FONET BİLGİ TEKNOLOJİLERİ A.Ş.

1 JANUARY – 31 MARCH 2025
CONSOLIDATED INTERIM FINANCIAL STATEMENTS TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT

(ORIGINALLY ISSUED IN TURKISH)

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ

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CONSOLIDATED BALANCE SHEETS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025
(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 March 2025 unless otherwise expressed)

	Notes	Audited Current Period 31 March 2025	Audited Prior Period 31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents	5	12.027.139	34.125.943
Financial investments	7	5.965.762	7.762.007
Trade receivables			
- Trade receivables from third parties	8	63.016.746	48.093.489
Other receivables			
-Other receivables from third parties	9	828.350	1.221.532
Inventories	10	1.994.344	--
Prepaid expenses	11	1.732.317	823.983
Total current assets		**85.564.658**	**92.026.954**
Non-current assets			
Trade receivables			
- Trade receivables from third parties	8	--	--
Other receivables			
-Other receivables from third parties	9	115.500	127.122
Property, plant and equipment	12	52.281.001	54.385.923
Intangible assets	14	1.068.236.456	1.039.377.010
Right of use assets	13	7.853.877	8.621.178
Deferred tax assets	26	396.049.639	133.439.804
Total non-current assets		**1.524.536.473**	**1.235.951.037**
Total assets		**1.610.101.131**	**1.327.977.991**

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

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025
(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 March 2025 unless otherwise expressed)

	Notes	Audited Current Period 31 March 2025	Audited Prior Period 31 December 2024
LIABILITIES			
Current liabilities			
Current borrowings		13.982.695	5.302.756
Short term portion of long-term financial liabilities	6	6.559.314	7.129.087
Lease liabilities	6	3.652.363	2.168.350
Other financial liabilities	6	4.093.844	6.766.806
Trade payables			
- Trade payables from third parties	*8*	*6.966.691*	*18.285.583*
Employee benefit obligations	17	41.175.038	27.137.286
Other payables			
- Other payables from related parties	*25*	*523.741*	*686.080*
- Other payables from third parties	*9*	*1.906.340*	*3.869.636*
Deferred income	11	35.950	--
Short term provisions			
- Short term provisions for employee benefits	*17*	*2.143.060*	*2.303.171*
- Other short term provisions	*16*	*548.136*	*592.395*
Other current liabilities	18	226.790	195.181
Total current liabilities		**81.813.962**	**74.436.331**
Non-current liabilities			
Non-current borrowings	6	6.271.286	8.910.205
Lease liabilities	6	641.387	2.823.714
Long term provisions			
- Long term provisions from employee benefits	*17*	*5.323.827*	*4.690.360*
Deferred tax liabilities	26	278.058.739	961.902
Total non-current liabilities		**290.295.239**	**17.386.181**
Equity			
Share capital	19	144.000.000	144.000.000
Capital adjustment diffrences	19	405.837.180	405.837.180
Share premiums		(17.175.248)	(17.175.248)
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Gain/loss arising from defined benefit plans	*19*	*2.332.596*	*2.869.678*
Restricted reserves			
- Legal reserves	*19*	*63.261.320*	*47.460.039*
Net profit for the prior period		637.362.549	487.806.365
Net profit for the period		2.373.533	165.357.465
Non-controlling interest		--	--
Total equity		**1.237.991.930**	**1.236.155.479**
Total liabilities		**1.610.101.131**	**1.327.977.991**

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

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 1 JANUARY – 31 MARCH 2025
(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 March 2025 unless otherwise expressed)

	Notes	Audited Current Period 1 January – 31 March 2025	Audited Prior Period 1 January – 31 March 2024
Net Sales	20	118.864.080	139.103.828
Cost of sales (-)	20	(91.094.143)	(95.371.639)
Gross profit		**27.769.937**	**43.732.189**
General administrative expenses (-)	21	(14.790.076)	(15.984.107)
Marketing expenses (-)	21	(1.225.679)	(1.307.276)
Research and development expenses (-)	21	(170.442)	(57.212)
Other operating income	22	8.389.958	5.551.738
Other operating expense (-)	22	(3.203.096)	(2.691.972)
Operating profit		**16.770.602**	**29.243.360**
Income from investing activities	23	--	29.725.111
Operating income before financial income / (expense)		**16.770.602**	**58.968.471**
Financial income	24	1.073.050	515.381
Financial expenses (-)	24	(2.693.102)	(3.319.560)
Monetary gain / (loss)	27	1.602.569	1.510.033
Profit before tax from continuing operations		**16.753.119**	**57.674.325**
Tax income / (expense) from continuing operations			
- Deferred tax (expense) / income	*26*	*(14.379.586)*	*(48.041.065)*
Net profit for the period		**2.373.533**	**9.633.260**
Distribution of income for the period attributable to			
Equity holders of the parent	28	2.373.533	9.633.260
Earnings per share (kr)	**28**	**0,02**	**0,07**
Other comprehensive income			
Items not to be reclassified to profit or loss			
- Gain/ (loss) arising from defined benefit plans		*(537.082)*	*85.891*
- Tax effect of gain/ (loss) arising from defined benefit plans		*107.417*	*(16.061)*
Other comprehensive expense		**(429.665)**	**69.830**
Total comprehensive expense / income		**1.943.868**	**9.703.090**
Distribution of total comprehensive income attributable to			
Non-controlling interests		--	--
Equity holders of the parent		1.943.868	9.703.090
EBITDA	**29**	**41.193.973**	**51.948.213**
EBITDA margin	**29**	**34,66**	**37,34**

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

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS PERIOD ENDED 1 JANUARY – 31 MARCH 2025
(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 March 2025 unless otherwise expressed)

