



2023 ANNUAL REPORT



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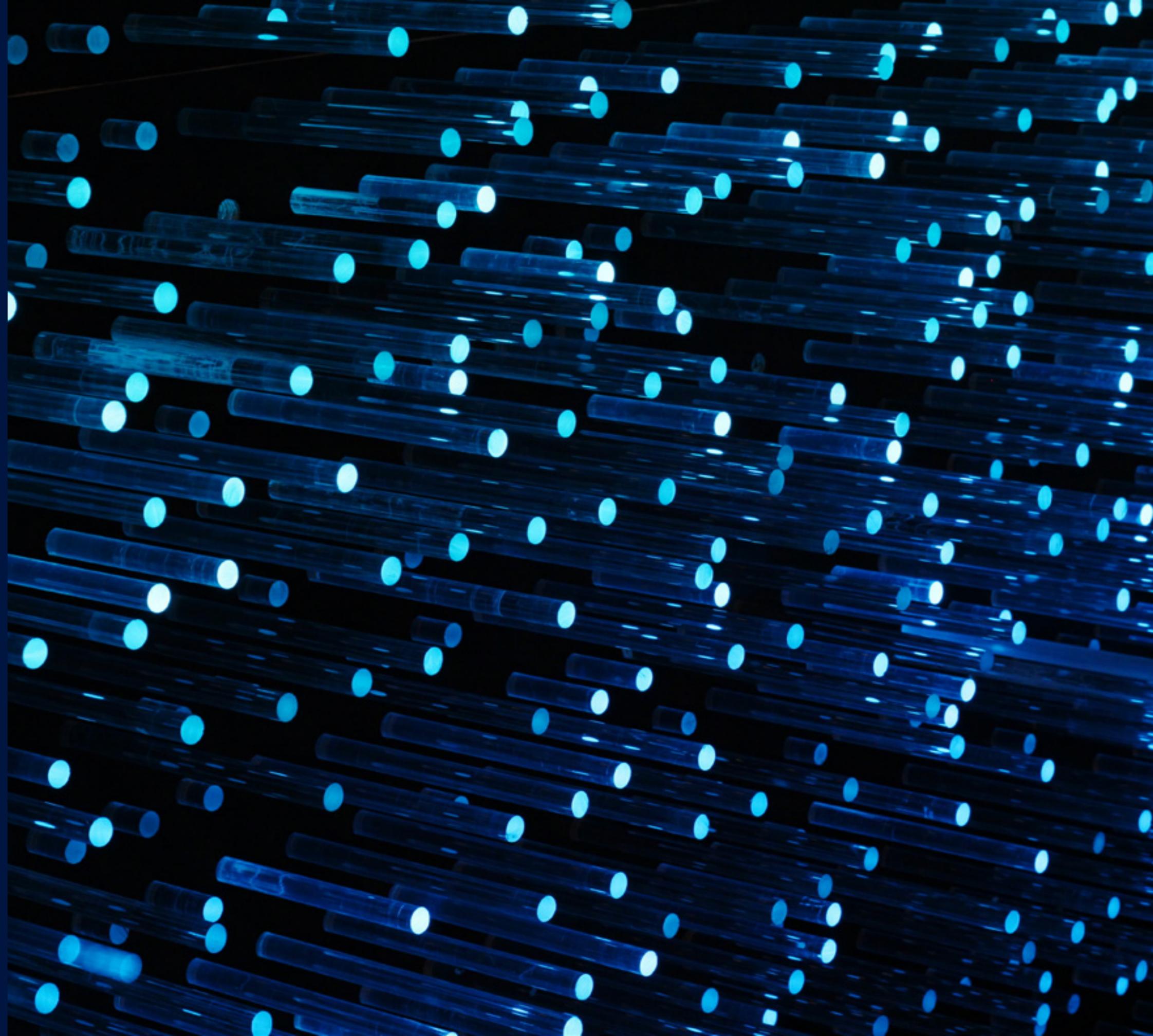
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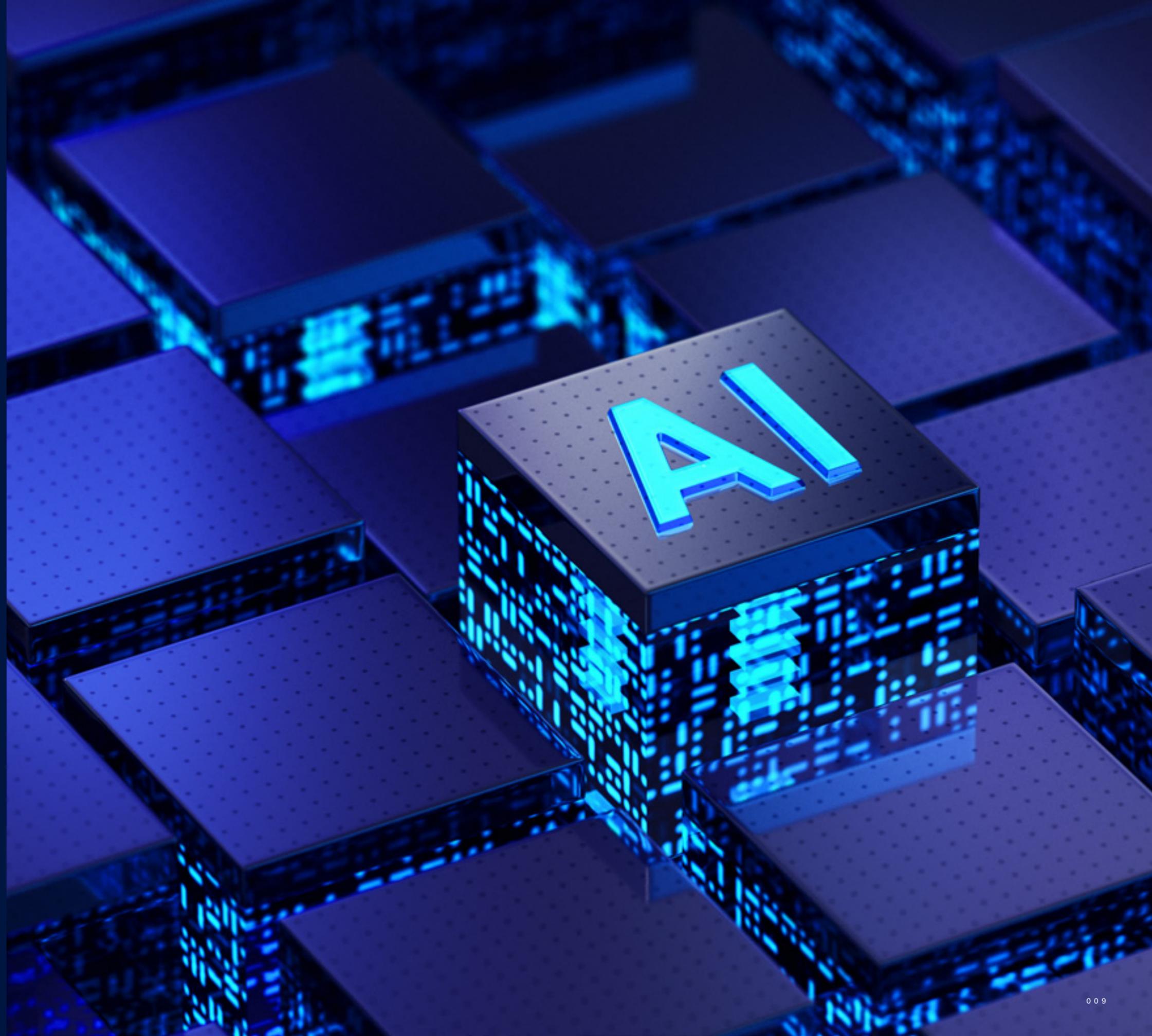
Netaş provides end-to-end solutions for all digital transformation needs of companies in different verticals in the public, defense, and private sectors. Netaş approaches digital transformation with five main pillars: **application transformation, network transformation, IT infrastructure transformation, security transformation, and endpoint device transformation**. Aiming to be the leader of digital transformation in Turkey and the region as the only technology company that best describes, steps, and implements this process, Netaş also adds value to every point of the digital transformation process with its R&D capability to offer customized solutions according to needs.



Netaş expanded its portfolio in 2023 by adding new models to its **Netaş Cloud Server** product family, which it started to produce and receive the first orders for in 2022. The Netaş Cloud Server solution, which offers uninterrupted high performance, has a preparatory nature for virtualization and cloud infrastructures for disruptive technologies led by artificial intelligence, which requires companies to process and analyze large amounts of data quickly.



**Netaş is already looking for answers to the needs of the future with artificial intelligence,** which is expected to create serious transformations in many sectors in the near future. The Netaş R&D team, which carries out innovative studies that will take the transformative effect of artificial intelligence even further, can customize and integrate artificial intelligence technologies according to the needs of its customers.



**Netaş R&D, Türkiye's first private R&D center, is celebrating its 50th anniversary.** Since 1973, Netaş R&D has successfully completed numerous projects in the telecommunications, defense, and information technology sectors in Türkiye and the international arena. Netaş also serves as a valuable training ground for the industry, having trained thousands of engineers over the past 50 years. Netaş is proud of its contributions to the development of Türkiye through its R&D and domestic and national solutions.



## MESSAGE FROM PRESIDENT



### Dear Shareholders,

The year 2023, marked by the reshaping of the world order, witnessed the rapid convergence of different technologies and industries, with significant prominence given to large language models and generative artificial intelligence. It was a period where competition intensified across companies and sectors, leading to the emergence of new business models. Amidst all this change, we embrace the philosophy of simplicity and agility, focusing on efficiency and sustainability. We believe that solid and robust steps will lead us to success in today's environment filled with uncertainties.

The combination of energy and digital technologies, along with our initiatives in artificial intelligence, green technologies, and advanced 5G solutions, continues to inspire digital innovation and drive our efforts to become a leader in technology.

At Netaş, we assume the responsibility of operating in an economically and strategically important sector and focus on creating value in all our endeavors.

### AI will shape the near future

Looking at the global landscape, it's evident that artificial intelligence (AI) plays a pivotal role in driving this change. AI has been instrumental in advancing technology significantly in recent years. Particularly, the advent of deep learning techniques, which extract intricate patterns from vast datasets, will pave the way for even greater achievements in AI in the years ahead. These advancements will see AI expanding its footprint across various sectors such as healthcare, education, finance, and automotive, while also diversifying its applications. As AI continues to innovate in ensuring transparency and fairness in decision-making, mitigating biases, and safeguarding user data, it becomes imperative to take crucial steps towards its sustainable and ethical development and deployment.

We define ourselves as the "Driver of the Digital Economy" at ZTE. As a leading organization in various fields such as wireless and wired communication technologies, energy, and IT products, we believe that we have a significant responsibility in shaping technologies and the future..

It doesn't seem possible for technology manufacturers to adapt to the future without incorporating AI into their work. As a technology manufacturer, ZTE has been investing in and conducting research on artificial intelligence for some time now. Our engineers are working tirelessly on the industry's first native AI-powered intelligent RAN (Radio Access Network). Within this concept, we harness the power of artificial intelligence to achieve maximum efficiency in radio resource management, optimal energy usage, and the allocation of the right radio resources for operational and maintenance efficiency.

We anticipate the transformative impact that artificial intelligence will have on the world in the next two years. Therefore, we support Netaş' investments in artificial intelligence and provide full support to Netaş R&D in its research efforts in this field.

### ZTE and Netaş continue to strengthen their strategic partnership

We concluded the year 2023, which held particular importance in celebrating the 100th anniversary of the Republic of Türkiye, with numerous successful projects.

Through the collaborations we conducted in 2023, we further strengthened our role in modernizing Türkiye's telecommunications infrastructure with next-generation technologies. Additionally, we continued to facilitate the digital transformations of various sectors in different verticals. In this regard, we achieved significant growth in the volume of projects implemented with ZTE in the domestic market, not only with major operators but also in the alternative operator market, particularly in the field of 5G technologies.

In 2023, we initiated a notable project that fostered closer ties between the telecommunications and energy sectors, partnering with one of Türkiye's and the region's prominent operators to extend the application of 5G technology into the power industry. This 5G smart grid project, facilitating low-latency communication between two substations via a 5G network, served as a source of great pride for us by demonstrating the power of 5G for energy systems, replacing fiber optic infrastructure.

