FİNANSAL KURUMLAR BİRLİĞİ

1 January - 31 December 2024
Financial Statements and Independent Auditors' Report
(Convenience Translation Into English Of Independent Auditor's Report Originally Issued In Turkish)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

To the Board of Directors
Finansal Kurumlar Birliği
Audit of The Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Finansal Kurumlar Birliği ("the Group"), which comprise the consolidated statements of financial position as of December 31, 2024, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Turkish Accounting Standards ("TAS").

Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics published by the Public Oversight Accounting and Auditing Standards Authority. We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

In accordance with the decision of the Bankacılık Düzenleme ve Denetleme Kurulu (BDDK) dated December 12, 2023 and numbered 10744, Finansal Kurumlar Birlik Şirketi has not been subject to inflation adjustment under TMS 29. Accordingly, inflation adjustments as required by TMS 29 have not been applied in the preparation of the financial statements as of December 31, 2024 (Note 2.3).

It was decided that we did not have a key audit matter to report in our report.

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

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

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

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

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

In independent audit, the responsibilities of us as independent auditors are as follows:

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

As part of an audit in accordance with the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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

B. Reports on Independent Auditor's Responsibilities Arising from Other Regulatory Requirement

1) Pursuant to subparagraph 4, Article 402 of "TCC", no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2024 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.

2) Pursuant to subparagraph 4, Article 402 of "TCC", the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Zekeriya Çelik is the auditor responsible for conducting and finalizing this independent audit.

Yeditepe Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.
(Associate Member of Praxity AISBL)

T.C.
1923

Zekeriya Çelik
Partner, YMM
27 May 2025, İstanbul

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(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

		Audited	*Audited*
ASSETS	**Not**	**31 December 2024**	**31 December 2023**
Current Assets		**106.038.275**	**96.331.680**
Cash and Cash Equivalents	4	97.128.721	90.457.488
Trade Receivables	6	8.417.972	5.711.523
Other Receivables	7	--	170
Prepaid Expenses	8	491.582	162.499
Non-Current Assets		**30.782.215**	**32.410.828**
Subsidiaries	5	8.288.186	11.966.400
Tangible Assets	11	10.936.538	4.856.683
Intangible Assets	12	10.910.617	13.363.112
Prepaid Expenses	8	426.774	1.376.476
Deferred Tax Assets	22	220.100	848.157
TOTAL ASSETS		**136.820.490**	**128.742.508**

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

FİNANSAL KURUMLAR BİRLİĞİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

LIABILITIES	**Not**	*Audited* **31 December 2024**	*Audited* **31 December 2023**
Current Liabilities		**44.815.283**	**36.831.427**
Short Term Lease Liabilities	10	5.020.581	1.140.711
Trade Payables	6	6.742.090	8.237.121
Other Payables	7	2.127	--
Employee Benefit Obligations	14	2.019.018	1.575.012
Deferred Income	8	25.491.701	21.952.823
Income Tax Payable	22	522.495	423.508
Short Term Provisions for Employee Benefits	15	3.458.665	2.479.903
Other Liabilities	9	1.558.606	1.022.349
Non-Current Liabilities		**7.831.188**	**5.064.444**
Long Term Lease Liabilities	10	3.353.619	556.032
Provision for Employee Termination Benefits	16	4.477.569	4.508.412
Equity		**84.174.019**	**86.846.637**
Other Comprehensive Income Items not to be Reclassified to			
-Actuarial loss arising from employee benefits		(3.010.628)	(2.621.079)
Restricted Reserves		102.236	102.236
Retained Earnings		89.365.480	91.912.689
Net Profit for the Year		(2.283.069)	(2.547.209)
TOTAL LIABILITIES		**136.820.490**	**128.742.508**

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

FİNANSAL KURUMLAR BİRLİĞİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONS AS AT 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

	Not	*Audited* **1 January - 31 December 2024**	*Audited* **1 January - 31 December 2023**
Profit or Loss			
Sales	17	156.667.747	145.831.047
Cost of Sales (-)	17	(61.807.821)	(54.142.983)
Gross Profit		**94.859.926**	**91.688.064**
General Administrative Expenses (-)	18	(102.075.747)	(88.451.138)
Other Operating Income	19	262.789	957.522
Other Operating Expense (-)	19	(715.102)	(1.018)
Operating Loss		**(7.668.134)**	**4.193.430**
Income from Investing Activities	20	30.391.487	25.919.003
Operating Profit Before Financial Expenses		**22.723.353**	**30.112.433**
Financing Expenses (-)	21	(2.302.463)	(966.284)
Monetary loss / gain	23	(21.249.168)	(30.830.508)
Loss Before Tax		**(828.278)**	**(1.684.359)**
Tax Expense		**(1.454.791)**	**(862.850)**
- Current Tax Expense	22	(1.179.325)	(2.840.001)
- Deferred Tax Income/ (expense)	22	(275.466)	1.977.151
Loss For the Year		**(2.283.069)**	**(2.547.209)**
Other Comprehensive Income / (Expense)		**(389.549)**	**(459.021)**
Other comprehensive income items not to be reclassified to			
– Actuarial Loss from Employee Benefits		(297.663)	(492.465)
– Tax Effect of Actuarial Loss from Employee Benefits		(91.886)	33.444
Total Comprehensive Income		**(2.672.618)**	**(3.006.230)**

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

FİNANSAL KURUMLAR BİRLİĞİ
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Acturial Gain / Loss	Restricted Reserves	Retained Earnings	Net profit for the Year	Total Equity
Balance as of 1 January 2023	**(2.162.058)**	**102.236**	**108.125.427**	**(16.212.738)**	**89.852.867**
Transfers	--	--	(16.212.738)	16.212.738	**--**
Net profit for the period	(459.021)	--	--	(2.547.209)	**(3.006.230)**
Balance as of 31 December 2023	**(2.621.079)**	**102.236**	**91.912.689**	**(2.547.209)**	**86.846.637**
Balance as of 1 January 2024	**(2.621.079)**	**102.236**	**91.912.689**	**(2.547.209)**	**86.846.637**
Transfers	**--**	**--**	(2.547.209)	2.547.209	**--**
Net profit for the period	(389.549)	**--**	**--**	(2.283.069)	**(2.672.618)**
Balance as of 31 December 2024	**(3.010.628)**	**102.236**	**89.365.480**	**(2.283.069)**	**84.174.019**