					Other Comprehensive Income or Expense not to be Reclassified to Profit or Loss		Accumulated profit / (loss)				
	Note	Share capital	Capital adjustment differences	Share premium	Gain/ (loss) arising from defined benefit plans	Restricted reserves	Net profit for the prior period	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
Balance at 1 January 2024	**19**	**144.000.000**	**405.837.180**	**(17.175.248)**	**2.284.761**	**46.046.257**	**252.912.689**	**236.307.453**	**1.070.213.092**	**--**	**1.070.213.092**
Transfers		--	--	--	--	--	236.307.453	(236.307.453)	--	--	--
Other comprehensive income		--	--	--	85.891	--	--	--	85.891	--	85.891
Net profit		--	--	--	--	--	--	9.633.260	9.633.260	--	9.633.260
Balance at 31 March 2024	**19**	**144.000.000**	**405.837.180**	**(17.175.248)**	**2.370.652**	**46.046.257**	**489.220.142**	**9.633.260**	**1.079.932.243**	**--**	**1.079.932.243**
Balance at 1 January 2025	**19**	**144.000.000**	**405.837.180**	**(17.175.248)**	**2.869.678**	**47.460.039**	**487.806.365**	**165.357.465**	**1.236.155.479**	**--**	**1.236.155.479**
Transfers		--	--	--	--	9.863.346	155.494.119	(165.357.465)	--	--	--
Other comprehensive income		--	--	--	(537.082)	--	--	--	(537.082)	--	(537.082)
R&D special funds		--	--	--	--	5.937.935	(5.937.935)	--	--	--	--
Net profit		--	--	--	--	--	--	2.373.533	2.373.533	--	2.373.533
Balance at 31 March 2025	**19**	**144.000.000**	**405.837.180**	**(17.175.248)**	**2.332.596**	**63.261.320**	**637.362.549**	**2.373.533**	**1.237.991.930**	**--**	**1.237.991.930**

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

FONET BİLGİ TEKNOLOJİLERİ ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 1 JANUARY – 31 MARCH 2025
(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 March 2025 unless otherwise expressed)

	Notes	01 January - 31 March 2025	01 January – 31 March 2024
A. Cash flow from operating activities			
Net profit for the period		**2.373.533**	**9.633.260**
Adjustments to reconcile the period's profit			
Depreciation and amortization charge	29	29.610.233	25.564.619
Adjustments related to provisions for employee benefits	17	393.841	738.903
Adjustments related to general provisions		--	(2.434.972)
Adjustment for provision for lawsuits	22	9.902	--
Deferred financial expense arising from purchases on credit	22	1.194.565	35.150
Deferred finance income arising from credit sales	22	(178.735)	(14.475)
Adjustments related to interest expense		2.639.941	3.219.199
Adjustments for monetary gain / (loss)		1.974.976	133.342
Adjustments related to tax income / (expense)	26	14.379.586	48.041.065
Adjustments related to interest income	24	(1.073.050)	(515.381)
Changes in net working capital			
Increases/decreases in inventories	10	(1.994.344)	2.544.647
Increases/decreases in trade receivables		(16.117.822)	(21.405.742)
Increases/decreases in other receivables	9	404.804	3.006.955
Increases / decreases in prepaid expenses		(908.334)	566.085
Increase/decrease in other current assets		--	532.856
Increases/decreases in trade payables		(11.140.157)	(558.339)
Increases/decreases in other payables	9	(2.125.636)	181.533
Increase/decrease in liabilities related to employee benefits	17	14.037.751	8.204.004
Increases/decreases in deferred income	11	35.950	(36.154)
Increase/decrease in other liabilities		31.609	(4.438.030)
Net cash flows generated from operating activities		**33.548.613**	**72.998.525**
Tax paid/returned	26	--	25.664
Net Cash Flows Generated from Operating Activities, net		**33.548.613**	**73.024.189**
B. Cash Flows from Investıng Activities			
Cash proceeds from the sale of equity interests or debt securities of other entities or funds		1.796.245	381.590
Cash outflows from the purchase of property, plant and equipment	12	(458.559)	(2.371.721)
Cash outflows from the purchase of intangible assets	14	(55.138.897)	(42.626.023)
Other cash inflows / (outflows)	13	--	(7.600.211)
Interest received	24	1.073.050	515.381
Cash Flows from Investing Activities, net		**(52.728.161)**	**(51.700.984)**
C. Cash Flows from Financing Activities			
Cash inflows from loans	6	2.798.285	--
Cash outflows related to loan repayments	6	--	(24.400.990)
Interest paid		(2.350.689)	(2.995.782)
Other cash inflows / (outflows)	6	(698.314)	6.158.220
Cash Flows from Financing Activities. net		**(250.718)**	**(21.238.552)**
Inflation Effect on Cash and Cash Equivalents		**(2.668.538)**	**(1.703.197)**
Net Increase / (Decrease) in Cash and Cash Equivalents		**(22.098.804)**	**(1.618.544)**
D. Cash and Cash Equivalents at The Beginning of The Year	**5**	**34.125.943**	**16.188.044**
Cash and Cash Equivalents at The End of The Year		**12.027.139**	**14.569.500**

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

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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 two branches, one located at Büyükdere Cad. A2 Blok No:33/4 Levent, ISTANBUL and the other branch in İpekyol Cad. No: 12/1 ŞANLIURFA. The Company has liaison office abroad located in Klarabergsviadukten 70 D4, 111 64 Stockholm, SWEDEN.

The Company established its Azerbaijan branch on 5 November 2024, and opened the branch at the address: 2/46 Z. Ahmedbayov Street, Yasamal District, Baku, Azerbaijan.

The Company provides information management systems, system integration, consultancy and turnkey project services in the field of health informatics. Although the main operations of the Company are in the field of health informatics, the Company also participates in different IT projects related to field expertise.

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 Procedure Management System	33	Interoperability System
3	Patient Record / Admission Management Sys	34	Decision Support Management System
4	Emergency Management System	35	Material Resource and Inventory Management System
5	Polyclinic Management System	36	Fixture and Asset Management System
6	Clinic 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

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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 60 separate software modules. Fonet HIS has been developed completely by their own engineers and actively operates in over 200 health institutions including hospitals in Somalia, Azerbaijan, Northern Cyprus and the Republic of Moldova.

Fonet offers not only its core product Fonet HBYS and additional systems but also turnkey project solutions. At the forefront of these solutions are the company's ongoing operations as the contractor for two major projects in the Turkish Republic of Northern Cyprus: the "TRNC e-Insurance Information System" and the "TRNC Health Information System.

In addition to this service, the company signed a contract on 26 December 2023, to serve as the main contractor for the "Turkish Republic of Northern Cyprus Revenue and Tax Office Full Automation Development Projects and the Traffic Office Vehicle Registration Office Full Automation Project," a joint project of the TRNC Ministry of Finance and the TRNC Ministry of Transportation, for the year 2024.