As part of our endeavors to advance domestic and national technologies at Netaş, we have elevated the tally of our products endorsed with the "Domestic Goods Certificate" to eight. We commend and endorse the value that Netaş adds to the Turkish economy through these initiatives.

On the other hand, we have added new models to the Netaş Cloud Server product family, for which we received our first order last year. Our emphasis on domestic production and R&D activities not only contributes to Türkiye's technological independence but also positions us a step ahead in global competition.

To maintain this proud momentum, we will intensify our localization endeavors at Netaş in 2024. We have made significant progress in IPTV infrastructure transformation projects, which represent another crucial aspect of our collaboration with ZTE. Combining ZTE's innovative IPTV technology with Netaş's domestic R&D capabilities, Türkiye's largest IPTV infrastructure transformation project was successfully launched in 2023. This project has marked a significant step for us in opening to new markets in the IPTV sector.

In addition to the Turkish market, we continue to deepen our presence in neighboring regions. We believe that our end-user solutions in Kazakhstan, where we have become a partner to operators, will further strengthen our position and enhance our presence.

As Netaş, an innovative and pioneering technology company, our position in reaching international markets is becoming increasingly robust.

### We celebrate the 50th anniversary of Netaş R&D

The collaboration between Netaş R&D, Türkiye's most established and experienced R&D center celebrating its 50th year, and ZTE, one of the world's leading laboratories in innovative telecommunications technologies, continues to expand on various fronts. We are preparing to take steps to further support this collaboration in 2024.

### We continue to lead the digital transformation in Türkiye

Despite the challenges faced in the global economy, Netaş continues its corporate and financial transformation in line with global developments. While remaining committed to providing effective and rapid responses to the digital transformation needs of businesses and organizations of all sizes across various sectors, particularly in telecommunications and defense industries, we are actively evolving. We implement our developed strategies steadfastly, maintaining the momentum of growth we have achieved. Furthermore, we persist in improving asset utilization and optimizing and enhancing our portfolio.

On behalf of the Board of Directors, I would like to express my gratitude to our employees for their dedication in fulfilling all responsibilities to our customers and shareholders, and for their commitment to our strategy.

With over half a century of experience in information and communication technologies and the strength derived from our shareholders, we will continue to stand by all our stakeholders as a reliable partner capable of adapting to changing conditions.

As Türkiye marks the completion of its first century and enters a new era in 2024 and beyond, laying the foundation for 5G and next-generation technologies, we will persist in being one of the key architects of this new world and continue to contribute value to Türkiye.

Best Regards,

**Aiguang Peng**  
President

## MESSAGE FROM CEO

### Dear Shareholders,

Despite a year marked by global uncertainty, 2023 proved to be a period of significant achievement for Netaş as we celebrated the 100th anniversary of Republic of Türkiye. We continued the momentum we achieved with the strategies we implemented and by taking the wind of digital transformation behind us. We also maintained the successful implementation of our five-pillar strategy - Application Transformation, Network Transformation, IT Infrastructure Transformation, End Device Transformation, and Cybersecurity Transformation - launched in late 2021. This success was achieved through close collaboration with our valued business partners across all our sectors.

Throughout the year, we partnered with our strategic manufacturers to deliver numerous projects to leading Turkish companies in finance, general industry, public and defense sectors. These projects have demonstrably modernized our clients' information technology infrastructure. For instance, we provided a private cloud storage solution to a prominent Turkish bank, addressing their critical needs for data security, compatibility, high performance, and enhanced access speeds.

In the telecommunications sector, we supplied a network infrastructure solution to a leading operator, exceeding their demands for high capacity and speed. Furthermore, we expanded our general industry client base by signing significant enterprise software agreements with key Turkish holdings.

We successfully launched applications within the e-Government project we are undertaking in the Turkish Republic of Northern Cyprus. Additionally, in collaboration with one of our telecom operators, we completed the IPTV infrastructure renewal project initiated in 2020. This project, leveraging ZTE's advanced technology and the expertise of our R&D team, holds particular significance as ZTE's first international IPTV reference project outside China.

2023 also witnessed the inauguration of the Kağıthane-Istanbul Airport subway line. Netaş played a critical role in this project by developing the Automatic Train Supervision (ATS) solution. This system facilitates train schedule preparation and management, controls and monitors all line traffic, and provides essential interfaces for operator intervention.

Looking beyond Türkiye, Visium Labs products maintained their position as the preferred choice for testing solutions among our Turkish finance and telecom customers. We further expanded our customer base domestically and initiated international market expansion efforts in Kazakhstan, following our success in Azerbaijan.

### Netaş Cloud Server Gains Market Share

This year saw a significant milestone for Netaş Cloud Server, with the solution securing its first sales in the enterprise and defense sectors, following its initial launch in the telecom market in 2022. Netaş Cloud Server offers exceptional, uninterrupted performance and is further expanding its offering with the introduction of new models, addressing a critical need in virtualization and cloud infrastructure.

### Netaş Cloud Server: Powering Artificial Intelligence

The rapid advancement of artificial intelligence (AI) technologies, driven by complex algorithms and deep learning models, has created a surge in demand for powerful computing resources. AI applications, spanning health, finance, security, and even art, require the ability to process vast datasets, including high-dimensional data like images and sounds, while conducting rapid analyses. This highlights the critical need for high-performance servers. With the increasing adoption of AI in enterprise applications, high-performance servers are becoming ever more crucial for robust technological infrastructure. In January 2023, at a launch event held at Çırağan Palace, Netaş had the opportunity to showcase the role of its 4th Generation Netaş Cloud Server solution in supporting AI applications for our valued customers and business partners.

### 5G Makes its Mark in the Energy Sector

In collaboration with one of Türkiye's leading telecom operators, Netaş achieved a significant milestone towards integrating next-generation telecommunication technologies within the energy sector. The project successfully utilized 5G technology for low-latency communication between two substations across an infrastructure established with ZTE. This pioneering project, demonstrating the potential of 5G networks as an alternative to fiber optic communication in energy infrastructure, was nominated for an international award.

### Continued Focus on Localization Drives Growth

Netaş remains committed to its strategy of localizing ZTE's advanced technology products. As part of Netaş's efforts to develop domestic and national technologies, we have increased the number of products with Domestic Goods Certificate to eight. Netaş actively promotes and expands sales of these domestic products within both Turkish and international markets.

- World Performance Leader Cloud Server
- Fiber Optic Cabinet (FTTX Systems)
- New Generation Base Station
- VDSL Modem
- Home Gateway (HGW) Wi-Fi 6
- Smart Lithium Battery
- DC Direct Current Power Supply
- Microwave Transmission Product Family

### Introducing Netaş GNSS Receiver for Defense Applications

Netaş continues its advancements in the navigation field with the introduction of the Netaş GNSS Receiver family. Developed using a software-based approach on powerful hardware, these receivers deliver position, speed, and time data, alongside related intermediate outputs. Netaş GNSS Receiver family utilizes GPS, GLONASS, GALILEO global positioning systems, and SBAS correction systems, ensuring functionality in challenging environments. Furthermore, these receivers incorporate advanced consistency algorithms and anti-jamming technology to counter deception attempts.

### Enhancing Capabilities as ZTE's Regional Hardware Support Center

As part of its strategic partnership with ZTE, Netaş is actively expanding its capabilities to become the company's "Regional Hardware Technical Support Center". Over the past year, we have invested in increasing the number of supported products and countries, solidifying our position as a key technical support hub within the region.

### Netaş R&D Celebrates 50 Years of Innovation

Established in 1973 as Türkiye's first private R&D center, Netaş's R&D department has played a pivotal role in shaping the nation's telecommunications and technology infrastructure for the past five decades. Our team consistently drives the development of new technologies across various sectors, including public, defense, telecommunications, and private sectors. Leveraging ZTE's knowledge in innovative technologies and building upon our 50-year R&D heritage, Netaş delivers localized solutions tailored to the specific needs of all sectors, with a particular focus on telecommunications, public, and defense.

We actively seek solutions for tomorrow's challenges by collaborating with leading innovators in critical technologies like artificial intelligence (AI). AI is poised to revolutionize numerous sectors in the near future, with significant transformations anticipated in enterprise applications, healthcare, energy, communication, and finance. In this context, our R&D team is spearheading cutting-edge research to further unlock the transformative potential of AI. Our team possesses the expertise to customize and integrate AI technologies based on client needs, utilizing both OpenAI models on Microsoft Azure and open-source solutions. These efforts will solidify Netaş's position as a leader in the sector and ensure we are well-positioned to capitalize on the immense opportunities presented by AI.

We are committed to pursuing new projects in the fields of domestic and national telecommunication technologies, defense technologies, and information technologies, with a focus on Türkiye and the surrounding region.



The milestones achieved in 2023 stand as a testament to Netaş's unwavering commitment to innovation and pioneering spirit. We remain steadfast in our pursuit of further cementing our position as an industry leader, aligning with our long-term goals.

On this momentous occasion, I extend my sincere gratitude to each and every member of the Netaş family who has demonstrated exceptional dedication throughout 2023. I would also like to express my appreciation to our esteemed Board of Directors, our valued solution partners, our loyal customers, and all our stakeholders whose unwavering support has been instrumental in our continued success.

With kind regards,

**Sinan Dumlu**  
CEO

## SENIOR MANAGEMENT MEMBERS

**Sinan Dumlu**  
Chief Executive Officer (CEO)

**Alp Söker**  
Chief People Officer (CPO)

**Alper Acındı**  
Chief Financial Officer (CFO)

**Börgehan Köksal**  
Chief Compliance Officer (CCO)

**Burhan Metin**  
Board Member Responsible for Public & Defense

**Bülent Elönü**  
Carrier Networks Business Unit General Manager

**Ersin Öztürk**  
R&D General Manager

**Koray Otyam**  
BDH General Manager

**Mei Bowen**  
Chief Operations Officer (COO)

**Dr. Xi Guang Qing**  
Chief Technical Officer (CTO)

## Company Profile

# Diversified tech powerhouse driving digital transformation

Netaş, a prominent system integrator and manufacturer, spearheads digital transformation for institutions across all sectors – both in Türkiye and internationally.



## NETAŞ AT A GLANCE

Established in 1967 through a partnership fostering domestic communication infrastructure, Netaş boasts a 56-year history of leading the information and communications technology (ICT) sector with its solutions and services. Listed on the Borsa Istanbul (BIST) since 1993 and a subsidiary of ZTE Cooperatief U.A. (ZTE) since 2017, Netaş continues to excel as Türkiye's top technology company.

With its sights set on becoming the premier facilitator and implementer of digital transformation, Netaş operates through two core business lines. Powering these lines are its 50-year-old R&D center and its subsidiary for after-sales and end-user services, Information Support Services (BDH).

### INFORMATION TECHNOLOGY: SYSTEM INTEGRATION

Netaş's sales and solution teams leverage their system integrator expertise to deliver services to diverse sectors: finance, general industry, telecom operators, and alternative operators. In collaboration with over 120 technology partners, Netaş offers its clients integrated end-to-end IT infrastructure solutions across five key areas, providing a holistic approach.

### COMMUNICATION TECHNOLOGIES: TELECOM INFRASTRUCTURE SOLUTIONS

As a manufacturer, Netaş works with its main shareholder, ZTE, to deliver telecom infrastructure solutions through its Telecom business unit. Netaş acts as the local and international market champion for ZTE's telecom solutions. Additionally, Netaş leverages its R&D capabilities to produce domestically ZTE's world-leading server technology, customer premises equipment (CPEs), direct current power supplies, and base stations, offering these under the Netaş brand in the national market.

### R&D

Celebrating five decades of R&D excellence, Netaş has a long history of developing specialized products and projects, particularly for the telecom and defense sectors. They remain a critical supplier for defense needs. In the public sector, Netaş contributes to successful e-government projects, supporting the five pillars of digital transformation. Netaş's R&D facility not only fosters production of domestic products but also collaborates with other business units. They invest resources in next-generation technologies like artificial intelligence and AR/VR, offering solutions tailored to the unique needs of both enterprise and telecom clients.

