89.234.352
Weighted average number of shares	936.000.000	144.000.000	936.000.000	144.000.000
Earnings / (loss) per share from continued operations (TL)	**0,22**	**0,95**	**0,11**	**0,62**

	01.01.-30.09.2026	01.01.-30.09.2025	01.07.-30.09.2026	01.07.-30.09.2025
Number of weighted shares at the beginning of the period	936.000.000	144.000.000	936.000.000	144.000.000
Number of shares excluded within the period	--	--	--	--
Number of shares at the end-of-period	936.000.000	144.000.000	936.000.000	144.000.000

29. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The most important risks arising from the financial instruments of the Group is interest rate risk, liquidity risk and credit risk.

Capital Risk Management

The risk related with each of the capital class and company capital cost is considered by the top management of the Group.

29. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions

To maintain or adjust the capital structure, the Group may obtain new loans, repay existing loans; make cash and non-cash (bonus shares) dividend payments to shareholders, issue new shares based on Management's evaluation. The Group manages the capital structure so as to ensure the Group's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio.

The Group monitors capital using a net debt to total equity ratio, which is net financial debt divided by total equity. The Group includes within net financial debt, borrowings and trade payables, less cash and cash equivalents.

	01.01. - 30.09.2026	**01.01. - 31.12.2025**
Total liabilities	277.869.787	187.443.509
Less: cash and cash equivalents	(152.415.493)	(149.301.987)
Net financial debt	**125.454.294**	**38.141.522**
Total equity	2.306.101.547	2.102.437.341
Capital employed.	**2.431.555.841**	**2.140.578.863**
Net debt/ capital employed ratio	**5%**	**2%**

The current ratio from liquidity ratios has been realized as follows in terms of periods:

	30.09.2026	**31.12.2025**
Current assets	403.353.160	359.964.815
Current liabilities (-)	120.954.552	153.616.002
Net working capital excess / (deficit)	**282.398.608**	**206.348.813**
Current Ratio	**3,33**	**2,34**

Earnings Before Interest Tax Depreciation and Amortization (EBITDA	**01.01.- 30.09.2026**	**01.01.- 30.09.2025**	**01.07.- 30.09.2026**	**01.07.- 30.09.2025**
Net profit / (loss) for the period	208.472.617	136.906.242	99.105.799	89.234.352
Income / expenses from operating activities, net	(41.005.627)	(49.027.403)	(16.482.432)	(14.526.493)
Income / expenses from investment activities, net	(1.086.639)	--	35.079.776	--
Depreciation expenses	157.924.400	135.683.855	91.137.580	47.456.022
Finance (income) / expense, net	(8.848.080)	3.579.235	(4.059.832)	(3.236.362)
Tax (income) / loss, net	46.897.377	42.622.499	10.684.704	31.596.215
Monetary gain / (loss)	20.364.721	4.905.078	(5.898.302)	(35.404.666)
EBITDA	**382.718.769**	**274.669.506**	**209.567.293**	**115.119.068**
EBITDA margin	**45,18**	**40,64**	**64,24**	**42,33**

29. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Factors

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Group management meets these risks by limiting the average risk for the counterparty in each agreement. The Group's collection risks mainly arise from its trade receivables. The Group manages this risk by limitation on the extension of the credit to customers. Credit limits are monitored regularly by the Company and the customer's financial position, taking into account the customers' credit quality and other factors considered. The Group does not have any derivative financial instruments. (31 December 2025: None).

As of 30 September 2026 and 31 December 2025, the credit risk exposure by type of financial instrument is as follows.

The imposed credit risk by financial instrument type is as follows:

	RECEIVABLES					
	Trade Receivables		Other Receivables			Cash and Other
30 September 2026	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	
Maximum credit risk exposures as of report date (A+B+C+D+E)	**--**	**191.938.070**	**--**	**2.718.154**	**152.415.199**	**294**
- Secured part of maximum credit risk exposure via collateral etc.						
A. Net book value of the financial assets that are neither overdue nor impaired	--	191.938.070	--	2.178.154	152.415.199	294
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	--	--	--	--	--	--
C. Net book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	28.500	--	--	--	--
- Impairment asset (-)	--	(28.500)	--	--	--	--
- Net, secured part via collateral etc	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

	RECEIVABLES					
	Trade Receivables		Other Receivables			Cash and Other
31 December 2025	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	
Maximum credit risk exposures as of report date (A+B+C+D+E)	**--**	**157.986.016**	**--**	**2.071.174**	**149.301.620**	**367**
- Secured part of maximum credit risk exposure via collateral etc.						
A. Net book value of the financial assets that are neither overdue nor impaired	--	157.986.016	--	2.071.174	149.301.620	367
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired	--	--	--	--	--	--
C. Net book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	35.430	--			
- Impairment asset (-)	--	(35.430)	--			
- Net, secured part via collateral etc	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

29. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Factors (Continued)

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group management minimizes its liquidity risk by financing its assets with equity as in the previous period. The Group conducts its liquidity management not according to the expected terms, but it conducts with the terms determined in accordance with the contract. The Group has no derivative financial liabilities.

Maturities accordance with the contract as of 30 September 2026	Book Value	Total contractual cash outflow (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Bank loans	21.260.583	22.101.535	20.421.796	1.679.739	--
Trade payables	2.799.476	2.799.476	2.799.476	--	--
Other financial liabilities	18.197.202	18.197.202	18.197.202	--	--
Finance lease obligations	18.970.760	18.970.760	--	5.828.981	13.141.779
Deferred income	248.496	248.496	248.496	--	--
Total	**61.476.517**	**62.317.469**	**41.666.970**	**7.508.720**	**13.141.779**
Liabilities from employee benefits	3.142.935	3.142.935	3.142.935	--	--
Total	**3.142.935**	**3.142.935**	**3.142.935**	**--**	**--**

Maturities accordance with the contract as of 31 December 2025	Book Value	Total contractual cash outflow (I+II+III)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
Bank loans	48.200.786	59.877.527	11.974.553	47.226.701	676.273
Trade payables	18.447.761	18.447.761	18.447.761	--	--
Other financial liabilities	20.446.826	20.446.826	20.446.826	--	--
Finance lease obligations	18.775.265	18.775.265	--	3.316.883	15.458.382
Deferred income	69.251	69.251	69.251	--	--
Total	**105.939.889**	**117.616.630**	**50.938.391**	**50.543.584**	**16.134.655**
Liabilities from employee benefits	2.586.237	2.586.237	2.586.237	--	--
Total	**2.586.237**	**2.586.237**	**2.586.237**	**--**	**--**

Market risk

Market risk is the risk of fluctuations in the fair value of a financial instrument or in future cash flows that will adversely affect a business due to changes in market prices. These are foreign currency risk, interest rate risk and financial instruments or commodity price change risk.

Interest rate risk

Interest rate risk arises from the possibility of interest rate changes that affect the financial statements. The Group is exposed to interest rate risk because of timing differences of its assets and liabilities which is expired in a current period. There is no risk management pattern and implementation which is defined and in the Group Company. The Group administration manages the interest rate risk by making decision and with its implementations although there is not any risk management model defined in the Group.

29. THE NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Financial Risk Factors (Continued)

The Group's interest position table is as follows:

	30 September 2026	31 December 2025
Financial instruments with fixed interest		
Financial liabilities (Note 6)	58.428.545	87.422.877
Cash and cash equivalents (Note 5)	(152.415.493)	(149.301.987)

30. EVENTS AFTER THE REPORTING DATE

None.