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 31 March 2025 is 511 (31 December 2024: 512).

Detailed information about the personnel is as follows:

	31 March 2025	**31 December 2024**
Permanent indefinite-term contracted personnel of the Group	147	151
Fixed term contracted personnel employed by the Group within the scope of contracts with hospitals	364	361
Total number of personnel	**511**	**512**

The shareholders of the Company and shares are as follows:

	31 March 2025		**31 December 2024**	
Share Amount	**Share Amount**	**Share Rate %**	**Share Amount**	**Share Rate %**
Abdülkerim GAZEN	55.218.000	38,35	55.218.000	38,35
Other (public part)	88.782.000	61,65	88.782.000	61,65
Share capital	**144.000.000**	**100**	**144.000.000**	**100**
Capital adjustment differences	405.837.180		405.837.180	
Capital	**549.837.180**		**549.837.180**	

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

The Company's issued capital consists of 144.000.000 shares, all with a par value of 1 Turkish Liras each as at 31 March 2025 (31 December 2024: 144.000.000 shares).

As of 31 March 2025, 8.000.000 shares of 144.000.000 shares consist of Group A shares and 136.000.000 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 February 2015, under decision number 5/253. The Company's registered capital ceiling is 2,500,000,000 TRY, divided into 2,500,000,000 shares, each with a nominal value of 1 TRY. 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. The shares of Pidata is owned completely by Fonet Bilgi Teknolojileri Anonim Şirketi.

In addition to providing turnkey project services, Pidata is also engaged in the development, sales, and support of its powerful ERP products. Tales ERP, developed by Pidata, is used in both the public and private sectors. All of Pidata's shares are owned by Fonet Information Technologies Inc.

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

Statement of Compliance to TFRS

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by Public Oversight Accounting and Auditing Standards Authority ("POA") Turkish Accounting Standards Boards. The consolidated financial statements of the Group are prepared as per the CMB announcement of 4 October 2022 relating to financial statements presentations.

The Company and its subsidiaries operating in Turkey, maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. These consolidated financial statements are based on the statutory records, with the required adjustments and reclassifications including those related to changes in purchasing power reflected for the purpose of fair presentation in accordance with the TFRS.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

2.1 Basis of Presentation (continued)

Presentation and Functional Currency

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

Financial reporting in hyperinflationary economy

The Group prepared its consolidated financial statements as at and for the year ended 31 December 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on 23 November 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies".

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

The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the reporting period and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of 31 December 2024, on the purchasing power basis as of 31 March 2025.

In accordance with the CMB's decision dated 28 December 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

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 31 March 2025, 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
31 March 2025	2.954,69	1,00000	250%
31 December 2024	2.684,55	1,10063	291%
31 March 2024	2.139,47	1,38104	309%

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

- The 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 (cash and cash equivalents, trade receivables and payables, borrowings, etc.) 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)

- 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 Company's net monetary asset position for the current period has been recorded in the income statement under the net monetary position loss account. Companies holding higher monetary assets than their monetary liabilities experience a weakening of purchasing power due to inflation, while those with higher monetary liabilities than monetary assets see an increase in purchasing power. The net monetary position gain or loss has been derived from the adjustment differences of non-monetary items, equity, items in the income statement and other comprehensive income statement, as well as index-linked monetary assets and liabilities (Note 27).

Going concern

The accompanying financial statements have been prepared on the basis of the going concern principle.

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 March 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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)

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.

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 flows 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, 2026 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 Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 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.

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

2.4 The new standards, amendments and interpretations (continued)

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

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise 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 IFRS 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 amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- **IFRS 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 IFRS 1 and the requirements for hedge accounting in IFRS 9.

- **IFRS 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 IFRS 13.

- **IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:**

IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price.

- **IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':**

The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

- **IAS 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 Group is in the process of assessing the impact of the amendments on 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)

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

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

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 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 flows.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 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 IAS 7, IAS 8 and IAS 34.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS 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 IFRS accounting standards may elect to apply IFRS 19.

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.

Subsidiaries

As of 31 March 2025, the Group has control over financial and operating policies consolidated financial statements includes the financial statements of the subsidiaries.

3s of 31 March 2025, the direct and indirect participation rates of the companies subject to consolidation are as follows.

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

2.5 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

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

Control is considered to exist when the parent directly or indirectly controls more than half of the voting rights in a partnership and has the power to govern the financial and operating policies of the entity. In the consolidation of the financial statements, all profits and losses including intercompany balance, transactions and unrealized profits and losses are set off. Consolidated financial statements are prepared by applying consistent accounting policies for similar transactions and accounts.

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.

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

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.

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.

If necessary, adjustments are made in the financial statements of the subsidiaries to match the accounting policies followed by the Group.

Cash flows related to all intra-group assets and liabilities, equity, income and expenses and transactions between the Group companies are eliminated in consolidation. 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. Transaction with related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding whether it is with or without a value.

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

2.5 Summary of significant accounting policies (continued)

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

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenses for the repair of property, plant and equipment are normally charged against income. They are, however, capitalized in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Gain or losses on disposal of property, plant and equipment are included in the related operating income or expense line item and are determined as the difference between the carrying value and amounts received.

Leased assets are subject to similar amortization procedures, as with the other tangible assets on the shorter of the related leasing period and economic life of the asset.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

2.5 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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:

	31 March 2025	**31 December 2024**
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.

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.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

2.5 Summary of significant accounting policies (continued)

Intangible Assets (continued)

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

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:

	31 March 2025	31 December 2024
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

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.

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

2.5 Summary of significant accounting policies (continued)

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
(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

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)

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 amount of the financial debt received (excluding transaction expenses) and the repayment value is recognized on an accrual basis during the financial debt period in the statement of profit or loss.

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".

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.

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

2.5 Summary of significant accounting policies (continued)

Financial instruments (continued)

Non-derivative financial assets (continued)

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) redit-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.

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

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

(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.

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

2.5 Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

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. 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 profi

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.

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

2.5 Summary of significant accounting policies (continued)

Revenue

The Group earns its revenue by selling the software programs it has produced. Revenue is recognized when control of products is transferred to the customer. Group revenue mainly consists of sales revenue of software products mentioned in the first footnote.

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.

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.