### Information Support Services (BDH)

Information Support Services (BDH) provides a comprehensive range of after-sales professional services and managed services for the IT sector. BDH supports a wide variety of manufacturers and offers end-to-end solutions, making it a valuable partner for any organization. Furthermore, BDH is expanding its capabilities by partnering with ZTE to become a regional hardware support center. This collaboration strengthens BDH's position within the ZTE channel and will allow them to offer enhanced end-user support services.

## SMART DIGITALISATION AND SMART TRANSFORMATION IN FIVE PILLARS

Netaş embraces a holistic approach to digital transformation, focusing on five key pillars. By focusing on these five pillars, Netaş empowers organizations to achieve successful digital transformation and remain competitive in today's dynamic landscape.

### 1. Application Transformation

By designing enterprise applications in microservice and container architecture, Netaş ensures compatibility with modern technologies and cloud environments, ultimately elevating the user experience.

### 2. IT Infrastructure Transformation

To accommodate next-generation applications requiring high processing power, such as those utilizing artificial intelligence, Netaş offers cloud computing, hyper-converged infrastructure solutions, and server, storage, virtualization, and data backup upgrades, ensuring organizations leverage cutting-edge technologies.

### 3. Network Transformation

The increasing demand for high speed and performance necessitates robust networks. Netaş's network solutions modernize network infrastructure by enhancing performance, agility, and security within enterprise networks.

### 4. Security Transformation

With cyber threats ever-present, Netaş offers solutions that address an organization's cybersecurity needs. These solutions protect digital assets, bolster cyber resilience, and guide organizations through their digital security transformation journey.

### 5. End Device Transformation

Modern digital workplaces require modern and up-to-date devices. Netaş acts as a solution partner for organizations utilizing various mobile and end devices, offering solutions that optimize digital workflows.

## STRATEGY

### To be the Foremost Name in Turkish Digital Transformation

Netaş champions digital transformation in Türkiye, leveraging a five-pillar approach. Through close collaboration with over 120 strategic suppliers, Netaş orchestrates the transformation of the sector's IT infrastructure. The company is committed to fostering these partnerships and establishing itself as the preferred brand for delivering optimal solutions that align with evolving market needs.

### Expanding Market Share: Netaş Servers and ZTE Solutions

Netaş's world-leading Cloud server, localized in collaboration with ZTE, is poised for European expansion. By increasing market share, Netaş aims to deepen its customer base and attract new customers. Furthermore, Netaş continues to strengthen its position by strategically promoting ZTE's telecommunications technology products within both Turkish and international markets.

### Investing in the Future with Artificial Intelligence

Netaş is actively seeking solutions for tomorrow's challenges, not only through R&D investments in next-generation technologies like artificial intelligence, but also by establishing partnerships with leading innovators in these critical fields. The company plans to undertake new projects in domestic and national telecommunications technologies, defense technologies, and information technologies, with a focus on Türkiye and surrounding regions. Additionally, Netaş is committed to accelerating domestic server production to ensure it can meet the sector's needs at the highest level.

## VISION

Carrying our country and region to a more digital and better future

## MISSION

Offering the most innovative information and communication technologies for the benefit of private & public corporations, defense industry and end-users

## VALUES

Perseverant  
Bold  
Innovative  
National  
Collaborative  
Inclusive  
Passionate

## NETAŞ'S COMPETENCIES



### Comprehensive Service Network

- Over 1,200 specialized staff supported by a nationwide distribution and service network covering all 81 provinces of Türkiye.



### Strong Research & Development

- A dedicated team of over 500 engineers with expertise in embedded software and hardware design, product development, and delivering domestic and international digital transformation projects.
- Project leader and partner in EU 5G and beyond initiatives.



### Deeply Embedded in the Technology Ecosystem

- Strong relationships with over 120 world-leading technology producers.
- Strategic partnerships with industry leaders.



### International Market Expertise

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



### Leading Systems Integrator

- R&D capabilities enable the development of customized products and solutions for specific client needs.
- Expertise in integrating diverse technologies seamlessly.
- Deep understanding of client requirements, leading to solutions for even the most complex challenges.
- End-to-end solution delivery, ensuring complete project oversight.



### Highly Reputable Brand

- A trusted and established business partner for leading companies across all sectors, public institutions, and the Turkish defense sector.



### Robust Infrastructure

- Well-established structure in Türkiye, with a team of highly skilled engineers, a diverse business portfolio, and extensive industry know-how.



### Talented Workforce

- A rich pool of talent specializing in various next-generation technologies.

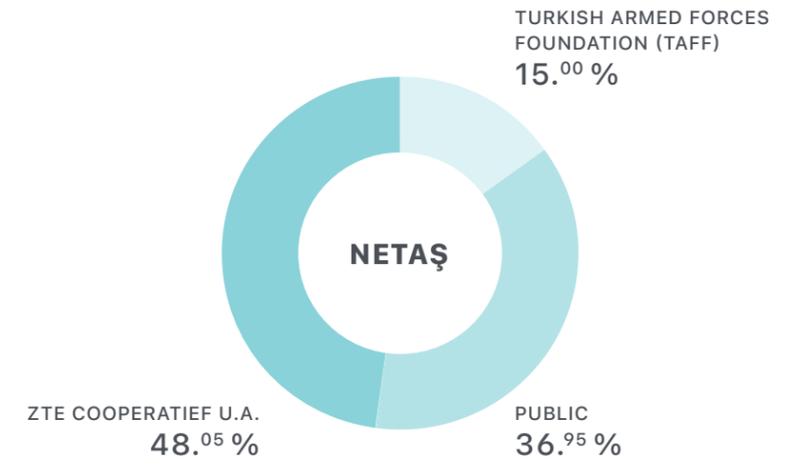


### Technology Production Powerhouse

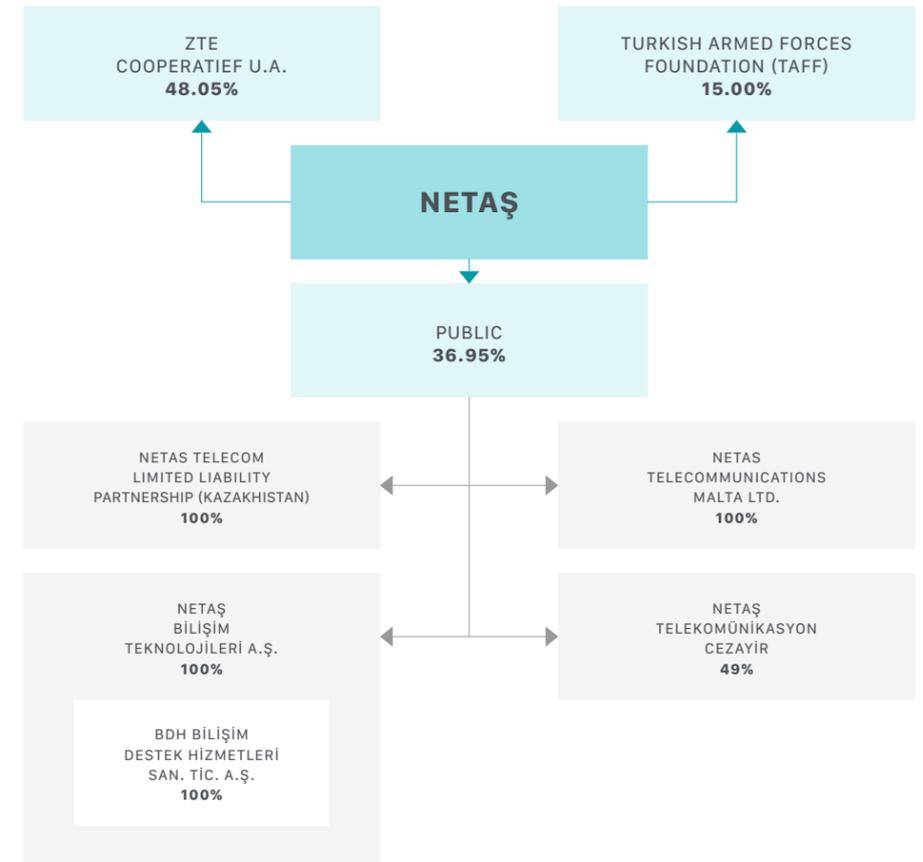
- Proven competence in technology production and localization through its dedicated facility in Orhanlı, Istanbul.



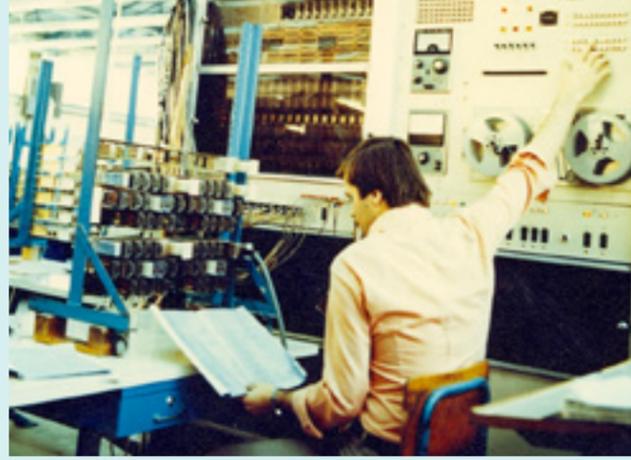
## SHAREHOLDING STRUCTURE



## OPERATIONAL STRUCTURE



## MILESTONES



### 1967

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

### 1973

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

### 1982

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

### 1983

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

### 1986

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

### 1993

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

### 1996

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

### 1997

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

### 2006

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

### 2008

- Türkiye's software export champion.

### 2010

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

### 2011

- Acquisition of Probil (Netaş Bilişim) and BDH.

### 2012

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

### 2013

- Acquisition of 10 per cent Group A shares of Kron, Turkish software developer.
- Celebrating the 40th anniversary in R&D, Netaş moves to its new technology base in Kurtköy.

- Awarded the contract for the fourth generation (4G) communications technology development project (ULAK) for military, public security, and civilian applications under the leadership of the Undersecretary for Defense Industries.
- Becomes the highest growing company in the Turkish information technologies industry.

### 2014

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

### 2015

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

### 2016

- The "5G Technologies Consortium Cooperation Agreement" is signed with ASELSAN and HAVELSAN, under the leadership of the Turkish Armed Forces Foundation (TAFF).
- The number of its employees since its foundation exceeds 10,000 people.
- Elected to the board of directors of NetWorld2020, which aims to steer the research of future mobile and fixed communication systems.

### 2017

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

### 2018

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

### 2019

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

### 2020

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

### 2021

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

### 2022

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

### 2023

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

## AWARDS AND ACHIEVEMENTS

### 1996

- ▶ European Quality Achievement Award

### 1998

- ▶ European Quality Achievement Award

### 2007

- ▶ "Software Export Champion" of Türkiye

### 2008

- ▶ "Software Export Champion" of Türkiye

### 2010

- ▶ "Software Export Champion" of Türkiye

### 2011

- ▶ Microsoft – Enterprise Sales Partner of the Year Award

### 2012

- ▶ Named as the "Most successful R&D Center in telecommunications business" by the Ministry of Science, Industry, and Technology

### 2013

- ▶ Awarded "Best Global Partner in Enterprise Business" by Cisco
- ▶ Named as the "Most successful R&D Center in telecommunications business" by the Ministry of Science, Industry, and Technology
- ▶ Ranked 2nd in the telecommunications industry category of Turkish Patent Institute's "Companies with the Highest Number of National Patent Applications of the Year" and 7th in the country overall list
- ▶ Crowned "The Turkish Systems Integrator Partner of the Year" award by Microsoft

### 2015

- ▶ Ranked 1st at BT Haber Publishing's ICT 500-Top 500 ICT Company survey in the following categories: "Network Hardware of the Year", "Software Export of the Year", and "Systems Integrator and Hardware of the Year"

- ▶ Ranks first in two different categories at the 4th Private Sector R&D Centers Summit organised by the Ministry of Science, Industry, and Technology: "R&D Employment" and "Most Successful R&D Center in the Telecommunications Industry in 2014"
- ▶ "Highest Volume of Investment in the Expertise of the Year" and the "Fastest-growing Business Partner in Server Business of the Year" awards by HP

### 2017

- ▶ Received the grand prize in the Competition for Energy Efficiency in Industry of the Directorate General of Renewable Energy of the Ministry of Energy and Natural Resources in the category of "The Most Efficient Industrial Facility".