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

FİNANSAL KURUMLAR BİRLİĞİ
STATEMENT OF CONSOLIDATED CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

	Note	Audited 1 Jan.- 31 Dec. 2024	Audited 1 Jan.- 31 Dec. 2023
A. Cash Flows From (Used In) Operating Activities		**(3.824.789)**	**(37.850.915)**
Loss for The Year		(2.283.069)	(2.547.209)
Adjustments to Reconcile Profit for The Period		**(1.541.720)**	**(35.303.706)**
Adjustments for Depreciation and Amortization Expense	11-12	9.733.173	7.405.774
Adjustments for Provisions	15-16	3.095.977	1.886.086
Adjustments for Impairment Loss (Reversal of Impairment Loss)	6	188.956	923.409
Adjustments for Interest Income	20	(27.691.532)	(23.854.502)
Adjustments for Interest Loss	21	2.186.338	868.476
Adjustment Tax Expense	22	1.715.496	124.564
Adjustments for Decrease (Increase) In Trade Receivables	6	(2.706.449)	4.424.883
Adjustments for Decrease (Increase) In Other Receivables Related with Operations	7	170	216.005
Adjustments for Decrease (Increase) In Trade Payables	6	(1.495.031)	972.860
Changes in Due to Employee Benefits	14	444.006	353.834
Changes in Other Liabilities	7	2.127	(72.348)
Adjustments for Deferred Income Operating Payables	8	3.538.878	8.128.926
Adjustments for increase (decrease) In other Operating Payables	7	536.257	282.153
Income Taxes Refund (Paid)	22	(917.839)	(3.821.731)
Adjustments for Non-Cash Items		949.702	4.666.823
Adjustments Related to Monetary (Gains) / Losses		8.878.051	(37.808.918)
B. Cash Flows From (Used In) Investing Activities		**19.701.367**	**20.153.693**
Purchase of Property, Plant and Equipment and Intangible Assets	10-11-12	(2.286.080)	(1.101.736)
Cash Inflows from Financial Investments	20	21.987.447	21.255.429
C. Cash Flows From (Used In) Financial Activities		**(5.268.131)**	**(3.293.102)**
Cash Outflows Related to Lease Obligations (-)	11-12	(5.268.131)	(3.293.102)
D.Net Increase/(Decrease) In Cash and Cash Equivalents Before Currency Translation Differences		**(7.693.765)**	**30.898.707**
Net Increase (Decrease) in Cash and Cash Equivalents	**4**	**2.914.682**	**9.908.383**
E. Cash and Cash Equivalents at The Beginning of The Per	**4**	**88.509.954**	**78.601.571**
Cash and Cash Equivalents at The End of The	**4**	**91.424.636**	**88.509.954**

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

1. THE GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

The Group's Organization:

According to Article 40 of the Financial Leasing, Factoring and Financing Companies Law No. 6361, The Association is a professional organization that has a legal entity and is a public institution with publication of the Association Status ("Status") in the Official Gazette on 25 July 2013. In accordance with the relevant articles of Law No. 7292, which came into force after being published in the Official Gazette dated 7 March 2021, the name of Law No. 6361 was changed to "Financial Leasing, Factoring, Financing and Savings Financing Companies Law", and the title of the Association was changed to" Association of Financial Institutions".

According to the law provisions, all financial leasing, factoring and financing companies that operate in Turkey, as of the date they receive permission to operate, have to join the Association within one month, comply with the provisions of the Status, and must implement the decisions taken by the Association's competent bodies.

To assist realization of the objective of the Association pursuant to decision of the Board of Directors dated 7 January 2014, 2014/2, 2014/3 and 2014/4 and to generate permanent income for the Association, it was decided to establish three commercial enterprises (Subsidiaries) with the following titles in accordance with the provisions of the Law.

1. Finansal Kurumlar Birliği Finansal Kiralama İktisadi İşletmesi
2. Finansal Kurumlar Birliği Ticaret Finansmanı İktisadi İşletmesi
3. Finansal Kurumlar Birliği İktisadi İşletmesi

Finansal Kurumlar Birliği "The Association of Financial Institutions" ("the Association") is operating in Turkey and located in Esentepe Mahallesi, Büyükdere Caddesi, Bahar Sokak, No:13 River Plaza Kat:18 Ofis No: 48-49 34394 Şişli, İstanbul, Turkey.

As of the balance sheet date the number of personnel of the Association is 26 (31 December 2023: 26).

1. THE GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Subject of activity:

Association is a professional organization that has a legal personality established in accordance with the Law and is a public institution.

Within the framework of free market economy and full competition principles and in line with regulation principles and rules of the industry, the aim of the Association is to defend the rights and interests of the companies, to work for the sectors' growth, trusted work and the development of relevant professions, and for raising the competitiveness.

The Group's performs the following tasks to accomplish this aim:

a) Create policies for the development of sectors and relevant professions and take decisions,
b) Determine the professional principles and standards that companies have to comply,
c) To provide the companies to work in the unity, dignity and discipline that the profession requires according to the needs of the economy, by determining the principles and ethics of the profession,
d) Inform the companies about the decisions taken by relevant legislation and by the Agency and the measures,
e) Take the necessary measures to protect the competitive environment,
f) Represent the sectors in the country and abroad to promote and to make efforts to enlighten the public on this issue
g) Transfer the information which is collected through the economy, the financial sector and domestic and international developments in their system by monitoring; to its members and relevant persons,
h) Giving advices to official authorities and organizations about the issues of the companies and sectors,
i) Take decision that will strengthen professional solidarity relations between the companies,
j) Ensure the cooperation on joint projects between the members,
k) Collect the companies' and sectors' non confidential statistics and announce to public,
l) Follow up the regulations related to the sectors and to publicize these regulations to companies,
m) Identify the principles to be followed in advertisements and announcements of the companies under the relevant legislation,
n) Follow up the implementation of the decisions and measures and decide to administrative penalty about the companies do not exactly comply with these totally and on time, within the context of the law,
o) Organize seminars symposiums, conferences and such education programs on issues related to industry,
p) Litigate about the common interests of the companies according to the Board of Directors' decision,
q) Take the measures which are required to be taken by the Agency,
r) Determine the principles and procedures related to the registration of lease contracts to the special registry, by taking the relevant opinion of the Board,
s) Consolidate the information about the assigned receivables including the invoice information of the factoring companies and banks with approval of the Association under the consideration of the Risk Center, determine the procedures and principles about sharing the information,
t) Impose disciplinary penalties in accordance with the law, relevant legislation and this Status and to make arrangements in this regard,

NOTE 1-THE GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Subject of activity (Continued)

u) Become a member or to participate as a shareholder in national or international financial, economic and professional institutions, organizations or partnerships within the framework of the relevant legislation,
v) Represent the Association in institutions or organizations of which the Association is a member and a shareholder,
w) Ensure the flow of information between the members and the Association, and vice versa, within the requested framework,
x) Undertake activities to resolve the conflict between the parties by evaluating the complaints made about the members who have been submitted to the Association through all kinds of channels, including the complaints platform,
y) Carry out other tasks given by the legislation.