Group revenue mainly consists of sales revenues of software products mentioned in the first footnote.

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.

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

2.5 Summary of significant accounting policies (continued)

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.

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.

Where 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.

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

2.5 Summary of significant accounting policies (continued)

Provisions, contingent assets and liabilities

Liabilities and assets that can be confirmed by the realization of one or more uncertain future events, arising from past events and the existence of which is not fully under the Group's control, are considered contingent liabilities and assets and are not included in the financial statements.

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.

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.

Deferred tax (continued)

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.

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.

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.

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

2.5 Summary of significant accounting policies (continued)

Earnings per share

Earnings per share stated in the income statement are determined by dividing the net income per share of the parent group by the weighted average number of shares in the related year.

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.

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.

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.

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

2.5 Summary of significant accounting policies (continued)

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.

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.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

2.5 Summary of significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

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 2024: 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

	31 March 2025	**31 December 2024**
Cash on hands	295	326
Banks (*)		
- Demand deposits	5.469.638	3.490.201
- Time deposits	6.557.206	30.635.416
Interest Accruals	--	--
Total	**12.027.139**	**34.125.943**

As of the balance sheet date, all time deposits consist of TL assets with maturities ranging from 1 to 30 days, and the interest rates are evaluated between 15% and 40%.

(*) Of the Group's demand deposits, 179.202 TRY are held in participation banks, 5.289.936 TRY are held in other banks, and of its time deposits, 5.797.206 TRY are held in participation banks, and 760.000 TRY are held in other banks.

6. FINANCIAL BORROWINGS

Current borrowings	31 March 2025	31 December 2024
Short-term loans (*)	13.526.308	4.539.165
Short-term principal instalments and interest of long-term loans	6.559.314	7.129.087
Credit card debts	4.093.844	6.766.806
Liabilities from leasing transactions	3.652.363	2.168.350
Accrued interest	456.387	763.591
Total	**28.288.216**	**21.366.999**

Non-current borrowings	31 March 2025	31 December 2024
Long-term loans (*)	6.271.286	8.910.205
Lease liabilities	641.387	2.823.714
Total	**6.912.673**	**11.733.919**

(*) The Group's loans are in the form of installment loans, and the interest rates are evaluated between 40% and 49%.

Repayment terms of bank loans	31 March 2025	31 December 2024
0-3 months	28.288.216	21.366.999
Total	**28.288.216**	**21.366.999**

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

Details of lease liabilities	31 March 2025	31 December 2024
1-2 years	3.652.363	2.168.350
2-3 years	641.387	1.105.109
3-4 years	--	1.521.720
4-5 years	--	196.885
Total	**4.293.750**	**4.992.064**

7. FINANCIAL ASSETS

As of 31 March 2025, the details of the Group's short-term financial investments are as follows:

	31 March 2025	31 December 2024
Stocks traded on the stock exchange	5.965.762	7.762.007
Total	**5.965.762**	**7.762.007**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

8. TRADE RECEIVABLES AND TRADE PAYABLES

As of 31 March 2025, the Group has no long-term trade receivables or payables.

Short-term trade receivables	**31 March 2025**	**31 December 2024**
Trade receivables from related parties (Note 25)	--	--
Trade receivables		
- Current accounts	65.365.560	49.497.491
- Doubtful trade receivables	--	--
- Provision for doubtful trade receivables (-)	--	--
Deferred financing income (-)	(2.348.814)	(1.404.002)
Total	**63.016.746**	**48.093.489**

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

	31 March 2025	**31 December 2024**
Beginning of the period	**--**	**2.564.161**
Recoveries and reversals of provisions (Note 22)	--	(2.228.472)
Monetary gain / (loss)	--	(335.689)
Provision for the end of the period	**--**	**--**

Short-term trade payables	**31 March 2025**	**31 December 2024**
Trade payables from related parties (Note 25)	--	--
Trade payables	7.054.897	18.504.054
Deferred financing income (-)	(88.206)	(218.471)
Total	**6.966.691**	**18.285.583**

9. OTHER RECEIVABLES AND OTHER LIABILITIES

As of 31 March 2025, the Group has no long-term other liabilities.

Short-term other receivables	**31 March 2025**	**31 December 2024**
Deposits and guarantees given	615.850	677.822
Due from personnel	212.500	543.710
Total	**828.350**	**1.221.532**

Long-term other receivables	**31 March 2025**	**31 December 2024**
Deposits and guarantees given	115.500	127.122
Total	**115.500**	**127.122**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

9. OTHER RECEIVABLES AND OTHER LIABILITIES (CONTINUED)

Short-term other payables	31 March 2025	31 December 2024
Other payables to related parties (Note 25)	523.741	686.080
Taxes and funds payables	1.906.340	3.869.636
Total	**2.430.081**	**4.555.716**

10. INVENTORIES

	31 March 2025	31 December 2024
Merchandises	1.994.344	--
Total	**1.994.344**	**--**

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

11. PREPAID EXPENSES AND DEFERRED INCOME

Short-term prepaid expenses	31 March 2025	31 December 2024
Prepaid expenses (*)	1.021.892	197.977
Advances given for purchases	477.001	622.022
Advances given for business purposes	233.424	3.984
Total	**1.732.317**	**823.983**

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

Short-term deferred income	31 March 2025	31 December 2024
Advances received	35.950	--
Total	**35.950**	**--**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

12. PROPERTY, PLANT AND EQUIPMENT

	31 December 2024	Additions	Disposals	31 March 2025
Cost				
Buildings	23.490.936	--	--	23.490.936
Motor vehicles	39.430.841	--	--	39.430.841
Fixtures and fittings	53.401.137	96.668	--	53.497.805
Leasehold improvements	14.119.050	361.891	--	14.480.941
Total	**130.441.964**	**458.559**	**--**	**130.900.523**
Accumulated depreciation (-)				
Buildings	6.303.401	117.455	--	6.420.856
Motor vehicles	15.243.725	1.389.352	--	16.633.077
Fixtures and fittings	45.511.974	799.130	--	46.311.104
Leasehold improvements	8.996.941	257.544	--	9.254.485
Total	**76.056.041**	**2.563.481**	**--**	**78.619.522**
Net book value	**54.385.923**			**52.281.001**