### 2018

- ▶ The Systems Integrator of the Year award in Türkiye's First 500 IT Companies survey, in "Hardware" and "IoT and M2M", "Network Hardware", "Service Exports", "Data Backup and Storage Hardware" categories. As to the "IT Service Exports" category, the company was awarded a Contribution to Economy Special Award.
- ▶ Received the "2018 – The Enterprise Business Partner of the Year" and in the enterprise segment "Architectural Excellence" awards from Cisco.
- ▶ Ranked among the top 10 companies of Türkiye on the Turkishtime's Türkiye's Top R&D Spending Companies list. Ranked in top 10 companies with the most R&D staff employment and maintained its leadership in Information Technologies category.
- ▶ According to Türkiye's 500 Large-Scale Service Exporter Research conducted by the Turkish Exporters Assembly (TIM), Netaş is named the second-largest information services exporter of the country.

### 2019

- ▶ In Türkiye's Top 500 ICT Companies survey, named as "ICT Services Export Champion of 2018", and was granted awards for "Business Applications", "Network Hardware" and "500+ Systems Integrator, IoT & M2M" categories.

- ▶ Chosen as the second-largest ICT services exporter in annual Türkiye's 500 Largest Service Exporters survey.
- ▶ Received the "Qualified Training" award during the 11th Corporate Social Responsibility Summit and SDG Awards with Netaş NextCoders and Coding Hour.
- ▶ "Digital Transformation of the Public Sector" Award during Microsoft Business Partners Summit 2019.
- ▶ "Fourth Quarter Winner" and "Third Place" awards at Hitachi Vantara's EMEA Customer Care Cup.
- ▶ "5th Supply Chain Professionals Award" from Supply Chain Professionals Club for its blockchain-based project management and operation system project.
- ▶ "Enterprise Sector Partner of the Year" award from solution partner Fortinet as the partner with the highest number of sales.
- ▶ "Best Progress in Supplier Excellence Program" award for the "Saving Spare Parts Used in Repairs" project of its BDH teams in the HP Supplier Excellence contest across country service partners of HP in the CEMA region.
- ▶ "Best Guarantee Service Provider" by Vatan Computer for BDH.

### 2020

- ▶ Ranked 14th for R&D spending, second with 36 patent applications and sixth for the number of its women employees in Turkishtime's R&D 250 survey.
- ▶ In Türkiye's Top 500 ICT Companies survey, named as "Systems Integrator and Business Partner of the Year" for "IoT & M2M", "Outstanding Contribution to Turkish Economy", "Network Hardware" and "Telecommunication Infrastructure Hardware" categories.

### 2021

- ▶ The "Innovative Product in the Large Company Branch" award in the 19th TESID Innovation and Creativity Awards, for its the mobile device park (device farm) "Visium Farm".
- ▶ Named as the business partner with the highest turnover in 2020 among Turkcell Digital Business Services Partners at the Turkcell Digital Business Services Business Partners Summit.

- ▶ In Turkishtime's "Türkiye's Top R&D Spending Companies" research; Netaş ranked 6th in terms of the number of undergraduate and graduate employees in the R&D center, 6th in the number of women R&D employees, 10th in the number of R&D patents, and 15th in R&D expenditures.
- ▶ Excellence Award in International Information Technology for European Advancement (ITEA) 2021 with the BIMy project, formed to develop the smart city ecosystem in Türkiye and assumed the leadership of its consortium.
- ▶ "Highest Growth Partner of the Year" award as part of VMware Partner Connect.
- ▶ A total of seven awards in Türkiye's Top 500 ICT Companies survey: "Software" award in the "System Integrator and Business Partner" category, "Telecommunication, Infrastructure Hardware", "Data Backup and Storage Hardware", "Virtualization Software", and "Services" awards in the system integrator and business partner category. "Cloud Service" award under the heading "Special Contribution to the Turkish Economy", "Service Export" award in the "Export Awards" category, "IoT and M2M" award in the "ICT 500+" category.
- ▶ Finalist certificate in the "Cloud Transformation" category at the 2021 SAP Quality Awards with its Gear Up 4HR Project.
- ▶ "Best Culture of Learning" award within the scope of LinkedIn Talent Awards.

### 2022

- ▶ BDH, the IT support services company of Netaş, received the "Service Partner of the Year with the Highest Customer Satisfaction" award at the Lenovo Business Partners Awards.
- ▶ According to the 2021 results of the Turkey Patent Report published by Patent Effect, the company ranked in the top eight in nine domains.
- ▶ "Telecom Infrastructure Hardware", "Data Backup and Storage Hardware" and "Installation Maintenance Support Service" awards in the Informatics ICT 500-Top 500 ICT Company Survey.
- ▶ At the 3rd International Intelligent Transportation Systems Summit (SUMMITS'22), the "Mobility: Smart Way in Transportation Technology (Product) Award" for the V2X Communication Unit for Connected and Autonomous Vehicles, developed locally in Netaş R&D
- ▶ "Corporate Business Partner of the Year" award from Hitachi



### 2023

#### YASAD "Oldest of the 5 Oldest Software Works" Award

Netaş received this distinction during the Software Works Catalogue at the YASAD-organized 100th Anniversary of the Republic and 50th Anniversary of the Turkish Software Industry Gala.

#### 21st TESID Jury Special Award

Netaş's achievements were further acknowledged with a Special Jury Award at the 21st TESID Innovation and Creativity Awards Ceremony.

#### Dominating the Informatics 500 Survey

Netaş's pioneering role in digital transformation was solidified by securing four awards in the 24th Informatics 500 - Top Five Hundred Informatics Companies Survey, one of Türkiye's most significant sectoral surveys. These awards spanned various hardware and software categories, including:

- ▶ Network Hardware
- ▶ Data Backup and Storage
- ▶ Telecommunications and Infrastructure
- ▶ Various Business Applications (Software)

#### Ranked 64th in the R&D 250 list

Netaş's unwavering commitment to R&D was reflected in its impressive ranking of 64th on Turkishtime's "Türkiye's Companies with the Highest R&D Expenditures" survey. This recognition was further bolstered by additional noteworthy rankings within the survey:

- ▶ 10th: Number of Female Personnel Working in R&D Centers
- ▶ 12th: Number of National Patents Obtained in R&D Centers
- ▶ 13th: Total Number of Personnel Working in R&D Centers
- ▶ 19th: Number of Postgraduate and Doctorate Personnel Working in R&D Centers
- ▶ 71st: Number of Projects Conducted in R&D Centers

#### Golden Leader 2023 Award

Netaş's success extended beyond the company itself. Netaş CHRO Alp Söker was selected as one of the 50 most admired CHROs (Chief Human Resources Officer) in Türkiye, receiving the prestigious Golden Leader 2023 Award.

# Netaş in 2023



## Netaş's Domestic Server Production Takes Flight

2023 saw Netaş expand its product portfolio with the introduction of new models to the Netaş Cloud Server family. This server line, launched domestically a year prior, has secured its first orders and expanded its reach into the enterprise and defense sectors.

Capitalizing on the growing integration of artificial intelligence (AI) technologies, Netaş unveiled the Netaş Cloud Server N4 in January 2023 at Çırağan Palace. This solution leverages 4th generation Intel processors and world-leading technology to deliver exceptional performance.

Netaş Cloud Server N4 offers uninterrupted high performance thanks to ZTE technology. This server is designed to address critical needs in virtualization and cloud infrastructure, facilitating big data processing, AI applications, and value creation. With support for Graphics Processing Units (GPUs), a cornerstone of AI infrastructure, Netaş Cloud Server N4 provides processing power alongside data storage capacity. Furthermore, it offers solutions for both virtualization and edge computing environments.

## Enhanced Compatibility with Leading Cloud Platforms

Netaş continues its commitment to certification with the world's leading cloud computing applications. Netaş servers are now included in the hardware compatibility lists of industry giants such as VMware, Citrix, and Redhat, ensuring seamless integration with these popular platforms.

## Netaş Maintains CPE Market Leadership

Netaş solidified its position as a leader in the Customer Premises Equipment (CPE) market by achieving high sales volumes in 2023. The company expanded its CPE product line with offerings like Wi-Fi 6 and Mesh solutions. Additionally, Netaş successfully positioned GPON, a key access network technology, with leading Turkish operators. Looking ahead, Netaş is poised to introduce XGPON technology, offering operators the benefits of high-capacity transmission.

## Strengthening Presence in Kazakhstan's Telecom Market

Netaş played a pivotal role in modernizing Kazakhstan's telecommunications infrastructure and deploying 5G networks. The company secured new critical agreements to support these initiatives and maintained its leading position in the market for LTE CPE sales, doubling its current contract volume.

Netaş further expanded its footprint by achieving significant success in supplying DC Power Supply equipment. Two new Framework Agreements were signed with Kazakhstan's largest telecom operator for the provision of DC Power Systems, encompassing both indoor and outdoor cabinets.

Additionally, Netaş renewed its technical support contract for ZTE BSC/RNC equipment for existing telecom customers in Kazakhstan. The company's international reach extended further through successful Microsoft licensing deals with two key clients, including one of Kazakhstan's largest mobile operators.

## Netaş Achieves Microsoft CSI Partner Status

Netaş was selected for the prestigious Microsoft CSI (Cyber Security Investment) program. This program, managed by Microsoft Global teams, empowers partners with expertise, purchasing options, and dissemination strategies for Microsoft security technologies and solutions. In Türkiye, only three business partners hold this distinction, and Netaş is uniquely positioned as the sole partner offering licensing services within this group. The CSI program aims to promote, sell, and implement robust Microsoft security solutions to customers who purchase Microsoft licenses.

## Digital Transformation Success in Enterprise Sector

Netaş collaborated with strategic manufacturers on numerous successful projects within the enterprise segment. This included renewing storage solutions projects and Cisco enterprise agreements with leading banks, alongside extending test services provided by Netaş R&D to prominent banking and insurance institutions. Looking at the general industry sector, Netaş secured Microsoft Enterprise and Azure agreements with a leading holding company. The company's reach expanded further with a Cisco infrastructure project signed for a telecommunications operator's IT infrastructure, and the successful sale of domestic servers to a well-regarded cloud infrastructure provider.

## Strengthening Regional Collaboration with ZTE

Building on the strategic business models established with ZTE in 2022, Netaş took a significant step forward towards becoming the company's "Regional Hardware Technical Support Center" in 2023. This year, Netaş continued to provide hardware support for domestic cards and strategically invested in expanding its capabilities for new cards, solidifying its position as a key technical support hub within the region.

## Exporting Expertise: Technology Training with ZTE University

Leveraging its world-class engineering and technical talent, Netaş partnered with ZTE University to launch a technology training export program. Under this initiative, Netaş engineers began delivering training in telecommunication technology solutions to ZTE customers and stakeholders across the surrounding region.

In 2023, Netaş engineers delivered a successful training session on ZTE's optical network solutions to operations managers from various operators in Bangkok, Thailand. This training covered the latest technologies utilized in ZTE WDM/OTN systems, with practical demonstrations and real-world applications. Additionally, the session explored potential upgrades and innovations that could be implemented within existing network infrastructure.



## Netaş R&D Celebrates 50 Years of Innovation

Netaş R&D commemorated its 50th anniversary in 2023, a milestone marked by a distinguished record of success in telecommunications Technologies since 1973. Throughout its history, Netaş R&D has delivered numerous projects across the public, defense, and private sectors, making a significant contribution to both Türkiye and the international arena.

Beyond its project work, Netaş acts as a valuable training resource, fostering the development of thousands of engineers within the sector. The company takes immense pride in the R&D team's contributions to the nation's progress over the past 50 years. Since 2008, Netaş R&D has held the prestigious status of an R&D center, continuously striving to create value by embracing cutting-edge technologies.