Finansal Kurumlar Birliği Finansal Kiralama İktisadi İşletmesi was established on 27 February 2014. The Financial Leasing Commercial Enterprise's purpose and scope are as follows:

a) Making necessary investments according to Financial Leasing, Factoring, Financing and Saving Financing Companies Law numbered 6361, Articles 21 and 22 for the establishment of the system related to registration process,
b) Making operational and personnel expenses for the system to be run on a regular basis,
c) Performing all kind of activities in order to generate service revenue from registration process,
d) Organizing trainings, conferences, publications and consulting activities regarding the registration process,
e) Investing the revenue collected as a result of financial activities and depositing the revenue to the bank accounts that are deemed appropriate, being authorized for such actions,
f) Signing of financial leasing contracts to be signed by financial leasing companies with their customers, making transactions regarding the receipt of guarantees within the scope of the contract, valuation and on-site supervision of the goods subject to the financial lease or the guarantee received in this context, assembly, transportation, storage and sale of goods returned to financial leasing companies from their tenants, financial leasing companies realizing the activities of determining whether the companies that sell the contracted goods to the leasing companies are production adequacy and/or whether they are authorized dealers, or coordinating the realization by a third party;
g) Producing, developing, processing, reproducing, distributing, trading, and providing services related to software products that are software or inseparable parts of them, and service packages created with this software and any other similar software.

NOTE 1-THE GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Subject of activity (Continued)

Finansal Kurumlar Birliği Ticaret Finansmanı İktisadi İşletmesi was established on 27 February, 2014. The Entity's purpose and scope are as follows:

a) Making required investments in order to establish the system on which the information regarding transferred receivables including the data of invoices will be consolidated; as it is mentioned in article 43, titled as Central Invoice Recording', of Financial Leasing, Factoring and Financing Companies Law numbered 6361;
b) Making operating and personnel expenses for the system to be run on a regular basis,
c) Achieving service revenue related to the registration process that is performed in order for the system to operate in a well-ordered manner by performing any kind of activity, and collecting their fees,
d) Generating revenue via organizing training and consultancy activities like seminars and conferences about system operations,
e) Claiming extra fee, in case the information which is demanded by the Association members and banks is not provided in a full anal timely manner,
f) Providing revenue on books, magazines and all kind of publications related to Central Invoice Recording System,
g) Generating income is other activities performed according to the regulations to be published in accordance with the Financial Leasing, Factoring and Financing Companies Law numbered 636.1, Article 43 with the title Central Invoice Recording,
h) Investing the revenue collected as a result of its financial activities, and depositing the Revenue to the bank accounts that are deemed appropriate, being authorized for such actions,
i) Acting as a private integrator within the scope of the Tax Procedure Law General Notification numbered 421,
j) Providing electronic invoice storage services under the Tax Procedure Law General Notification numbered 416, 421 and 424,
k) Providing "e-Archives" service under the Tax Procedure Law General Notification numbered 433,
l) Manufacturing, developing, handling and reproducing software in every kind of physical and electronic atmosphere, trading of them and acting as a service provider for them which are electronic invoicing, electronic books, electronic invoice software derived from or an integrated part of mentioned software and the service packages consisting of this software,
m) Producing services on internet, communication medium and all kinds of informatics and exporting importing domestically trading every kind of computer hardware, software whilst obeying the legislation,
n) Maintaining, repairing, modifying and leasing the mentioned hardware and software, performing activities for software development and licensing, importing, exporting and domestically trading the related hardware and software.
o) Providing service for establishing and operating of computer systems,
p) Organizing seminars, symposiums, conferences and such education and consulting services on issues related to the activities and services within the Ticaret Finansmanı İktisadi İşletmesi, and generating income in return.

NOTE 1-THE GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Subject of activity (Continued)

Finansal Kurumlar Birliği İktisadi İşletmesi was established on 24 March 2014. The Commercial Enterprise's purpose and scope are as follows:

a) Conducting activities related to the expansion and development of the financial leasing, factoring financing, asset management and saving financing companies in Turkey,
b) Conducting and promoting studies and research regarding financial leasing, factoring, financing, asset management and saving financing companies in order to provide highest level of service and quality,
c) Making necessary investments for the establishment of the systems for certification, training, testing and evaluation of the creation and development of human resources of the sectors,
d) Making operational and personnel expenses for the system to be run on a regular basis,
e) Preparing and implementing educational programs in order to increase the number of specialized staff in the sectors and promoting related sectors,
f) Organizing required promoting in order to ensure enhancing the sector mage to the highest level, publishing books, magazines and brochures, preparing video band, CD, DVD etc., to taking ads related to thefts, assuming, importing and selling the publication lights of related books, to make periodical and now-periodical publications, organizing seminars, symposiums, and conferences with technicality, organizing training courses towards the training of personnel working at member institution and other entities,
g) Organizing various events, including dinner meetings to improve the feeling of social solidarity among employees of the Association's members companies,
h) Engaging activities in the areas which focus on generating revenue front services within the area of its activity.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

The consolidated financial statements and disclosures have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) promulgated by the Public Oversight Accounting and Auditing Standards Authority (POA).

The Group maintain their books of accounts and prepare their statutory financial statements on the basis of Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey. These financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Accounting Standards and the format specified in the Guidelines for Use issued by POA.

The consolidated financial statements have been prepared on a historical cost basis.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Additional paragraph for convenience translation to English:
The accounting principles described in Note 2 (defined as Turkish Accounting Standards/ Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosures requirement of the POA.

Approval of Financial Statements
The consolidated financial statements as of December 31, 2024 have been approved by the Board of Directors. The General Assembly is authorized to amend the consolidated financial statements.

2.2 Functional and Presentation Currency

Functional and presentation currency of the Group is Turkish Lira ("TL").

2.3 Inflation Accounting

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

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2023, on the purchasing power basis as of December 31, 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Inflation Accounting (Continued)

Adjustments for inflation have been calculated based on the coefficients calculated using the Consumer Price Index in Turkey published by the Turkish Statistical Institute. As of December 31, 2024, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
31 Aralık 2024	2.684,55	1
31 Aralık 2023	1.859,38	1,44379
31 Aralık 2022	1.128,45	2,37897

The main lines of TAS 29 indexation transactions are as follows:

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Basis of Consolidation

The accompanying financial statements include the accounts of the parent company and its subsidiary. The basis of consolidated financial statement preparation is as follows:

- The Subsidiary is a company in which the Company has the power to control the financial and operating policies for the benefit of the Company either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself; or although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- The results of subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition of control or up to the effective date of disposal, as appropriate. Where necessary adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with those used by other members of the Group

- The financial statements of subsidiary are consolidated using the full consolidation method. In this context, subsidiary' shareholder's equity and their book value are offsetting. The book value of the Company's shares and dividends that arise from these shares are offsetting from related shareholders and income statement accounts.

- The receivables and liabilities of subsidiary included in consolidation with each other, they are made to each other sales of goods and services, income and expense items with each other is formed due to the transactions are eliminated as a mutual.

- Consolidation of subsidiary under the equity share capital account, including all items of the group, the parent company and subsidiary to minority interests deducted from the amounts accrued and it is indicated under the name of "Non-Controlling Interest" in the consolidated financial position statement equity group.

NOTE 2 – BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Comparative Information and Adjustment of Previous Period Financial Statements

The accompanying financial statements are prepared comparatively with the previous period in order to determine the Group's financial position, performance and trends in cash flow. In order to provide comparability when the presentation or classification of the items in the financial statements changes, prior period financial statements are reclassified accordingly and explanations are made regarding these issues.