	31 December 2023	Additions	Disposals	31 December 2024
Cost				
Buildings	23.490.936	--	--	23.490.936
Motor vehicles	17.330.725	23.120.190	(1.020.074)	39.430.841
Fixtures and fittings	52.498.174	902.963	--	53.401.137
Leasehold improvements	12.174.524	1.944.526	--	14.119.050
Total	**105.494.359**	**25.967.679**	**(1.020.074)**	**130.441.964**
Accumulated depreciation (-)				
Buildings	5.833.583	469.818	--	6.303.401
Motor vehicles	14.218.718	2.045.081	(1.020.074)	15.243.725
Fixtures and fittings	42.080.166	3.431.808	--	45.511.974
Leasehold improvements	8.073.447	923.494	--	8.996.941
Total	**70.205.914**	**6.870.201**	**(1.020.074)**	**76.056.041**
Net book value	**35.288.445**			**54.385.923**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	31 March 2025	31 December 2024
Buildings	17.070.080	17.187.535
Motor vehicles	22.797.764	24.187.116
Fixtures and fittings	7.186.701	7.889.163
Leasehold improvements	5.226.456	5.122.109
Total	**52.281.001**	**54.385.923**

As of 31 March 2025, there is an insurance coverage of TL 4.620.000 on total assets.

There are no restrictive elements on the real estate.

The distribution of depreciation expenses is as follows:

	1 January- 31 March 2025	1 January- 31 December 2024	1 January – 31 March 2024
Property, plant and equipment (Note 12)	2.563.481	6.870.201	1.711.405
Intangible fixed assets (Note 14)	26.279.451	98.786.418	23.513.691
Depreciation of right-of-use assets (Note 13)	767.301	3.796.391	339.523
Total	**29.610.233**	**109.453.010**	**25.564.619**

As of 31 March 2025, the total depreciation expense for the year ended is 24.290.013 TRY in cost of sales (31 March 2024: 22.629.497 TRY) and 5.320.220 TRY in general administrative expenses (31 March 2024: 2.935.122 TRY).

13. RIGHT OF USE ASSETS

	31 December 2024	Additions	Disposals	31 March 2025
Cost				
Buildings				
Included in the balance sheet within the scope of IFRS 16 right of use assets	25.765.150	--	--	25.765.150
Total	**25.765.150**	**--**	**--**	**25.765.150**
Accumulated amortization (-)				
Buildings				
Included in the balance sheet within the scope of IFRS 16 right of use assets	17.143.972	767.301	--	17.911.273
Total	**17.143.972**	**767.301**	**--**	**17.911.273**
Net book value	**8.621.178**			**7.853.877**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

13. RIGHT OF USE ASSETS (CONTINUED)

	31 December 2023	Additions	Disposals	31 December 2024
Cost				
Buildings				
Included in the balance sheet within the scope of IFRS 16 right of use assets	25.765.150	--	--	25.765.150
Total	**25.765.150**	**--**	**--**	**25.765.150**
Accumulated amortization (-)				
Buildings				
Included in the balance sheet within the scope of IFRS 16 right of use assets	13.347.581	3.796.391	--	17.143.972
Total	**13.347.581**	**3.796.391**	**--**	**17.143.972**
Net book value	**12.417.569**			**8.621.178**

Group in the case of tenant

The Group has five lease agreements that is subject to operating leases.

The Group has five workplace rentals, Floor 1 and Floor 12 at The Paragon Business Center in Çankaya, Ankara, Emlak Kredi Blokları 33/4 in Levent, Istanbul, Klarabergsviadukten 70, D4 11 68 in Stockholm, Sweden and Technology Development Zone in Hacettepe University Teknokent in Ankara, Turkey The beginning date of the contracts are 15 August 2017, 01 July 2021 18 May 2023, 18 May 2023, 1 August 2019, 02 January 2020 and 26 January 2021 respectively and the contract terms are valid for 5 years.

14. INTANGIBLE ASSETS

	31 December 2024	Additions	Transfers	31 March 2025
Cost				
Rights	492.965.631	3.858.601	--	496.824.232
Development costs ".net based HIS"	69.234.390	--	--	69.234.390
Development costs —Java based cloud system	1.034.045.009	51.280.296	--	1.085.325.305
Tales ERP	13.832.408	--	--	13.832.408
Total	**1.610.077.438**	**55.138.897**	**--**	**1.665.216.335**
Accumulated amortization (-)				
Rights	192.823.255	6.924.608	--	199.747.863
Development costs ".net based HIS"	69.234.390	--	--	69.234.390
Development costs —Java based cloud system	304.620.691	19.124.301	--	323.744.992
Tales ERP	4.022.092	230.542	--	4.252.634
Total	**570.700.428**	**26.279.451**	**--**	**596.979.879**
Net book value	**1.039.377.010**			**1.068.236.456**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

14. INTANGIBLE ASSETS (CONTINUED)

	31 December 2023	Additions	Transfers	31 December 2024
Cost				
Rights	492.200.783	--	764.848	492.965.631
Development costs ".net based HIS"	69.234.390	--	--	69.234.390
Development costs —Java based cloud system	844.336.750	190.473.107	(764.848)	1.034.045.009
Tales ERP	13.832.408	--	--	13.832.408
Total	**1.419.604.331**	**190.473.107**	**--**	**1.610.077.438**
Accumulated amortization (-)				
Rights	164.505.172	28.358.469	(40.386)	192.823.255
Development costs ".net based HIS"	66.804.422	2.429.968	--	69.234.390
Development costs — Java based cloud system	237.504.484	67.075.821	40.386	304.620.691
Tales ERP	3.099.932	922.160	--	4.022.092
Total	**471.914.010**	**98.786.418**	**--**	**570.700.428**
Net book value	**947.690.321**			**1.039.377.010**

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

	31 March 2025	31 December 2024
Rights	297.076.369	300.142.376
Development costs — Java based cloud system	761.580.313	729.424.318
Tales ERP	9.579.774	9.810.316
Total	**1.068.236.456**	**1.039.377.010**

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:

	31 March 2025	31 December 2024
Personnel costs		
- (the personnel work on software development, project implementation and information technologies departments**)**	51.280.296	190.473.107
Total	**51.280.296**	**190.473.107**

Development costs incurred in prior periods are comprised of development costs related to the Java-based HIS of which sales are ongoing.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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 31 2028.