## IPTV Project Goes Live

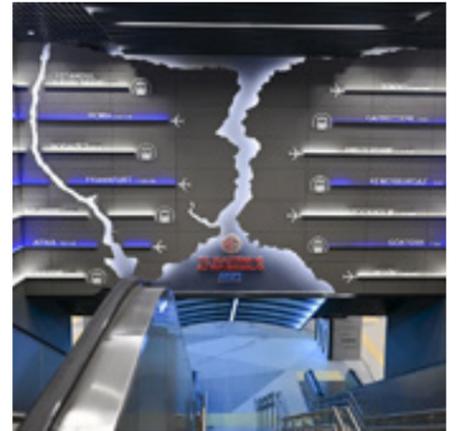
In 2020, Netaş, which undertook Turkey's largest IPTV infrastructure transformation project together with ZTE, completed its work on the IPTV infrastructure and realised the go-live of the project. This project, in which television and set-top box end-user interfaces were developed by Netaş R&D, demonstrated Netaş's success in providing end-to-end solutions by combining the power of ZTE's IPTV infrastructure with the added value of Netaş R&D. In addition, the cooperation in this project, which is ZTE's largest IPTV project outside China, has also become a reference point for the European IPTV market.

## VisiumLabs: Netaş' Software Testing Suite

In October 2023, Netaş hosted the "Visium Labs Customers Share Their Experiences" event, welcoming all Visium Labs customers. During this event, Netaş showcased the software testing and quality products within the Visium Labs suite, developed by the company's Test Center. Visium Labs also participated with its own booth at an event organized by the Netaş Kazakhstan office specifically for telecom customers. This marked the initial steps towards Visium Labs' expansion into international markets beyond its domestic success. The event provided a platform for long-standing Visium Labs customers to share their objective experiences with the products. This event format is intended to become a tradition.

Visium Labs products have solidified their position as the preferred choice for software testing, particularly within the local financial and telecom sectors. This year, Netaş renewed test service contracts with various banks and companies, and its project to develop specific features for the Visium Farm product at METU Teknopark received approval.

A major financial institution, encompassing nearly 200 members including banks, leasing companies, factoring companies, and insurance companies, has begun utilizing Visium Manage, a software test process management product developed by Netaş R&D under the Visium Labs umbrella.



## Netaş Technology Mark in Kağıthane-Istanbul Airport Metro

The Kağıthane-Istanbul Airport subway, where Turkey's first local subway signaling system developed by Netaş's Automatic Train Supervision (ATS) solution is used, has started operation. This Automatic Train Supervision (ATS) solution delivers a comprehensive set of functionalities, including:

- Scheduling and managing train movements
- Control and monitoring of all line traffic
- Operator intervention interfaces

## Netaş Supports E-Government Infrastructure in TRNC

Netaş is actively involved in establishing the e-government infrastructure for the Turkish Republic of Northern Cyprus (TRNC). This contribution includes the Customs, Legal, and Population Systems projects. Furthermore, Netaş provides ongoing support with E-Customs software at Famagusta Port, the TRNC's busiest customs entry point. The implementation of Netaş's E-Customs software in 2023 has streamlined automation processes at the port.

## INDUSTRY DEVELOPMENTS

### Strong Growth Continues for IT Spending

According to research firm Gartner, corporate IT expenditure is set to maintain its robust growth trajectory. Their latest forecast predicts global IT spending to reach a total of \$5 trillion in 2024, reflecting a healthy 6.8% increase from 2023.

2024 is expected to see continued strength in overall corporate IT spending. While organizations will likely focus on planning and investment in harnessing the power of artificial intelligence (AI) for productivity gains, more traditional factors like profitability and workforce considerations are also anticipated to shape IT spending patterns.

Gartner's research suggests continued growth in IT services spending, with an anticipated increase of 8.7% compared to the previous year, reaching \$1.5 trillion. This growth is likely to see IT services become the largest expenditure segment for the first time in 2024, surpassing spending on communication services. The driving force behind this is expected to be organizational investment in projects focused on efficiency and optimization. Software spending is also forecast to grow at a healthy clip, reaching \$1 trillion with a 12.7% increase.

A study by IDC indicates that global IT expenditure is projected to grow three times faster than global gross domestic product (GDP) in 2024. This is further supported by the finding that approximately 62% of CIOs (Chief Information Officers), the most senior managers responsible for a company's IT operations, anticipate increasing their IT budgets in 2024. Notably, there appears to be a particular focus on data and artificial intelligence within these expenditures. 63% of CIOs predict that more than 5% of their IT spending will be allocated to AI for productivity gains, leading to faster software development and more efficient IT operations. IDC forecasts global spending on AI applications to reach \$236 billion in 2024, with this figure exceeding \$500 billion by 2027.

However, the Information and Communication Technologies Sector report published by TÜBİSAD suggests that the global communication technologies market is also expected to reach \$2 trillion in 2024, fueled by increased investment in end-user markets.



#### Global IT spending forecast (USD million)

	2023 Expenditures	2023 Growth (%)	2024 Expenditures	2024 Growth (%)
Data Center Systems	243,063	7.1	261,332	7.5
Devices	699,791	-8.7	732,287	4.6
Software	913,334	12.4	1,029,421	12.7
IT Services	1,381,832	5.8	1,501,365	8.7
Communication Services	1,440,827	1.5	1,473,314	2.3
General IT	4,678,847	3.3	4,997,718	6.8

Source: Gartner (January 2024)

#### Turkish ICT Market Reaches \$19.5 Billion

IDC data reveals that Türkiye's information and communication technologies (ICT) market reached approximately \$19.5 billion in 2023. This figure breaks down into a \$6.4 billion telecommunication services market and an information technology market exceeding \$13.1 billion. The information technology services market, valued at \$1.2 billion in 2023, is forecast to continue growing by around 10% in 2024.

Within the information technology sector, telecommunications is expected to see the fastest expenditure growth in 2024. In terms of overall spending, the top three sectors are anticipated to be finance, public, and telecommunications.

Investment in public cloud services is expected to continue rising within the sector. The Turkish public cloud services market, exceeding \$1.1 billion in 2023, is forecast for further growth of 11% in 2024.

The Turkish enterprise infrastructure market, a segment Netaş also serves, reached \$1.3 billion in 2023. This market's network equipment segment is predicted to grow by 17% in 2024.

Meanwhile, digital transformation of Turkish organizations is expected to continue apace. An IDC Türkiye study suggests that 80% of organizations will allocate increased budgets for digitalization in 2024. Artificial intelligence, multi-cloud technologies, and security are anticipated to be the most heavily invested-in technologies. Within five years, nearly half of Turkish digital organizations' revenue is projected to be generated from digital business models.

# Telecommunication Technologies

## Deepening Localization and R&D contributions in Telecom

Netaş, Türkiye's leading provider of integrated communication technology solutions, continues to transform the country's telecommunications infrastructure. This progress is driven by the synergy between Netaş' expertise and the innovative technologies of its major shareholder, ZTE.



Founded with the vision of "building Türkiye's communication infrastructure with domestic capabilities," Netaş leverages its 56 years of experience and ZTE's advanced telecommunication technologies. This powerful combination is preparing Türkiye's communication infrastructure for the future with end-to-end 5G solutions.

Netaş holds a pioneering role in localizing telecommunication technologies, being Türkiye's first private telecom R&D company. The company further solidified its leadership in the customer premises equipment (CPE) market in 2023. Additionally, ZTE's fixed broadband internet solutions (GPON) and optical transmission solutions (DWDM) are being implemented within the backbone infrastructure of various operators. These solutions enable the efficient transmission of voice and data across mobile and fixed networks.

Netaş transforms Türkiye's telecommunication infrastructure from the core to the backbone infrastructures of operators, from households to workplaces, with the most modern technologies. Continuing its 5G tests in Istanbul and Ankara with operator collaborations, Netaş today

carries live traffic over ZTE devices on the IP networks of Türkiye's two largest operators and an alternative operator, thanks to its success in IP/MPLS network projects.

Netaş, which has commercially installed in Türkiye one of the world's first 120 channel optical transmission (DWDM) systems, undertakes projects to offer faster fixed and mobile internet access to end users and to renew network infrastructures to prepare operators for 5G. Accordingly, the company makes it possible to provide higher capacity, less latency and innovative data services to the end user.

### Radio Access Network Projects

In a landmark project co-developed by Netaş, ZTE, and a leading Turkish telecom operator, 5G's potential for smart grid applications has been showcased. This pioneering collaboration saw the integration of the electricity distribution network into new 5G use cases. Two substations belonging to one of Türkiye's leading energy distribution companies were enabled to communicate with low latency over the 5G network. Thus, in the event of a possible malfunction, the protection circuits were activated very quickly, limiting the fault area and duration. The ability to provide ultra-low

latency communication between devices is a proud example of groundbreaking technological developments in smart grid applications. This impressive achievement sets an important precedent for meeting the critical demands of smart grids, shaping the energy distribution infrastructure of the future, and then achieving the seamless integration of renewable energy sources, electric vehicles and other new technologies. This project, which involves Netaş and ZTE teams, plays an important role in the technological transformation of the future by demonstrating 5G Next Generation Base Stations and 5G Core Network capabilities. This success shows how 5G can offer an effective solution in critical applications such as differential protection in energy distribution networks.

Similarly, with the Radio Access Network project carried out with one of the leading telecom operators, ZTE solutions were integrated into the operator network and started to provide the best quality service under live traffic. In another leading telecom operator, within the scope of the framework contract signed for the supply of RAN network solutions, live traffic will start to be carried in one of our provinces after the completion of network integration works in 2024.

## LOCALIZATION

Accelerating its localization efforts with its main shareholder ZTE, Netaş increased the number of products with Domestic Goods Certificate to eight.

Netaş' R&D division continues to develop software solutions specifically for telecommunications operators. This, coupled with their diverse service offerings, has contributed to a growing market share. Netaş is also engaged in internet access product development and internet infrastructure projects within the telecom sector. Alongside ZTE, the company remains focused on advanced technologies such as the next-generation IPTV platform, all while actively pursuing localization efforts.

### Uninterrupted Communication with Domestic Energy Solutions

Netaş aims to contribute to retaining national capital within Türkiye by manufacturing cutting-edge technologies from the global telecommunications giant ZTE. This includes the domestically produced DC Direct Current Power Unit and Smart Lithium Battery solution. This solution plays a crucial role in meeting the energy demands of both base stations and cellular communication systems, ensuring service continuity during power outages.

In the context of 5G, which is set to revolutionize numerous sectors including healthcare, finance, energy, transportation, and more with artificial intelligence, internet of things, robotics, and autonomous applications, sustainable energy is particularly crucial. Accordingly, Netaş's domestically produced DC Direct Current Power Unit provides energy to all devices operating with -48V DC voltage compatible with 5G, 2G, 3G, and 4.5G.

### Rise in sales of access network technologies

Netaş solidified its leadership position in the customer premises equipment (CPE) market throughout 2023. The company successfully delivered the latest WiFi 6 and Mesh technologies to a wider customer base. Additionally, they provided leading Turkish operators with the most recent advancements in GPON, another key access network technology. To address the ever-growing demands of end-users for capacity and innovation, Netaş has begun offering XGPON technology alongside GPON.

### New domestic cloud server models

Netaş has expanded its product portfolio by introducing new models to the Netaş Cloud Server family, which they began manufacturing domestically in 2022. Launched in January 2023, the Netaş Cloud Server N4 boasts uninterrupted high performance thanks to its 4th generation Intel processor and ZTE technology. This server effortlessly handles the increased data and processing needs of emerging technologies like artificial intelligence and 5G.

### Localised Solutions

- The world performance champion Cloud Server
- Fiberoptic Cabinet (FTTx Systems)
- Next Generation Base Station
- VDSL Modem
- HGW Wi-Fi 6
- Smart Lithium Battery
- DC Direct Current Power Supply
- Microwave Transmission Product Family

### Technical specifications and efficiency

#### Domestic cloud server Extended product portfolio

- Compact 1U, 2U and 4U server types that can be adapted for various workloads and environments
- Netaş's next-generation server, 4th Generation Intel® Xeon® processor family, powerful processor up to 120 cores, large memory up to 8 TB memory and fast storage options such as NVMe
- 50% more memory performance with DDR5 (4800Mhz) memory support
- With GPU (graphics processor) support, it can easily fulfil all critical and high-performance workloads
- Different storage possibilities with hot-swap disc options
- Fast response to all needs requiring high bandwidth
- Environmentally friendly by supporting green technology with temperature control and low carbon emission.