2.6 Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial position statement when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.7 New and Revised Turkish Accounting Standards

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

a) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows:

Amendments to TAS 1 – Non-Current Liabilities with Covenants

On December 20, 2022, POA issued amendments to TAS 1 Non-Current Liabilities with Covenants. The amendments set out in 'Non-current Liabilities with Covenants (Amendments to TAS 1)' state that at the reporting date, the entity doesn't need to consider covenants to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. With these changes, aims to help investors understand the risk that such debt could become repayable early and therefore, has improved the information being provided on the long-term debt.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Revised Turkish Accounting Standards (Continued)

a) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows (Continued):

Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8.

A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

Amendments to TMS 7 and TFRS 7 – Supplier Finance Arrangements

On September 19, 2023, POA issued amendments to TMS 7 and TFRS 7 Supplier Finance Arrangements. With these amendments, companies are expected to disclose the following regarding supplier finance agreements:

- The terms and conditions of the arrangements,
- The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement. The carrying amounts, and associated line items, of the financial liabilities for which suppliers have already received payment from the finance providers,
- The range of payment due dates,
- Liquidity risk disclosures.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Revised Turkish Accounting Standards (Continued)

a) The new standards, amendments and interpretations which are effective as at January 1, 2024 are as follows (Continued):

Amendments to TMS 12 Income Taxes – International Tax Reform Pillar Two Model Rules

On September 19, 2023, POA issued amendments to Amendments to TMS 12 Income Taxes - International Tax Reform Pillar Two Model Rules.

With amendments to the International Tax Reform Pillar Two Model Rules, to provide a better understanding of a company's income tax exposure resulting from the Pillar Two Model, additional disclosure obligations have been imposed on companies. As an exception to the requirements in TMS 12, an entity shall neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The exception which are recognized in International Tax Reform Pillar Two Model Rules are applicable immediately however, companies must make disclosures for annual reporting periods beginning on 1 January 2024. The amendments did not have a significant impact on the consolidated financial position and performance of the Group

IFRS S1 General Requirements For Disclosure Of Sustainability-Related Financial Information

Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2 Climate-Related Disclosures

Effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 ve IFRS S2 Scope Application
On December 29, 2023, POA announced that certain Companies will be subject to sustainability reporting as of January 1, 2024. In addition, POA determined the Companies that will be subject to sustainability reporting with the decision dated January 5, 2024 and December 16, 2024.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Revised Turkish Accounting Standards (Continued)

b) Standards Issued But Not Yet Effective and Not Early Adopted as of 31 December 2024

Amendments to IAS 21 - Lack of Exchangeability

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of IAS 21.

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

The following amendments which 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 are issued and become effective under TFRS.

IFRS 18 Presentation and Disclosure in Financial Statements;

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures;

Effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 New and Revised Turkish Accounting Standards (Continued)

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

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

2.8 Changes and Errors in the Accounting Policies and Estimates

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to the future periods, they are applied prospectively both in the period of change and in the future period.

2.9 Going concern

The Group prepared its consolidated financial statements in accordance with the going concern principle.

2.10 Summary of Significant Accounting Policies

The significant accounting policies applied during the preparation of the consolidated financial statements are as follows;

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and time deposits with maturities less than three months. Cash and cash equivalents are short-term highly liquid assets that are readily convertible to cash and that do not have a maturity of more than three months and have no risk of value loss.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Trade receivables

Trade receivables are carried at amortized cost using the effective interest rate method and, if any provision for doubtful receivables, after it is deducted.

Notes and postdated checks classified as trade receivables are carried at their discounted values by discounting them with the effective interest rate method.

Within the scope of TFRS 9, provision for doubtful receivables is recorded as expense. If there is a concrete indication that overdue receivables cannot be collected, provision for doubtful receivables is made considering the collaterals received from the customer. The Company uses the simplified approach in TFRS 9 to calculate the expected credit losses of these financial assets. This method requires the recognition of lifelong expected credit losses for all trade receivables.

Trade payables

Trade and other payables are recorded with the amortized cost which represents the current market value of invoiced or not invoiced amount of future purchases of goods and services.

Tangible assets

The tangible assets are shown as cost of purchasing value less accumulated depletion and permanent depreciation. The historical cost of the tangible asset consists of the purchase price and non-refundable taxes and expenses to make the tangible asset available. The costs of tangible assets in except for land, landed property and construction in progress, are subjected to pro rata depreciation using straight-line method of depreciation based on their expected useful lives. The expected useful life, residual value and method of depreciation are reviewed each and every year for the possible effects of the changes that may occur in the estimations and accounted prospectively in case of a change in the estimations. The estimated useful lives of such assets, are stated as follows:

Type	Useful Lives (Year)
Buildings	4-25
Machinery-plant and equipment	2-16
Furniture and fixtures	2-17

Costs incurred in replacing any part of an item of property, plant and equipment, together with the costs of repair and maintenance, are capitalized if they are likely to increase the future economic benefits of the asset. All other costs are recognized as an expense in the statement of profit or loss as incurred. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and, if the carrying amount of the property, plant and equipment exceeds its recoverable amount, the carrying amount is written down to its recoverable amount.

The recoverable amount is the higher of the net cash flows expected to arise from the current use of the property, plant and equipment and its net selling price.

Gains and losses on disposals of property, plant and equipment are included in other operating income and expenses.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying asset are capitalized as part of the cost of the related qualifying asset. Other borrowing costs are recognized as an expense in the period in which they are incurred

Intangible Assets
Intangible assets are assets consisting of primary rights and computer software, and they were first valued at the purchase price. Intangible assets are capitalized in order to obtain economic benefits in the future and to be able to accurately determine the cost. In the first records, there are intangible assets, accumulated amortization and cost. Intangible assets are subject to linear depreciation at estimated rates.

Impairment of Assets
The Association assesses whether there is any indication of impairment in relation to an asset at each balance sheet date. If there is any such indication, the recoverable amount of that asset is estimated. Impairment occurs if the book value of the said asset or any cash generating unit pertaining to that asset is higher than the amount to be recovered through use or sale. The recoverable amount is found by selecting the higher of its fair value less costs to sell and its value in use. Value in use is the estimated present value of the future cash flows expected to be derived from an asset after its continuous use and disposal at the end of its useful life. Impairment losses are recognized in the statement of profit or loss.

Financial Borrowings
Financial borrowings are recognized initially at the proceeds received, net of transaction costs incurred. The financial borrowings are followed in the consolidated financial statements with their discounted values calculated with effective interest rate. Any difference between the proceeds and redemption value is recognized on an accrual basis over the period of the financial borrowings in the consolidated statement of profit or loss.

Revenue
The Group recognizes revenue when the goods are transferred to the costumer and when performance obligation is fulfilled. Goods are counted to be transferred when the control belongs to to the customers.

The Group recognizes revenue based on the following main principle:

(a) Identification of customer contracts
(b) Idenfication of performance obligation
(c) Determination of transaction price in the contract
(d) Allocation of price to performance obligations
(e) Recognitions of revenue when the performance obligations are fulfilled.

Revenue involves the goods sales invoiced value. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.