II. 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	**31 March 2025**	**31 December 2024**
Provisions for lawsuits	548.136	592.395
Total	**548.136**	**592.395**

The movement table of the litigation provision is as follows:

	31 March 2025	**31 March 2024**
Opening balance	**592.395**	**2.244.899**
Additional provision made during the period (Note 22)	9.902	--
Provision no longer required (Note 22)	--	(206.500)
Monetary gain / (loss)	(54.161)	(266.858)
Closing balance	**548.136**	**1.771.541**

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

	31 March 2025		**31 December 2024**	
	Quantity	**Amount**	**Quantity**	**Amount**
Ongoing lawsuits on behalf of the Group	20	852.873	24	1.222.353
Ongoing execution proceedings	5	174.822	5	241.436
Ongoing lawsuits against the Group	24	463.556	24	577.956
Ongoing enforcement proceedings	2	84.580	3	165.366

The Group management has recognized a provision in the financial statements for 548.136 TRY (31 December 2024: 743.322 TRY) of the ongoing lawsuits against the company.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Contingent Liabilities

As of 31 March 2025, the tables related to the Group's collateral / pledge / mortgage ("CPM") position are as follows:

	31 March 2025	31 December 2024
CPM provided by the Group		
A. CPM's given in the name of own legal personality	104.605.844	126.071.207
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	**104.605.844**	**126.071.207**

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

	31 March 2025	31 December 2024
Letters of guarantee	104.605.844	126.071.207
Total	**104.605.844**	**126.071.207**

17. LIABILITIES RELATED TO EMPLOYEE BENEFITS

Short-term liabilities for employee benefits	31 March 2025	31 December 2024
Due to personnel	25.322.996	18.609.270
Social security premiums payable	15.852.042	8.528.016
	41.175.038	**27.137.286**

Short-term provisions for employee benefits	31 March 2025	31 December 2024
Provision for unused leave	2.143.060	2.303.171
Total	**2.143.060**	**2.303.171**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

17. LIABILITIES RELATED TO EMPLOYEE BENEFITS (CONTINUED)

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

	31 March 2025	31 March 2024
Opening balance	**2.303.171**	**2.592.675**
Provision during the period (Note 21)	50.462	428.517
Monetary gain /(loss)	(210.573)	(339.421)
Provision for the end of the period	**2.143.060**	**2.681.771**

	31 March 2025	31 December 2024
Provision for severance pay	5.323.827	4.690.360
Total	**5.323.827**	**4.690.360**

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 31 March 2025, the severance pay cap to be paid is 46,655.43 TRY per year of service (31 December 2024: 35,058.58 TRY). The severance pay cap applicable as of 1 January 2025 has been increased to 46,655.43 TRY per month.

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. IAS 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:

	31 March 2025	31 December 2024
Interest rate %	27,15	27,15
Inflation rate %	23,03	23,03
Discount rate %	3,36	3,36

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

	31 March 2025	31 March 2024
Opening balance	**4.690.360**	**4.796.071**
Service cost (Note 21)	343.379	310.386
Actuarial gain / (loss)	429.665	(69.830)
Interest cost (Note 22)	289.251	223.415
Monetary gain/ (loss)	(428.828)	(627.882)
Closing balance	**5.323.827**	**4.632.160**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

18. OTHER ASSETS AND LIABILITIES

The Group has no other current assets as of 31 March 2025.

Other current liabilities	**31 March 2025**	**31 December 2024**
Execution and Private Pension System (BES) Deduction	226.790	195.181
Total	**226.790**	**195.181**

19. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

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

	31 March 2025		**31 December 2024**	
Capital	**Share Amount**	**Share Rate %**	**Share Amount**	**Share Rate %**
Abdülkerim GAZEN	55.220.000	38%	55.220.000	38%
Other (public part)	88.780.000	62%	88.780.000	62%
Share capital	**144.000.000**	**100%**	**144.000.000**	**100%**
Capital adjustment differences	405.837.180		405.837.180	
Share capital	**549.837.180**		**549.837.180**	

As of 31 March 2025, the Group's capital is divided into 144,000,000 shares, each with a nominal value of 1 TRY (31 December 2024: 144,000,000 shares, each with a nominal value of 1 TRY).

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

	31 March 2025	**31 December 2024**
Actuarial gain/loss fund	2.332.596	2.869.678
Total	**2.332.596**	**2.869.678**

Restricted reserves

	31 March 2025	**31 December 2024**
Legal reserves	50.076.638	40.310.982
Special funds	13.184.682	5.735.275
Total	**63.261.320**	**46.046.257**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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.- 31.03.2025**	**01.01.- 31.03.2024**
Domestic sales revenue (*)	116.540.097	128.998.801
Foreign sales revenue	2.149.044	2.538.079
Other income	174.939	7.848.601
Sales returns and discounts (-)	--	(281.653)
Sales revenue, net	**118.864.080**	**139.103.828**

Cost of sales (-)	**01.01.- 31.03.2025**	**01.01.- 31.03.2024**
Cost of services sold	(90.729.309)	(92.111.194)
Cost of goods sold	(364.834)	(3.260.445)
Cost of sales	**(91.094.143)**	**(95.371.639)**
Gross Profit	**27.769.937**	**43.732.189**

(*) All service sales contracts executed by the Group in Turkey between January 1 and March 31, 2025, are comprised solely of 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.- 31.03.2025	**01.01.- 31.03.2024**
General administrative expenses (-)	14.790.076	15.984.107
Marketing, sales and distribution expenses (-)	1.225.679	1.307.276
Research and development expenses (-)	170.442	57.212
Total	**16.186.197**	**17.348.595**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

21. EXPENSES BY NATURE (CONTINUED)

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

General administrative expenses	**01.01.-31.03.2025**	**01.01.-31.03.2024**
Amortization cost (Note 12)	5.320.220	2.935.122
Personnel expenses	3.130.532	2.572.048
Taxes paid	895.299	906.131
Outsourced services	616.457	1.923.539
Vehicle expenses	564.424	741.332
Office expenses	549.624	3.923.365
Communication expenses	496.945	234.433
Consulting expense	370.922	277.721
Rent expenses	349.489	867.260
Severance pay provision expenses (Note 17)	343.379	310.386
Insurance expenses	185.107	148.121
Representation and accommodation expenses	182.998	139.234
Accrued leave expense (Note 17)	50.462	428.517
Stock exchange expenses	11.569	120.791
Other	1.722.649	456.107
Total	**14.790.076**	**15.984.107**