### 5G Base Station Supporting all communication technologies, energy efficient

- R9224E integrates ZTE's Band 3 and 1, one unit supports 2 frequency bands, saving 50% in the number of RRUs, reducing operators' total cost of ownership.
- Work is also continuing for 5G-supported, energy-efficient and state-of-the-art products.
- The highest capacity BBU (Base Band Unit) on the market, supporting all radio technologies and usage scenarios, and small volume, high output power radio units
- Unified IP/Ethernet switching and high transmission capacity

### WI-FI 6

#### Wi-Fi 6, the new generation standard of WiFi technology, is in Türkiye with Netaş

- Built on the existing 802.11ac WiFi 5 standard
- 25% faster
- Better coverage
- More broadband
- Shorter latency
- Data transmission to more devices simultaneously
- Better communication with neighboring signals (BSS Coloring)
- Longer battery life (Target Wake Up Time)

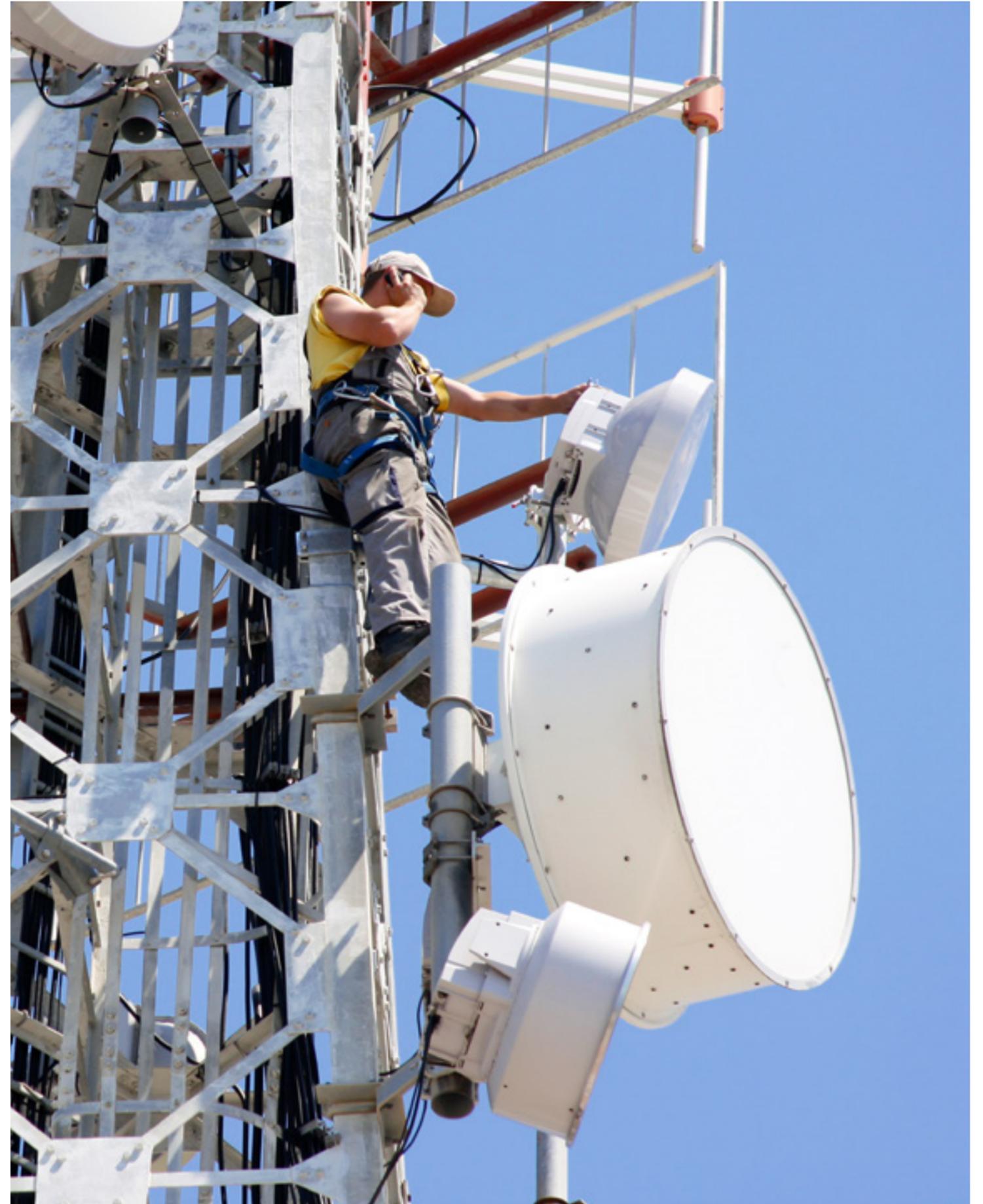
### FTTX

#### Broadband access networks for all service operations

- Multi-service / multi-scenario access
- High bandwidth
- Carrier-class reliability
- Range of 10G PON solutions
- The first Combo PON solution in the industry
- Zero data planning / zero manual configuration
- ODN solution with full lifecycle

### Microwave Product Family Supports all used frequencies

- 1U compact product
- 25G support



## IPTV TECHNOLOGY

Netaş spearheaded the IPTV transformation project, leveraging the combined strengths of ZTE's innovative IPTV technology and domestic R&D expertise.

IPTV technology, which delivers broadcasts to various clients over an IP-based network - OTT technology when it is open internet - enables high-quality content to be transmitted with high bandwidths to various clients (mobile, Smart TV or STB) with value-added services.

Netaş, in collaboration with ZTE, has completed Türkiye's largest IPTV infrastructure transformation project. This includes both the infrastructure works and the successful go-live for all clients. Netaş R&D's set-top-box (STB), which operates in the most efficient way in accordance with the device model/year, and SmartTV applications, which work on almost every smart TV, provide a high performance and user-friendly video

service to the end user by constantly adding new features. Recognizing the growing importance of video services, especially during the pandemic, Netaş prioritizes following global trends. They provide end users with the highest level of interactivity through a range of new features, including targeted advertising, campaigns, and announcements. This innovative infrastructure allows for advertisement integration that aligns with the latest global trends, enabling the development of more customer-centric advertising campaigns. Furthermore, ZTE's cooperation on this project, the largest outside of China, is set to become a benchmark for the European IPTV market.

### Suitable solution for different verticals

Operators now prefer the wholesale or multimedia management model to other alternative operators. In this way, an operator has the opportunity to lease its own platform and infrastructure to other operators, each managerially and logically isolated from the other, and thus benefit from wholesale. Large organizations such as hospitals and educational institutions can also be included in this model. Netaş fully offers multimedia support on ZTE infrastructure.



## CLOUD CORE NETWORK SOLUTIONS

Netaş aims to become a leading provider of solutions for new network and service needs that will emerge with 5G by offering Cloud Core Network solutions that enable fast and secure network virtualization and modernization for telecom operators.

Telecommunication network expectations are rising. Operators now demand networks that deliver more functionality, handle denser traffic, and require less investment. Users, with a lower tolerance for service interruptions, increasingly seek end-to-end network solutions. These solutions offer differentiated service quality for various applications, alongside value-added features like bespoke mobile networks prioritizing security. To meet this demand and create new services swiftly and securely, integrating solutions from different vendors into existing infrastructure becomes crucial. Netaş steps in here, providing solutions that optimize technology use, reducing costs while simultaneously increasing total telecommunications revenue through high-value new customer services.



# R&D

## Netaş R&D Celebrates 50 Years of Innovation!

Founded in 1973 as Türkiye's first private R&D center, Netaş has played a pivotal role in building the nation's telecommunications infrastructure over the past five decades. Today, they continue to drive innovation across R&D, public defense, telecommunications, and the private sector, actively developing solutions in next-generation technologies.

### NETAŞ R&D MILESTONES

**1973:** Türkiye's first private R&D in telecoms was established.



**1982:** The first electronic product was designed and a telephone switchboard was manufactured for small and medium-sized enterprises.

**1984:** The first domestic Rural Digital Switchboard was put into use.

**1987:** Power systems design and development activities were initiated.

**1990:** Nortel's research and development activities for high-capacity city telephone exchanges began.

**1992:** First software exports were made.

**1993:** Technology transfer and production activities in the defense industry began.

**1994:** Technology transfer to Russia, Kazakhstan and Azerbaijan for rural digital switchboards begins.

**1995:** Rural Digital Switchboard entered Nortel's product portfolio and rural digital switchboard sales were made to South America.

**1996:** Design and development activities in the defense industry began.

**1997:** With the sales of rural digital switchboards to the Russian Federation, the Caucasus, the Balkans and North Africa, the capacity of rural digital switchboard lines abroad reaches 250,000.

**1999:** The first city-type wireless communication base station and telephone (DECT FRA) was launched.

**2000:** Tactical field communication systems developed for the needs of the Turkish Armed Forces were put into use.

**2002:** Türkiye's first domestically designed SDH transmission system was put into use in telecom networks.



**2005:** The digital radio network switchboard developed for the Gendarmerie Forces was put into service.

**2006:** Design and development activities for the defense sector gained momentum with the start of design activities for the Tactical Ship Communication and Friend or Foe Identification projects.



**2007:** Nortel Global High Technology Development and Solution Center is established. In the same year, Nortel became Türkiye's "Software Export Champion" and 800 R&D engineers began providing R&D services to Nortel's customers all over the world.



**2008:** R&D center status was granted.

**2009:** 4G LTE base station design and development activities were initiated.

**2010:** Tactical field communication systems that provide end-to-end IP communication for TAF were put into use.

**2011:** The design and development of the prototype Behind-the-Wall Imaging Radar operating with Ultra Wideband technology was completed.



**2012:** The first domestic Mode 5 Friend or Foe Recognition system, of which Netaş was the design subcontractor, was put into service for the Turkish Armed Forces.

**2013:** The installation of the electronic ticketing infrastructure of 31 stadiums was completed in Türkiye's first smart stadium project carried out with TFF.

**2014:** The first domestically designed Global Positioning System receiver, which has no altitude and speed limitations, was put into use by the Turkish Armed Forces.



**2015:** 4G LTE base station design and development work was completed and installation work began.

**2016:** The number of employees who have travelled through Netaş since its establishment exceeded 10,000.

**2017:** Technology transfer to Algeria for IP-based Communication Systems.



**2017:** The development of the Ministry of Health Emergency Health Automation System was initiated.

**2018:** Started software exports to China for multinational IT solutions and systems manufacturer ZTE, which acquired 48.04 per cent of Netaş's shares.

**2020:** According to the Türkiye Patent Map Report, Netaş ranked among the top 10 institutions with 358 applications.

**2021:** TRNC e-Customs - Customs Information System developed by Netaş R&D was put into service.



**2022:** IP-based Tactical Ship Communication Control System is put into operation.

**2023:** The Automatic Train Supervision system, which is at the heart of Türkiye's first metro signalling system, was commissioned.



## NETAŞ R&D: A LEGACY OF INNOVATION

Netaş R&D boasts extensive experience developing complex bespoke software and hardware solutions, particularly for the defense sector. This expertise translates into a strong track record of successful projects across the public, defense, and private sectors. Aligned with company's five-pillar digital transformation strategy for Türkiye, Netaş R&D delivers customized products and solutions for each pillar. They are at the forefront of innovation, focusing on artificial reality applications within the framework of artificial intelligence and 5G, one of today's most disruptive technologies. This focus complements their ongoing digital transformation projects. Netaş R&D's heritage lies in telecommunications R&D, and they continue to be a key player in this field.