Capital and Dividends
Ordinary shares are classified as capital. Dividends distributed on ordinary shares are recognized as a deduction from retained earnings in the period in which they are declared.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Currency Transactions

The foreign currency transactions realized during the year are translated at the exchange rates prevailing on the transaction dates, the monetary items in the asset accounts of the balance sheet are translated over the buying rates, and the monetary items in the liabilities section are converted over the selling rates. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the end of the period. Foreign exchange gains or losses arising from the translation of monetary assets and liabilities denominated in foreign currency are reflected in the profit or loss statement.

31 December 2024	Spot Currency Buying	Spot Currency Selling
USD	35,2223	35,3438
EUR	36,7429	36,8024

Events After the Balance Sheet Date

The events after the date of the Financial statement include all events that occurred between the date of the Financial statement and the date of authorization for the publication of the Financial statement; even if they took place after an announcement on the income for the period or a public disclosure of other selected financial information.

If events that require the adjustment occur after the date of the financial statement, the Association corrects the amounts recognized in the financial statements in compliance with this new situation.

Provisions, Contingent Assets and Liabilities

In order for any amount of provisions to be recognized in the financial statements, the Company is to have a present legal or constructive obligation as a result of past events, it should be probable that an outflow of resources with economic benefits will be required to fulfill this obligation, and a reliable estimate of the amount of the said liability can be made. If the said criteria did not occur, then the Company discloses the said matters in the relevant notes. Contingent assets are not recognized until they are realized and only disclosed in the notes.

Contingent assets are continuously assessed in order for the true representation of the related developments in the financial statements. In the event that the inflow of economic benefit into the operation is almost certain, the relevant asset and the income related thereto are reflected into the financial statements of the term that the change occurred. In the event that the inflow of economic benefit becomes probable, the operation displays the said contingent asset in the notes of the financial statement.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Leases

As a lease
At the beginning of a contract, the Group evaluates whether the contract is a lease or whether it contains a lease. If the contract delegates the right to control the use of the asset defined for a price, for a certain period, this contract is a lease or includes a lease.

Right of use asset
The right of use asset is initially recognized at cost comprising of amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the Group and Costs incurred by the Group in the restoration of the underlying asset to the extent required by the terms and conditions of the lease. The Group applies the depreciation provisions of TAS 16, "Property, Plant and Equipment while depreciating the right of use.

Rent obligations.
At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

As a lessor
The rental income acquired is charged to the statement of profit or loss on a straight-line method basis over the period of the lease.

Statement of Cash Flows
In the statement of cash flows, cash flows in relation to the period are reported as classified on the basis of operating activities, investment activities and financing activities. The cash and cash equivalents in the statement of cash flows include the cash and bank deposits.

Earnings per share
Earnings per share are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year concerned. The companies can increase their share capital by making a pro-rata distribution of their shares ("Bonus Shares") to existing shareholders from retained earnings and allowed reserves. When calculating the earnings per share, these bonus shares are considered as issued shares. Therefore, the weighted average number of shares used in the calculation of the earnings per share is obtained by implementing retrospectively the bonus issuance of the shares.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Investment properties
Buildings and land held to earn rentals or for the capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property. Investment property is recognized as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity and the cost of the property can be reliably measured. Investment property is initially measured at cost, including transaction costs. After initial measurement, investment property is measured under a fair value model or a cost model. Investment properties are carried at cost less accumulated depreciation. Investment properties are depreciated on a straight-line basis (Note 10). The depreciation periods for investment property, which approximate the economic useful lives of such assets, is 50 years. The Group elected to measure investment properties under cost method as the carrying values are expected to approximate the fair values.

Investment properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

Employee Benefits
Payments to defined contribution retirement benefit plans are charged as an expense in the year in which the contributions relate to. Payments made to the Social Security Institution of Turkey and Turkish Republic Retirement Fund are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense in the period to which the employees' service relates. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for any unrecognized past service cost. There is no funding requirement for defined benefit plans. The Group recognizes actuarial gains and losses in the statement of other comprehensive income.

Related Parties
Within the scope of this report, the Company shareholders, affiliates, subsidiaries and other entities than subsidiaries that the Company shareholders are in a capital or administrative relationship directly or indirectly, The Company or administrative personnel such as the member of The Company's board of directors, general manager, etc., authorized and responsible for planning, performance and auditing of the Company operations directly or indirectly, close family members of these persons and companies under direct or indirect control of these persons are considered as the related parties. Transactions with related parties are disclosed in the notes to the financial statement.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Summary of Significant Accounting Policies (Continued)

Taxation on income

Tax liability on current period's profit or loss includes current period tax and deferred tax.

Current Period Tax

Current tax liability includes the tax payable on the taxable income for the period using the tax rates enacted by the balance sheet at the balance sheet date and the tax legislation in effect.

Deferred Tax

Deferred income tax is provided in terms of temporary differences between the carrying amounts of assets and liabilities and their carrying values for financial reporting. The tax value of assets and liabilities represent the amounts that will affect the tax base in the future periods related to the assets and liabilities within the framework of tax legislation. Deferred income tax is calculated at the tax rates that are expected to apply in the period in which the tax asset will be realized or the liability will be realized by taking into consideration the tax rates and tax legislation in effect as of the balance sheet date.

Deferred tax assets or liabilities are reflected to the financial statements at the rate of increase and decrease expected to be incurred in the future taxable period in which the temporary differences will be eliminated. Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be obtained.

Deferred tax assets and deferred tax liabilities are deducted from each other on the condition that they are subject to tax legislation of the same country and there is a legally enforceable right to offset current tax assets from current tax liabilities.

2.11 Critical Accounting Estimates and Assumptions

Useful life:
Tangible and intangible assets are subjected to amortization and depreciation throughout their estimated useful lives.

Provision for doubtful debt
The Group management allocates provision for overdue and collection risk receivables, as well as for receivables at the stage of litigation and execution.

Employment termination benefits:
The provision for employment termination benefits is reduced to its value at the balance sheet date by calculating the personnel turnover rate based on the past year experiences and expectations.

Unused vacation provisions
Provision for vacation pay represents the unused vacation time of the personnel in the related and prior periods.

The estimates used are disclosed in the related accounting policies or notes.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 3 – RELATED PARTIES DISCLOSURES

As of 31 December 2024, and 31 December 2023, there are no benefits provided to senior management from related parties.

NOTE 4 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Cash	11.720	6.618
Banks		
- Time deposits	93.468.263	83.080.392
- Demand deposits	3.648.738	7.370.478
	97.128.721	**90.457.488**

	31 December 2024	31 December 2023
Cash and cash equivalents	97.128.721	90.457.488
Interest accruals (-)	5.704.085	1.947.534
Cash and cash equivalents in the statement of cash flows	**91.424.636**	**88.509.954**

The cash and cash equivalents of the Association as of 31 December 2024 and 2023 are as follows:

As of December 31, 2024, the weighted average annual interest rate of time deposits at banks is between 6.50% and %50.00 (December 31, 2023: between %6.50 and % 46.00) and accrued interest amounting to TL 1.800.174 (December 31, 2023: TL 1.947.534).