Marketing, sales and distribution expenses	**01.01.-31.03.2025**	**01.01.-31.03.2024**
Bidding participation expenses	1.048.599	1.291.774
Personnel expenses	177.080	--
Other	--	15.502
Total	**1.225.679**	**1.307.276**

Research and development expenses	**01.01.-31.03.2025**	**01.01.-31.03.2024**
Training and consulting expenses	170.442	57.212
Total	**170.442**	**57.212**

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

Other income from operating activities	**01.01.-31.03.2025**	**01.01.-31.03.2024**
Social security premiums income (*)	7.687.832	927.860
Foreign exchange gains	557.773	1.192.933
Insurance claim income	123.949	--
Cancellation of provision for doubtful trade receivables (Note 8)	--	2.228.472
Cancellation of provision for litigation (Note 16)	--	206.500
Rediscount income	--	840.040
Other	20.404	155.933
Total	**8.389.958**	**5.551.738**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

(*) 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.- 31.03.2025	01.01.- 31.03.2024
Foreign exchange losses	1.206.160	2.303.134
Rediscount expense	1.194.565	35.150
Stock exchange expenses	486.297	116.631
Provision for Severance Pay Interest Liability (Note 17)	289.251	223.415
Provision for litigation expense (Note 16)	9.902	--
Other	16.921	13.642
Total	**3.203.096**	**2.691.972**

23. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (-)

The Group has no expenses from investing activities as of 31 March 2025.

Income from investing activities	01.01.- 31.03.2025	01.01.- 31.03.2024
Gains on sale of securities	--	29.725.111
Total	**--**	**29.725.111**

24. FINANCE INCOME AND EXPENSES (-)

Finance Income	01.01.- 31.03.2025	01.01.- 31.03.2024
Interest income	1.073.050	515.381
Total	**1.073.050**	**515.381**

Finance Expenses (-)	01.01.- 31.03.2025	01.01.- 31.03.2024
Interest expenses	2.026.592	2.548.192
Interest expenses on operating leases	324.097	447.590
Guarentee letter expenses	88.925	128.156
Bank commission expenses	41.456	192.510
Other	212.032	3.112
Total	**2.693.102**	**3.319.560**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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 31 March 2025, there is no receivables or payables from related parties. (31 December 2024: None).

Other payables from related parties

	01.01.- 31.03.2025	01.01.- 31.12.2024
Abdülkerim Gazen	523.741	686.080
Total	**523.741**	**686.080**

The amount of benefits provided to senior executives in the current period is TL 4.840.624 (31 December 2023: TL 11.502.000)

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
- Natural and legal persons who are exempt or exempt from 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.

Corporations calculate a 25% temporary tax on their quarterly financial profits and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted 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.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses cannot be offsite from last year's profits.

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 31 March 2025 taxation period.

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

Tax provision in the income statement	**31 March 2025**	**31 March 2024**
Deferred tax provision	(53.578.158)	(48.041.065)
Total	**(53.578.158)**	**(48.041.065)**

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:

	Cumulative Temporary Differences		**Deferred Tax**	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**
Deferred Tax Assets				
Difference between the carrying amount and tax base of tangible assets	1.464.938.015	370.198.847	366.234.504	92.549.712
Exemption within the scope of the incentive	78.589.364	131.527.346	19.647.341	32.881.837
Securities valuation	15.781.108	21.705.187	3.945.277	5.426.297
Right of use assets	13.724.289	--	3.431.072	--
Severance pay provision	5.323.827	4.690.360	1.330.957	1.172.590
Deferred finance expense	2.348.814	1.404.002	587.204	351.001
Unused vacation provision	2.143.060	2.303.171	535.765	575.795
Provision for litigation	548.136	592.395	137.034	148.099
Accrued interest on loans	456.387	763.591	114.097	190.898
Adjustments related to subsidiaries	345.550	570.261	86.388	142.565
Differences in prepaid expenses	--	4.040	--	1.010
Total	**1.584.198.550**	**533.759.200**	**396.049.639**	**133.439.804**

	Cumulative Temporary Differences		**Deferred Tax**	
	31 March 2025	**31 December 2024**	**31 March 2025**	**31 December 2024**
Deferred Tax Liabilities				
Difference between the carrying amount and tax base of tangible assets	(1.071.648.296)	--	(267.912.074)	--
Right-of-use assets	(16.074.907)	(2.564.139)	(4.018.727)	(641.035)
Adjustments related to borrowings	(1.209.509)	(1.064.975)	(302.377)	(266.249)
Inventories valuation differences	(698.152)	--	(174.536)	--
Deferred finance income	(88.206)	(218.471)	(22.052)	(54.618)
Differences in prepaid expenses	(73.974)	--	(18.494)	--
Other	(22.441.921)	--	(5.610.479)	--
Total	**(1.112.234.965)**	**(3.847.585)**	**(278.058.739)**	**(961.902)**
Deferred tax assets / (liabilities), net	**471.963.585**	**529.911.615**	**117.990.900**	**132.477.902**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

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

	1 January – 31 March 2025	1 Ocak- 31 Mart 2024
Opening balance of deferred tax assets / (liabilities)	132.477.902	100.634.698
Deferred tax expense / (income)	(14.379.586)	(48.041.065)
Tax effect of actuarial gains / (losses)	(107.416)	16.061
Deferred tax asset / liability in the current period	**117.990.900**	**52.609.694**

27 NET MONETARY POSITION GAINS/(LOSSES)

Financial Position Statement Items	31.03.2025
Inventories	698.152
Prepaid expenses	59.292
Subsidiaries	172.573
Tangible fixed assets	4.675.908
Intangible assets	96.985.605
Right-of-use assets	266.762
Deferred tax liabilities	(12.112.127)
Other retained earnings	640.819
Share capital	(50.458.158)
Restricted reserves	(4.131.858)
Retained earnings/(Losses) from prior years	(59.242.019)
Total	**(39.059.991)**