## AREAS OF EXPERTISE

- Defense Technologies
- Digital Transformation & Application Development
- Telecommunications Technologies
- Testing Services & Products
- Next-Generation Technologies
- National & International Collaborative Projects

## ACADEMIC R&D ACHIEVEMENTS

- Pioneering continuous innovation and patent applications
- 561 patents (26 international) and 7 utility model applications
- 158 registered patents (1 international), 4 registered utility models, 69 registered trademarks (15 international)
- 196 scientific publications (154 international)
- Collaboration agreements with 18 universities
- Provided academic guidance on 42 projects

## EXPERIENCE AND COMPETENCE

- Deep-rooted R&D culture and competent engineering staff, agile structure
- International software development and testing competence
- 5G and beyond application development competence
- Software, hardware, mechanical design for defense industries
- Software and solution development in Telecom, ICT industries
- Test service and product development
- Domestic product development experience
- Strong know-how in developing innovative technology
- Leadership in international R&D platforms
- Strong collaborations with the ecosystem

## NATIONAL AND INTERNATIONAL COLLABORATIONS

- Celtic NEXT Board Member
- European Union Network EUROPE Board Member
- One6G membership
- ARGEMIP (R&D and Design Centers Cooperation and Communication Platform) Presidency
- YASAD Board Member
- TUBITAK SAYEM Smart City Project Coordinatorship
- Our current European Union projects: 2 Celtic NEXT, 1 ITEA3, 1 QNRF
- 69 EU Project Applications (37 H2020)
- 854 cooperation with 38 countries within the scope of EU project partnerships
- Rail Transport Systems and Industrialists Association (RAYDER)
- Defense and Aerospace Industry Manufacturers Association (SASAD)
- University Industry Cooperation Centers Platform (ÜSİMP)
- Turkish Electronics Manufacturers Association (TESİD)
- YASED R&D Committee
- Turkish Industry and Business Association (TUSİAD)
- TOBB Software Assembly
- Communication Technologies Cluster (HTK)
- Service Exporters Association (HİB)
- Technology Development Foundation of Türkiye (TTGV)
- Anatolian Rail Transport Systems Cluster (ARUS)
- SAHA Istanbul

## DEFENSE TECHNOLOGIES



Netaş is a critical supplier to the defense sector, providing domestic and nationally developed software and hardware communication solutions that cater to the sector's specialized communication technology needs.

A leader in national and domestic development, Netaş engineers land, air, and naval communication systems for the defense industry. These systems not only modernize Türkiye's defense communication network but are also exported, extending their reach beyond national borders. Netaş designs high-tech, world-class communication systems specifically tailored for the defense sector, with a focus on Türkiye and the surrounding region. Leveraging its entirely domestic design and production capabilities, Netaş delivers IP/ATM/ISDN switching and routing products, user terminals, transmission devices, and power units. This comprehensive suite of solutions ensures reliable voice, data, and video communication within the tactical field. Furthermore, Netaş products are meticulously engineered to withstand the harsh environmental conditions of tactical operations, functioning flawlessly in temperatures ranging from -40°C to +55°C.

Beyond communication systems, Netaş offers mission-critical solutions in the areas of control, communication, and navigation for high-speed air platforms. Their expertise encompasses flight control actuators and other ongoing control systems, meticulously designed to ensure safe and optimized aircraft movement, adhering to the most stringent safety and performance standards established by the aviation industry.

### National defense technologies

#### Tactical field communication solutions

System, hardware, mechanical, software and industrial design and communication solutions for construction resistant to harsh environmental conditions

### Tactical ship communication solutions

Scalable solutions according to the mission and needs of ships, from small-scale platforms to warships

### Navigation solutions

GNSS receiver solutions that utilize GPS, GLONASS, GALILEO and BEIDOU global positioning systems and SBAS correction systems to provide position, velocity and time outputs and intermediate outputs to meet a wide range of tactical navigation information requirements from low speed aircraft to very high speed air platforms

### Friend or foe recognition solutions

Military and civil recognition and traffic management solutions for land, air and sea platforms

### Avionics solutions

Avionics Solutions fulfils mission-critical system requirements in the areas of control, communication and navigation in high-speed air platforms. These solutions are designed to comply with the highest safety and performance standards of the aviation industry. Thus, they provide users with a reliable and effective flight experience.

## DIGITAL TRANSFORMATION - APPLICATION TRANSFORMATION

Netaş is a leading force in public sector digital transformation. They develop bespoke e-government applications specifically designed to integrate seamlessly with existing government systems and meet the unique business process needs of public institutions.

Netaş is currently engaged in the development of several digital transformation projects. One such project is the Emergency Health Automation System (ASOS) for the Ministry of Health, along with customs, population, and legal entity management systems for the TRNC. Additionally, Netaş is working on the Automatic Train Supervision system for metro signaling systems.

ASOS, developed for the Ministry of Health, aims to digitize Türkiye's pre-hospital emergency health system. This system ensures data integrity and facilitates coordination and communication between relevant institutions, such as the central organization of the Ministry and hospitals. Netaş is currently in the third phase of the project, which is set to last for three years, during which new capabilities will be added to the ASOS system. Furthermore, Netaş is continuing its work on the ASOS mobile application, which began development in 2023. This application focuses on instant monitoring of patient transfer processes, coordination of incident management in disaster situations, and other similar features.

Netaş is also playing a role in the digital transformation of the TRNC by participating in the establishment of the e-government infrastructure through the Customs, Legal, and Population Systems projects. Currently, sea, air, and land customs gates in the TRNC are equipped with Netaş's E-Customs automation software. Company and association processes are monitored through Netaş's E-Enterprise automation system, while identity card processes are managed through Netaş's E-Population system.

### End-to-end IPTV Services

Netaş is providing end-to-end IPTV services to telecom operators and digital media application owners. This includes developing the interface of the IPTV application for various platforms by Netaş R&D, such as IPTV STB (Set Top Box), Android TV, Apple TV, and Smart TVs (LG, Samsung, Vestel, Arçelik, Beko, Grundig), as part of ZTE's IPTV transformation project.

Moreover, Netaş R&D is developing applications and solutions such as smart traffic, remote physiotherapy, smart energy turbines, and smart city technologies using 5G and beyond technologies. To achieve this, Netaş has established an artificial intelligence team within its R&D department, enabling the development of new applications and the enhancement of existing products with artificial intelligence.



## TELECOMMUNICATIONS TECHNOLOGIES

Netaş boasts a long-standing and globally recognized R&D competence in end-to-end telecommunications technologies. Their expertise spans design, software development, and hardware engineering, with a particular focus on 5G technologies, building upon their established experience in domestic 4G development.

Netaş's software and hardware products in this field are actively deployed by operators, serving millions of subscribers. The company remains committed to maintaining and evolving these products to ensure they stay current with evolving standards and support new technologies.

Through a strategic collaboration with ZTE, Netaş leverages ZTE's extensive telecommunications product portfolio and Netaş's R&D capabilities. This powerful synergy allows them to offer world-class solutions to Turkish operators, backed by on-site R&D support. Netaş further demonstrates its commitment to customer needs by continually developing innovative solutions and undertaking bespoke projects.



## NETAŞ TEST SERVICES CENTER

Netaş provides testing services to major players in the private sector, including three telecom operators and three major banks at its Test Services Center, and supports these services with the VisiumLabs product family, which it continues to develop.

The test applications that Netaş created for its own needs in order to perform software testing quickly and automatically in R&D software processes were transformed into a software testing family under the name of VisiumLabs in 2018, offering fast and automated software testing opportunities, which is the biggest need of the software industry. While continuing to develop the VisiumLabs product family, Netaş offers testing services to its customers in line with their needs with nearly 500 competent engineers and experts working at the Test Services Center.

In 2023, VisiumLabs products continued to be the first choice of customers in the field of test products, especially for financial and telecom customers in the local market. Participating in the event organized by Netaş Kazakhstan office for telecom customers with its own stand, VisiumLabs took the first steps to expand to foreign markets after the local market.

### What is offered at Netaş Test Center?

- Competent test engineers/experts in their field
- Designated test architects or project managers responsible for each project
- Resource continuity
- International experience
- Test vehicle R&D
- Strong references

Netaş offers an end-to-end testing service experience to its customers with its service organization and nearly 500 test engineers and experts, which it has created specifically for the needs of its customers who perform continuous integration and continuous development.

### Test process consultancy service

Test process consultancy includes test maturity level measurements for the proper operation of test processes in the current software life cycle of organizations, and then sharing test process documents, monitoring and reporting compliance of processes.

### Managed test services

Managed test service is based on the fulfilment of test services by test engineers/experts provided by Netaş in accordance with the SLA and KPIs of the customers. This service, which enables organizations to reduce project costs and use their resources and technologies efficiently, helps organizations to provide more effective management and control over testing activities and processes.

### Web/Mobile/Desktop software testing service

Software testing service provides testing of software developed for various platforms such as web and desktop and server software, embedded software, business application software. In addition, end-user testing of mobile applications on real smartphones with 200+ different brands, models and operating systems is offered.

### Test automation service

The test automation service accelerates the testing phase and increases efficiency by using the most appropriate test automation method.

### M2M/IoT and mobile terminal tests

Within the scope of M2M/IoT and mobile terminal tests; user tests of mobile devices, phones, tablets, M2M/IoT devices, PCs, modems, routers and operators are tested with existing, new SIM cards and existing fixed internet provider services.

### Penetration tests (Pentest) service

Penetration testing (Pentest) service provides a complete solution for analyzing the current situation and what needs to be done to create a secure IT infrastructure. Vulnerability detection is performed in web applications and VoIP systems and analysis reports containing security measures are presented. In addition to the use of rich test tools, organization-specific test scenarios are also studied. In addition, security audits should be carried out periodically with Netaş penetration tests.

### Performance tests service

With the performance tests service, the operating performances of various software are tested by determining whether they can respond under high traffic, determining how much delays occur if they can respond, and analyzing the load that the system can handle according to the test results. As a result, performance-enhancing suggestions are provided.

### Continuous integration service

Continuous integration service provides an efficient and manageable software development environment. Continuous Integration (CI) and Continuous Development (CD) processes enable efficient and manageable software development. This is an important part of the agile software development business model.

### Crowd testing service

Within the scope of the crowd testing service, the instant test needs of the customers are carried out by the test engineer/experts at the Netaş Test Center within a very short period of 2-3 days in the form of exploratory testing without being dependent on test scenarios and the errors found are reported.



### Software Testing Product Family - VisiumLabs

Netaş addresses the needs of end-to-end test applications with its test product family developed and productized in-house.



### Performance and Load Testing: Visium Load

Visium Load is a scalable load and performance testing platform designed to streamline the development process by enabling fast and reliable application performance testing. Visium Load empowers its users to efficiently manage the entire testing workflow, from provisioning cloud environments and adjusting traffic components to running tests and generating detailed reports. This comprehensive approach ensures its users leverage the most effective resources for their application's load testing needs. A testament to its innovation, Visium Load, has secured a place on Microsoft's Azure Marketplace as

a Turkish product. By harnessing the power of the cloud, Visium Load can spin up test environments capable of simulating tens of thousands of virtual users within minutes. This robust platform also allows its users to execute diverse user scenarios in parallel, providing a thorough assessment of their application's performance under various load conditions.



### Mobile Device Farm: Visium Farm

Visium Farm offers a centralized approach to mobile device management, ideal for software developers and their testing workflows. It consolidates mobile devices into one or more central locations (pools), providing simultaneous access to all devices through a single web interface. This web interface empowers software developers and testers to rapidly access any device within the pool and manage them using just a mouse and keyboard.



### BDD Based Test Automation: Visium Go

Visium Go is a BDD-based test automation tool designed to empower anyone to write, understand, and execute test scenarios with ease. In today's digital landscape, where applications are updated at an unprecedented pace, Visium Go offers a significant advantage. By automating repetitive tests, it frees up valuable resources and injects agility into the development process.



### Test Management Tool: Visium Manage

Visium Manage is a test management tool designed to centralize and streamline software development process. It empowers teams to effectively manage all aspects of testing, from requirements and test scenarios to suites, plans, and reporting. Visium Manage facilitates the creation of clear relationships between requirements and scenarios, enabling comprehensive risk and defect tracking throughout the development lifecycle.

## NEW GENERATION TECHNOLOGIES

Netaş adopts a customer-centric approach to product development. By closely following industry requirements, they continuously enhance their portfolio with next-generation technologies, ensuring their solutions remain relevant to their customers' core business areas.

Investing in the technologies of the future as an R&D center that researches and develops different technologies, Netaş brings innovation to every project it implements thanks to its know-how and innovative approach in R&D.