Maturity dates of time deposits at banks vary between January 1, 2024 and March 20, 2024 (December 31, 2023: January 1, 2023 and January 2, 2023).

NOTE 5 – FINANCIAL INVESTMENTS

	31 December 2024	31 December 2023
Financial investments		
JCR Avrasya Derecelendirme A.Ş.(*)	5.788.186	8.356.925
Birleşik İpotek Finansmanı A.Ş.(**)	2.500.000	3.609.475
	8.288.186	**11.966.400**

(*) The Group has purchased 59,999 shares with a nominal value of 59,999 TL, representing 6% of the capital of JCR Avrasya Derecelendirme A.Ş., for a total amount of 5,788,186 TL.

(**) The Group has purchased 2,500,000 shares with a nominal value of 2,500,000 TL, representing 5% of the capital of Birleşik İpotek Finansmanı A.Ş. B Group shares, for a total amount of 2,500,000 TL.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOT 6 – TRADE RECEIVABLES AND PAYABLES

The trade receivables and payables of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Trade receivables		
Trade receivables	8.417.972	5.711.523
Provision for doubtful receivables (-)	355.663	544.619
	8.773.635	**6.256.142**

The doubtful trade receivables of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Opening balance 1 January	(544.619)	(1.468.028)
Provision/collected on the current period, net	21.552	62.232
Monetary gain/loss	167.404	861.177
Closing balance as of 31 December 2024	**(355.663)**	**(544.619)**

The trade payables of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Trade payables		
Trade payables (*)	6.742.090	8.237.121
	6.742.090	**8.237.121**

(*) As of December 31, 2024, within the trade payables, there is a commercial debt of 2.112.759 TL related to the Central Registry Agency, with which a contract registration system is being worked, (December 31, 2023: 3.971.316 TL Central Registry Agency), and as of December 31, 2024, there is a commercial debt of 3.220.874 TL within trade payables, classified under a contract with the Kredi Kayıt Bürosu, regarding the receivables transferred by factoring companies and banks within the scope of the Law. This includes the development of software for the consolidation, recording, querying, duplicate control, and reporting of invoice details and other information and/or documents, as well as the establishment of the system and infrastructure to be used by the software, arising from the concluded contract (December 31, 2023: 1.727.690 TL Kredi Kayıt Bürosu).

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 7 – OTHER RECEIVABLES AND PAYABLES

As of December 31, 2024, the Group has no other short-term receivables (December 31, 2023: TL 170).

As of December 31, 2024, the Group has no short-term other payables amounting to TL 2.127 (December 31, 2023: No).

NOTE 8 – PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2024	31 December 2023
Long term prepaid expenses		
Expenses for the following months (*)	299.936	1.376.476
Employee salary advances	120.000	--
Other advances	6.838	--
	426.774	**1.376.476**

Deferred Incomes

As of December 31, 2024, the portion of membership fees and expense share contributions collected from members for the period January 1 - December 31, 2024, has been recorded as revenue, while the portion related to the following year, amounting to 25.491.701 TL, has been accounted for as deferred revenue. (December 31, 2023: 21.933.708 TL, consisting of the portions of membership fees and expense share contributions collected from members that pertain to the following period, and 19.115 TL of advance payments received).

NOTE 9 – OTHER SHORT-TERM LIABILITIES

Other short-term periods of the Group on 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Other short-term liabilities		
VAT payables	1.558.606	1.022.349
	1.558.606	**1.022.349**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 10 – FINANCIAL BORROWINGS

The financial borrowings of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Short-term lease liabilities		
Lease liabilities	5.020.581	1.140.711
	5.020.581	**1.140.711**

	31 December 2024	31 December 2023
Long-term lease liabilities		
Lease liabilities	3.353.619	556.032
	3.353.619	**556.032**

The company reports its real estate leases under the "financial borrowings" category as "liabilities arising from financial lease transactions" in the liabilities section, in accordance with the TFRS 16 standard.

The lease agreement subject to TFRS 16 calculations is for a period of 5 years, from January 1, 2019, to December 31, 2024, with the right to terminate the contract with a 4-month prior notice. The agreement has been verbally extended for 2023, and the calculations for the remaining 1 year as of December 31, 2024, have been added to the reporting.

NOTE 11 – TANGIBLE ASSETS

	1 January 2023	Additions	Monetary Gain/loss	31 December 2023	Additions	Disposals	Monetary Gain/loss	31 December 2024
Cost								
Furniture and fixtures	7.555.160	1.045.138	(371.918)	8.228.380	1.666.910	--	(713.968)	9.181.322
Leasehold improvements	3.378.695	--	(907.712)	2.470.983	--	--	(630.284)	1.840.699
Right-of-use assets	16.976.065	3.585.260	--	20.561.325	11.378.968	(4.498.151)	11.378.968	(4.498.151)
	27.909.920	**4.630.398**	**(1.279.630)**	**31.260.688**	**13.045.878**	**(4.498.151)**	**(3.340.486)**	**36.467.929**
Accumulated depreciation								
Furniture and fixtures	4.571.218	1.098.431	--	5.669.649	1.255.223	--	(409.453)	6.515.419
Leasehold improvements	3.378.695	--	--	3.378.695	--	--	(630.284)	2.748.411
Right-of-use assets	13.910.416	3.445.245	--	17.355.661	5.406.285	(4.498.151)	(1.996.234)	16.267.561
	21.860.329	**4.543.676**		**26.404.005**	**6.661.508**	**(4.498.151)**	**(3.035.971)**	**25.531.391**
Net book value	**6.049.591**				**4.856.683**			

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 12 – INTANGIBLE ASSETS

Movements in intangible assets and related accumulated depreciation for the periods ending on 31 December 2024 and 2023 are as follows:

	1 January 2023	Additions	31 December 2023	Additions	31 December 2024
Costs					
Rights	28.130.396	56.597	28.186.993	61.923	28.248.916
Other intangible assets	947.497	--	947.497	557.247	1.504.744
	29.077.893	**56.597**	**29.134.490**	**619.170**	**29.753.660**
Accumulated depreciation					
Rights	12.342.424	2.704.601	15.047.025	2.409.297	17.456.322
Other intangible assets	566.856	157.497	724.353	662.368	1.386.721
	12.909.280	**2.862.098**	**15.771.378**	**3.071.665**	**18.843.043**
Net book value	**16.168.613**		**13.363.112**		**10.910.617**

NOTE 13 – OTHER CURRENT ASSETS

	31 December 2024	31 December 2023
Other current assets		
Deferred VAT receivables	491.582	162.499
	491.582	**162.499**

NOTE 14 – EMPLOYEE BENEFITS

As of 31 December 2024 and 2023, the debts of the Group within the scope of employee benefits are as follows;

	31 December 2024	31 December 2023
Taxes and funds payable for personnel	--	2.538
Due to personnel	2.019.018	1.572.474
	2.019.018	**1.575.012**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As of 31 December the movement of the provision for unused vacation is as follows:

15.1 Short term debt provisions

	31 December 2024	31 December 2023
Short term debt provisions for employee	3.458.665	2.479.903
	3.458.665	**2.479.903**

As of 31 December 2024 and 31 December 2023, the movement table of short term debt provisions for employee is as follows:

	31 December 2024	31 December 2023
Balance at January 1	**2.479.903**	**2.482.703**
Provision during the period	1.741.031	1.541.442
Monetary gain/loss	(762.269)	(1.544.242)
Provision as of the end of the period	**3.458.665**	**2.479.903**

15.2 Guarantees given/received

As of 31 December 2024, the Group has given a guarantee amounting to TL 969.342, and the related guarantee has been issued in favor of Özdilek AVM, from which the Group has leased real estate.