Profit and Loss Statement Items	31.03.2025
Net sales	(2.411.496)
Cost of sales	1.582.490
Research and development expenses	235.524
Marketing, sales and distribution expenses	28.482
General administrative expenses	269.957
Other income/(expenses) from operating activities	106.137
Finance income/(expenses)	12.272
Deferred tax income/(expense)	24.224.254
Total	**24.047.620**

Net monetary position gains/(losses)	**1.602.569**

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

28. EARNINGS PER SHARE

	01.01.- 31.03.2025	**01.01.- 31.03.2024**
Net profit / (loss) for the period from continued operations:		
Net profit / (loss) of parent company from continued operations	2.373.533	9.633.260
Weighted average number of shares	144.000.000	144.000.000
Earnings / (loss) per share from continued operations (TL)	**0,02**	**0,07**

	01.01.- 31.03.2025	**01.01.- 31.03.2024**
Earnings / (loss) per share):		
Net profit of parent company for the period	2.373.533	9.633.260
Weighted average number of shares	144.000.000	144.000.000
Earnings / (loss) per share (TL)	**0,02**	**0,07**

	01.01.- 31.03.2025	**01.01.- 31.03.2024**
Number of weighted shares at the beginning of the period	144.000.000	144.000.000
Number of shares excluded within the period	--	--
Number of shares transferred within the period	--	--
Number of shares at the end-of-period	144.000.000	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 Company.

The primary objective of the Company'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 Company 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 Company 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 Company manages the capital structure so as to ensure the Company's ability to continue as a going concern; and maximize its profitability by maintaining an adequate capital to overall financing structure ratio.

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

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

Capital Risk Management (continued)

	01.01.- 31.03.2025	01.01.- 31.12.2024
Total Liabilities	372.109.201	91.822.512
Less: Cash and Cash Equivalents	(12.027.139)	(34.125.943)
Net (Cash) / Debt	**360.082.062**	**57.696.569**
Total Equity	1.237.991.930	1.236.155.479
Capital	144.000.000	144.000.000
Net (Cash) Liabilities / Total Equity Ratio	**0,29**	**0,05**

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

	01.01.- 31.03.2025	01.01.- 31.12.2024
Current assets	85.564.658	92.026.954
Current liabilities (-)	81.813.962	74.436.331
Net working capital excess / (deficit)	**3.750.696**	**17.590.623**
Current Ratio	**1,05**	**1,24**

Earnings Before Interest Tax Depreciation and Amortization (EBITDA)	**01.01.- 31.03.2025**	**01.01.- 31.03.2024**
Net income / (loss) for the period	2.373.533	9.633.260
Income / expenses from operating activities, net	(5.186.862)	(2.859.766)
Income / expenses from investment activities, net	--	(29.725.111)
Depreciation expenses	29.610.233	25.564.619
Financing (income) / expense, net	1.620.052	2.804.179
Tax (income) / loss, net	14.379.586	48.041.065
Monetary gain / (loss)	(1.602.569)	(1.510.033)
EBITDA	**41.193.973**	**51.948.213**
EBITDA margin	**34,66**	**37,34**

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 2024: None).

(Currency –Turkish Liras "TL" in terms of purchasing power of the "TL" at 31 December 2025 unless otherwise expressed.)

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

Financial Risk Factors (continued)

Credit risk (continued)

As of 31 March 2025 and 2024, 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			
31 March 2025	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Bank deposits**	**Cash and Other**
Maximum credit risk exposures as of report date (A+B+C+D+E)	**--**	**63.016.746**	**--**	**943.850**	**12.026.844**	**295**
- Secured part of maximum credit risk exposure via collateral etc.	--	--	--	--	--	--
A. Net book value of the financial assets that are neither overdue nor impaired	--	63.016.746	--	943.850	12.026.844	295
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)	--	--	--	--	--	--
- Impairment asset (-)	--	--	--	--	--	--
- Net, secured part via collateral etc	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

	RECEIVABLES					
	Trade Receivables		Other Receivables			
31 December 2024	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Bank deposits**	**Cash and Other**
Maximum credit risk exposures as of report date (A+B+C+D+E)	**--**	**48.093.489**	**--**	**1.348.654**	**34.125.617**	**326**
- Secured part of maximum credit risk exposure via collateral etc.	--	--	--	--	--	--
A. Net book value of the financial assets that are neither overdue nor impaired	--	48.093.489	--	1.348.654	34.125.617	326
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)	--	--	--	--	--	--
- Impairment asset (-)	--	--	--	--	--	--
- Net, secured part via collateral etc	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	--	--	--	--	--

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

Financial Risk Factors (Continued)

The imposed credit risk by financial instrument (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 31 March 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	26.813.295	32.730.434	14.897.330	10.324.059	7.509.045
Other financial liabilities	4.093.844	4.093.844	4.093.844	--	--
Trade payables	6.966.691	6.966.691	6.966.691	--	--
Deferred income	35.950	35.950	35.950	--	--
Finance lease obligations	4.293.750	4.293.750	3.652.363	641.387	--
Total	**42.203.530**	**48.120.669**	**29.646.178**	**10.965.446**	**7.509.045**
Liabilities from employee benefits	41.175.038	41.175.038	41.175.038	--	--
Total	**41.175.038**	**41.175.038**	**41.175.038**	**--**	**--**

Maturities accordance with the contract as of 31 December 2024	**Book value**	**Total contractual cash outflow (I+II+III)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years (III)**
Bank loans	21.342.048	29.624.714	4.607.838	13.852.718	11.164.158
Other financial liabilities	6.766.806	6.766.806	6.766.806	--	--
Trade payables	18.285.583	18.285.583	18.285.583	--	--
Finance lease obligations	4.992.064	4.992.064	2.168.350	1.105.109	1.718.605
Total	**51.386.501**	**59.669.167**	**31.828.577**	**14.957.827**	**12.882.763**
Liabilities from employee benefits	27.137.286	27.137.286	27.137.286	--	--
Total	**27.137.286**	**27.137.286**	**27.137.286**	**--**	**--**

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

Financial Risk Factors (continued)

The imposed credit risk by financial instrument (continued):

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.

The Group's interest position table is as follows:

	31 March 2025	**31 December 2024**
Financial instruments with fixed interest		
Financial Liabilities (Note 6)	35.200.889	33.100.918
Cash and Cash Equivalents (Note 5)	(12.027.139)	(34.125.943)

30. EVENTS AFTER THE REPORTING DATE

None.