The Group has no guarantees received.

NOTE 16 – EMPLOYEE BENEFITS

Within the framework of the existing laws in Turkey, the Association is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or completes a total of 20 years of service for women and 25 years for men or achieves the retirement age. Monthly severance pay ceiling should not be exceeded in the calculations. The employment termination benefits to be paid as of the date of 31 December 2024 is calculated over the monthly severance pay ceiling of TL 46.655,43, valid starting from 1 January 2024 (31 December 2023: TL 35.058,58). The employment termination benefits liability is not subject to any legal funding.

Employment termination benefits liability is calculated according to the estimated present value of the potential future liability arising out of the retirement of the Association employees. TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed in order to estimate the liabilities of the company under defined benefit plans. Accordingly, actuarial assumptions that were used in the calculation of the total liabilities are specified below.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 16 – EMPLOYEE BENEFITS (Continued)

The basic assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. In the accompanying financial statements as at 31 December 2024, the provisions have been calculated through estimating the present value of the potential future liabilities arising out of the retirement of the employees.

The provisions as at 31 December 2024 are calculated with a real discount rate of 3,12 %, based on the assumption of an annual inflation rate of 21,05% and a discount rate of 24,90%. (31 December 2023: 3,18 % real discount rate) The estimated ratio of the amounts of employment termination benefits to be retained by the Association as they are not paid due to voluntary leaves of employment is also taken into consideration.

The movement of the account for the provision for employment termination benefits of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Balance at 1 January	**4.508.412**	**4.698.121**
Payments	(543.539)	(474.580)
Interest cost	99.315	89.046
Current service cost	808.164	823.362
Actuarial (gains) / losses	991.006	1.218.787
Inflation adjustment effect	(1.385.789)	(1.846.324)
Balance at 31 December	**4.477.569**	**4.508.412**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 17 – REVENUE AND COST OF SALES

As the revenues of the Group are included in Article 23 of the Statute; It consists of union and sector expense participation shares, entrance fees and profit shares that can be distributed by economic enterprises. The details of income for the periods ending on 31 December 2024 and 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Revenue		
MFKS, Private Integratorship and TFZS Revenues	28.314.275	27.017.987
Joint Data Center Revenues	36.166.827	29.426.454
Union Cost Participation Share	34.307.085	22.006.748
Union Entry Fee	19.297.475	29.824.520
Registration Fee Revenues	7.666.667	5.852.162
Financing Companies Cost Participation Share	6.860.000	4.504.625
Savings Financing Companies Cost Participation Share	6.028.333	4.759.695
Asset Management Companies Cost Participation Share	5.075.000	3.891.014
Financial Leasing Companies Cost Participation Share	4.378.333	3.190.776
Additional Cost Participation Share	3.248.000	4.269.085
Factoring Companies Cost Participation Share	--	628.049
Other Revenues	5.400.266	10.482.594
	156.742.261	**145.853.709**
Sales Returns	(74.514)	(22.662)
Net Sales	**156.667.747**	**145.831.047**
Cost of Sales	**61.807.821**	**54.142.983**

	1 January – 31 December 2024	1 January – 31 December 2023
Depreciation expenses		
Cost of sales	3.596.266	3.086.852
General and administrative expenses	6.136.907	4.318.922
	9.733.173	**7.405.774**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 18 – GENERAL ADMINISTRATIVE EXPENSES

	1 January – 31 December 2024	1 January – 31 December 2023
General administrative expenses		
Personnel expenses	75.845.652	59.167.461
Depreciation expenses	6.136.907	4.318.922
Donations expenses	3.852.675	3.916.777
Consulting service expenses	3.376.090	2.127.375
External benefits and services	3.216.858	3.876.209
Conference organization expenses	2.476.277	1.887.146
Dues and general office expenses	2.283.912	2.371.321
Membership expenses	2.110.662	2.007.942
Promotion and advertising expenses	370.242	174.433
Representation and entertainment expenses	--	5.516.813
Other expenses	2.406.472	3.086.739
	102.075.747	**88.451.138**

NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January – 31 December 2024	1 January – 31 December 2023
Other income		
Doubtful receivables cancellation income	21.552	417.007
Account foreign exchange gains	97.282	422.957
Other income	143.955	117.558
	262.789	**957.522**

	1 January – 31 December 2024	1 January – 31 December 2023
Other expenses		
Provisions for doubtful receivables	715.102	--
Other expenses	--	1.018
	715.102	**1.018**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 20- INCOME/ EXPENSE FROM INVESTING ACTIVITIES

The income from investment activities of the Group as of January 1, December 31, 2024 and 2023 is as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Income from investing activities		
Interest income	27.691.532	23.854.502
Dividend income	2.699.955	1.949.085
Foreign exchange income	--	115.416
	30.391.487	**25.919.003**

NOTE 21 – FINANCING EXPENSES

The financial expenses of the Association as of January 1, December 31, 2024 and 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Finance expenses		
Interest expenses	2.186.338	868.476
Other financial expenses	116.125	97.808
	2.302.463	**966.284**

NOTE 22 – INCOME TAXES

Corporate tax

The required provisions are reserved in the accompanying financial statements for the estimated tax liabilities with regard to the current period operating results of the Group.
The Group and its subsidiaries resident in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax is payable in one installment until the end of the fourth month following the end of the accounting period to which it relates.

With the Law (Law No. 7456) published in the Official Gazette dated July 15, 2023, "Law on Additional Motor Vehicles Tax and Amendments to Certain Laws and Decree Law No. 375 for the Compensation of Economic Losses Caused by the Earthquakes Occurring on February 6, 2023", the corporate tax rate was increased from 20% to 25% and the new rate entered into force to be applied as of the 3rd provisional tax period of 2023 (25% in 2023 and 23% in 2022).

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 22 – INCOME TAXES (Continued)

Corporate tax (Continued)

Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

The corporate tax liabilities reflected to the balance sheet of the Group as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Corporate tax provision	1.179.325	2.840.001
Prepaid taxes and funds	(656.830)	(2.416.493)
Corporate tax payable	**522.495**	**423.508**

The corporate tax liabilities reflected to the statement of profit of loss of the Company as of 1 January-31 December 2024 and 2023 are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Current corporate tax	(1.179.325)	(2.840.001)
Deferred income tax benefit / (expense)	(275.466)	1.977.151
Corporate tax income/(expenses)	**(1.454.791)**	**(862.850)**

The reconciliation of the tax expense of the period with the income for the period is as follows:

Profit before tax	**(828.278)**	**(1.684.359)**
Tax calculated	(207.070)	(421.090)
Tax effect of the legally disallowable expenses	(424.204)	(198.953)
Effect of inflation adjustments	(6.689)	(958.926)
Impact of tax-exempt income	3.837.689	4.328.033
Other	(4.654.517)	(3.611.914)
Tax provision	**(1.454.791)**	**(862.850)**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 22 – INCOME TAXES (Continued)

Deferred Tax

The Group accounts for the deferred tax assets and liabilities for the temporary timing differences resulting from the differences between the statutory financial statements that set the basis of the tax and the financial statements prepared according to TFRS. The said differences in general result from the financial statements that set the basis of the tax, as well as their being in different periods in the financial statements prepared according to TFRS, and these differences in question are specified below. The calculation of deferred tax assets and liabilities is based on tax rates of 25% for the year 2024 and other years, which are expected to be applied in the periods when the assets are converted to income or when the liabilities are paid.

	Cumulative differences		Deferred Assets/(Liabilities)	
	31 December 2024	**31 December 2023**	**31 December 2024**	**31 December 2023**
Right of use assets adjustments effect	(461.310)	(513.565)	(115.328)	(128.391)
Tangible and intangible assets adjustments effect	415.766	2.712.177	103.942	678.044
Provision for employee termination benefits	512.987	926.955	128.247	231.739
Unused vacations adjustments effect	500.946	394.098	125.237	98.525
Allowances for doubtful receivables	(87.989)	(127.038)	(21.998)	(31.760)
Deferred tax assets			357.426	1.008.308
Deferred tax liabilities (-)			(137.326)	(160.151)
Deferred tax assets, (liabilities) net			**220.100**	**848.157**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 22 – INCOME TAXES (Continued)

	31 December 2024	31 December 2023
Balance on 1 January	848.157	(1.900.719)
Deferred tax income / (expense)	(275.466)	1.977.151
Reflected to equity	(91.886)	33.444
Effect of inflation adjustments	(260.705)	738.281
	220.100	**848.157**

NOTE 23 - NET MONETARY POSITION GAINS/(LOSSES)

The details of the Group's net monetary position gains (losses) arising from non-monetary financial statement items reported in the statement of profit or loss as of December 31, 2024 are as follows:

Gains (Losses) on Net Monetary Position	31 December 2024
Statement of Financial Position Items	**(21.314.076)**
Capital Adjustment Differences	(1.068.958)
Tangible Fixed Assets	4.740.056
Prepaid Expenses	50.844
Retained Earnings	(26.399.884)
Right of Use Assets	1.282.971
Gain (Loss) on Remeasurement of Defined Benefit Plans	112.320
Restricted Reserves	(31.425)
Profit or Loss Statement Items	**64.908**
Revenue	(9.759.457)
Cost of Sales (-)	7.258.177
General Administrative Expenses (-)	3.673.510
Other Operating Income	(31.304)
Other Operating Expenses (-)	216
Income from Investing Activities	(789.135)
Finance Income	(354.765)
Finance Expenses (-)	67.666
Net monetary position gains (losses)	**(21.249.168)**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

The Group is exposed to the following risks depending on the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The risk management program of the Association generally focuses on minimizing the potential negative effects of uncertainty in financial markets on the Association's financial performance.

Risk management is carried out by the finance department within the framework of policies approved by the board of directors. Finance department, together with the operational units of the Association, to determine financial risks.

Credit risk

Credit risk is the risk of failure by a party among those who made investment on a financial instrument to fulfill its liabilities, incurring financial losses to the other party. The Group manages the credit risk by restricting its transactions with certain third persons and continuously reviewing the credit risks of third persons. The credit risk of the company results predominantly from its trade and other receivables.

The Group's financial instruments exposed to credit risk and their amounts are as follows:

	31 December 2024	**31 December 2023**
Cash and cash equivalents (excluding cash in hand)	97.117.001	90.450.870
Trade receivables	8.417.972	5.711.523
Other receivables	--	170
	105.534.973	**96.162.563**
Secured with guarantees part of maximum credit risk	**--**	**--**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Financial risk management

Liquidity risk

Liquidity risk is the possibility of the failure to perform net funding liabilities by the Association. The Association management manages the liquidity risk by distributing the funding sources and making available enough cash and equivalent resources to fulfill its possible obligations.

The liquidity risk table of the Group's is as follows:

31 December 2024	Book Value	Contractual cash outflow totals	Between 3-12 months	More than a year
Contractual cash flows				
Lease liabilities	8.374.200	8.374.200	5.020.581	3.353.619
Trade payables	6.742.090	6.742.090	6.742.090	--

31 December 2023	Book Value	Contractual cash outflow totals	Between 3-12 months	More than a year
Contractual cash flows				
Lease liabilities	1.696.743	1.696.743	1.140.711	556.032
Trade payables	8.237.121	8.237.121	8.237.121	--

Financial Assets

The carried values of the cash and cash equivalent financial assets are thought to be close to their current values. The carried values of trade receivables after the deduction of doubtful receivables are thought to be close to their current values. The monetary items in foreign currency are converted using the exchange rates as at the end of the period. Financial assets are accounted for over their fair value.

Market Risk

Market risk is the risk that changes in currency exchange rates, interest rates, or the prices of instruments traded in capital markets may affect the Company's income or the value of its financial assets. Market risk management aims to optimize returns while controlling exposure to market risk within acceptable limits.

Currency Risk

As of December 31, 2024 and December 31, 2023, the Company does not have any monetary assets or liabilities denominated in foreign currencies.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL as of 31 December 2024, unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Risk

In its capital management, the Company monitors the debt-to-equity ratio in line with other companies in the sector. This ratio is calculated by dividing net debt by total equity.

	31 December 2024	31 December 2023
Total debt	52.646.471	41.895.871
Less: Cash and cash equivalents (Note 4)	(97.128.721)	(90.457.488)
Net Debt	**(44.482.250)**	**(48.561.617)**
Total equity	84.174.019	86.846.637
Total capital	**128.656.269**	**135.408.254**
Debt / Capital Ratio	**(0,3457)**	**(0,3586)**

Financial Liabilities

The monetary items in foreign currency are converted using the exchange rates as at the end of the period. The trade payables and other monetary liabilities, as they are short-term liabilities, are accepted to have current values close to their carried values. On the other hand, the carried values of the short-term credits, due to their short term, are assumed to reflect the current value.

NOTE 25 – EVENTS AFTER THE BALANCE SHEET DATE

None.

NOTE 26 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR'S

1) The independent audit fee expense of the Group for the reporting period ending on 31 December 2024 is 240.000 TL (31 December 2023: 190.580 TL).

2) In the reporting period ending on 31 December 2024, there is no other service other than the independent audit of the financial statements received from the independent audit firm.

NOTE 27– OTHER ISSUES

None.