### Transportation solutions

#### Intelligent Transportation Systems - Vehicle to Everything (Vehicle to X - V2X) - On-board and road-side communication units

The advent of 5G promises to revolutionize driving beyond basic safety features. With lower latency and higher bandwidth, applications like cooperative platooning, advanced driver-assistance systems (ADAS), and even remote driving will become a reality. The V2X (Vehicle-to-Everything) ecosystem will enable seamless communication between all participants – pedestrians, passengers, vehicles, and infrastructure – using a common language. This will unlock a future of enhanced safety, efficiency, and collaborative driving experiences. Netaş has begun real-world testing of C-V2X communication systems for both in on-board and road-side units in both the public and private sectors, paving the way for this transformative future.

#### Automatic Train Supervision (ATS) Project

Netaş is proud to be leading the design and development of the Automatic Train Supervision (ATS) system, a critical subsystem of the signaling system for the new Gayrettepe-Istanbul Airport-Halkalı metro line. The ATS solution provides comprehensive train management functionalities. It enables the creation and management of train schedules, real-time control and monitoring of all traffic on the line, and interfaces for operators to intervene when necessary. This includes the development of railway traffic management server software and operator applications. This innovative system will ensure the safe and efficient operation of the 70 km metro line, featuring 17 stations. It represents a significant milestone for Turkish engineering, being the country's first domestic metro signaling system. Designed for an operating speed of 120 km/h and a

headway (train interval) of 180 seconds, the system is already operational between Kağıthane and Cargo Terminal since January 2023. The remaining section from Gayrettepe to Kağıthane is expected to open in the first few months of 2024.

#### Innovative solutions for different verticals with generative artificial intelligence

Netaş continues to work on generative artificial intelligence technologies, which have become very popular with ChatGPT. Generative artificial intelligence is expected to create serious transformations in many sectors, especially in enterprise applications, health, energy, communication and finance. Netaş R&D carries out innovative studies to further this transformative effect of artificial intelligence. Working on both OpenAI models on Microsoft Azure and open source models, Netaş R&D team is able to customize and integrate artificial intelligence technologies in accordance with the needs of its customers. These efforts will strengthen Netaş's position in the sector and enable it to make the most of the opportunities offered by artificial intelligence.

Netaş has prepared various concept demonstrations using generative artificial intelligence technology in the fields of artificial intelligence-supported chatbots in health, energy and enterprise applications, and text-based search of unlabelled image files in the textile industry in 2023. Generative artificial intelligence offers great potential to further accelerate business processes, increase productivity, improve service quality and create new business opportunities. In order to make use of this great potential, Netaş plans to carry out innovative studies on technologies such as intelligent virtual assistants, multimodal generative artificial intelligence and artificial intelligence applications in embedded systems, as well as the commercialization of the works for which it has already prepared concept demonstrations, with the foresight that 2024 will be the year of commercialization for generative artificial intelligence.

### Next Generation Rehabilitation Service

#### Remote Physiotherapy

The availability of various sensors, including cameras, balance and motion sensors, and artificial intelligence applications, is bringing about a revolutionary transformation in the field of technology-supported rehabilitation. The planning and monitoring of remote physiotherapies can be achieved quickly, safely and in real time using 5G technologies, ensuring the more effective and efficient implementation of personalized physiotherapy and exercise programs through virtual reality-based exercises and motion tracking. The gamification of exercises in physiotherapy, the real-time transmission of game broadcast streams and delay sensitivity in online transmissions make 5G technologies important in next-generation health applications. With 5G, it becomes possible to continue and monitor physiotherapy processes outside the hospital, and to provide personalized healthcare services. Through rehabilitative games in particular it is aimed to maintain a high level of motivation among clients in keeping their assigned treatment programs, targeting an efficient and focused treatment process. The Remote Physiotherapy application, developed locally by Netaş in cooperation with our solution partner, constitutes an important step towards the new generation health system.



#### Follow the world of Metaverse with VR glasses

Applications that can turn physiotherapy exercises into games that meet health standards, and that allow the instantaneous follow-up of patients by the physiotherapist are possible thanks to the next generation technologies integrated by Netaş R&D with multimedia communication capabilities. In gamified physiotherapy applications, the patient can perform the exercises given by the physiotherapist within a computer game environment. For example, a patient can gain points if s/he can turn a key in the game in the desired direction and to a specific angle, and touch objects positioned in the game at a certain height, with their movements monitored by motion sensors. Using the interface designed by Netaş, physiotherapists can check whether the patient is doing their exercises correctly through videoconferencing and can view the patient's avatar in the Metaverse world or through VR glasses. Speed and quality in communication are of great importance for the provision of timely and accurate instructions to the patient.

### Navigation Systems

#### GNSS Receiver

Satellite-based navigation for land, air and naval platforms is provided by GNSS (Global Navigation Satellite System) receivers. Netaş has developed the first software-based GNSS receivers in Türkiye, which use the GPS, GLONASS and GALILEO global positioning systems and SBAS (Satellite-Based Augmentation Systems) correction systems to service final and intermediate outputs about position, speed and time information. The Netaş GNSS Receiver family has been developed with a software-based approach on hardware with high processing capacity, comprising an FPGA and microprocessor. This flexible architecture ensures it is open to new developments and programmable in the field. Developed to operate under difficult conditions such as high dynamics and low signal levels, the GNSS Receiver family can be program according to the needs of the platform under dynamics and low signal levels. The Netaş GNSS Receiver family, which can operate in difficult operational conditions, has advanced consistency algorithms to counter deception and anti-jamming algorithms.

### Internet of Things (IoT)

#### ION

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

## NATIONAL AND INTERNATIONAL INCENTIVE PROJECTS

Netaş R&D prioritizes bringing its technological advancements to the international arena. They actively participate in R&D projects undertaken by international consortiums, solidifying their presence on the global stage.

### AICOM4HEALTH

Netaş is developing 5G, Internet of Things and artificial intelligence-based next-generation technologies that can be used in pandemics in the AICOM4HEALTH project, launched with nine project partners in four different countries within the scope of CELTIC-NEXT, a communication technologies cluster under EUREKA in Europe.

Under the AICOM4HEALTH project, substandard air quality, not wearing masks, social distancing, and excessive density and mobility, and symptoms such as fever, weakness and partial loss of consciousness in indoor and outdoor areas where the public is concentrated during epidemics will be instantly detectable with sensors and cameras. Images from cameras and data such as heat, temperature, air quality, etc. from IoT (Internet of Things) sensors are analyzed within artificial intelligence-supported systems and transmitted to teams involved in the fight against pandemics in real time. This project aims to reliably deliver high-capacity data with less latency through next-generation 5G technologies such as the Internet of Things (IoT), artificial intelligence (AI), video analytics (VA) and Network Slicing.



### AISMECOT

As part of the AISMECOT project initiated by EUROGIA, a European energy technology cluster under EUREKA, Netaş is spearheading international R&D efforts in next-generation communication and data analytics for remote meter reading systems.

The AISMECOT project focuses on establishing the infrastructure required for natural gas meters to leverage various communication technologies to transmit data to central systems via the 5G network. Netaş then employs advanced data analytics techniques to process the collected data within these central systems. This analysis generates solutions in areas such as customer profiling, consumption estimation, loss-leakage analysis, and preventive maintenance. When traditional data analytics methods prove inadequate, Netaş leverages machine learning techniques to develop highly successful solutions across diverse use cases. Furthermore, collaboration with the project's Spanish partners fosters the international exchange of knowledge and expertise in machine learning.

### SOCFAI

Netaş is a key player in the SOCFAI project, an initiative spearheaded by ITEA4, a European software development technology cluster under EUREKA. This project aims to modernize software solutions utilized within airports. Focusing on energy efficiency within the airport environment, Netaş is responsible for the project's Internet of Things (IoT) integration, data analytics, and system integration activities specifically dedicated to reducing air conditioning energy consumption. Sensors strategically placed throughout the airport continuously monitor air quality and occupancy levels. This real-time data is then used to optimize air conditioning operations. In areas with low occupancy and high air quality, the systems automatically adjust to lower power modes, resulting in increased energy efficiency for the entire airport. Furthermore, Netaş actively contributed to the development of a microservice-based software architecture within SOCFAI project. This architecture facilitates seamless communication between various airport services, paving the way for the creation of innovative, high value-added applications.

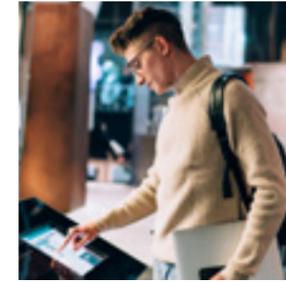
### Smart Farming Project for Qatar

The 5GPPGreenhouse project of Netaş, started upon the joint call from the Scientific and Technological Research Council of Türkiye (TÜBİTAK) and Qatar National Research Fund (QNRF), aims to process data coming from greenhouses through Netaş's IOT platform ION and increase the efficiency and digitalization in order to secure the sustainability of the agricultural production. As a pilot study, a greenhouse in Qatar will be controlled through ION set up on a cloud in Istanbul.



## SAYEM SMART CITY CONSORTIUM

Netaş is spearheading the development of a suite of smart city applications as part of a consortium project funded by TÜBİTAK, Scientific and Technological Research Council of Türkiye.



Türkiye's most comprehensive Smart City Consortium has been established under the leadership of Netaş in response to TUBITAK's SAYEM (Industrial Innovation Network Mechanism Program) call to "develop high value-added products or product groups through the creation of innovation networks in cooperation with the private sector, universities and the public sector, in line with national high technology targets". Focusing on integrated smart solutions in the fields of energy, building management systems, emergency management, health, environment and waste management, parking and transportation, the consortium aims to contribute to increasing Türkiye's high-tech exports.

### Project Calendar

Launched in April 2021, the project encompasses a 48-month development phase followed by a 12-month commercialization phase. All projects will achieve a Technology Readiness Level (TRL) of 9 by the project's completion in 48 months. The project delivery is phased, with five applications targeted for completion in 2022, nine in 2023, three in 2024, and the remaining projects finalized in 2025.

### Centering the data

With the Central Management Unit that will process the incoming data, it is aimed to create an integrated "Smart City" solution that makes our cities smart, ensuring the more effective and efficient use of our country's limited resources:

- Smart energy
- Smart house-building
- Smart emergency management
- Smart healthcare
- Smart environment and waste management
- Parking and transport systems
- Central Management Unit (CMU)

### The social benefit of the program

- Reducing operating costs
- Improving service and quality of life
- Reducing the carbon footprint left in nature
- Protection of the environment and natural resources



## Managed Services

# Guaranteed Business Continuity with Managed Services

Netaş helps businesses navigate their digital journey with confidence. Its 24/7 operations center staffed by expert teams ensures business continuity, while its extensive service network across Türkiye and the region offers effective cost-benefit management.



As Türkiye's largest IT services provider - specialized and certified in many different IT fields - Netaş supports the management and control of all the information technology assets of companies through its managed services. With its resources of expert engineers to manage the systems in every vertical platform independently, Netaş provides end-to-end NOC services. Thus, it offers effective cost-benefit management through optimization and consolidation of living systems. As an additional benefit, as many systems are managed from a single center, the time to resolve problems is shortened considerably. In addition to its presence in 81 provinces of Türkiye, Netaş also maintains a business partnership with companies providing managed services abroad through its foreign offices.

Netaş provides its customers with a robust IT management infrastructure aligned with ITIL® standards. This encompasses configuration, change, release, event, and problem management, ensuring optimal IT operations. Our team of skilled professionals brings a wealth of experience in establishing, managing, and troubleshooting diverse IT environments. They offer reliable consultancy services, providing guidance and information to support your evolving IT needs. This collaborative approach empowers you to integrate the most suitable solutions into its clients' IT infrastructure, maximizing efficiency and effectiveness.

Netaş actively cultivates partnerships with telecom operators. This collaboration enables them to deliver comprehensive support for both field operations and managed services within city hospitals. Additionally, Netaş plays an integral role in managing the private cloud infrastructure specifically designed for a leading telecom operator's clients in finance sector.

Since 2013, Netaş has successfully managed the data centers and 43 stadiums associated with the TFF E-ticket project. This track record of success extends further, with the establishment of a business partner ecosystem in 2022. Through this network, Netaş leverages its management expertise to provide customers with access to technologies beyond their own internal resources, ensuring they receive the solutions they need.

### Netaş managed services in numbers

- 70+ engineer
- 2,000 VM
- 200 DB
- 10,000 routers
- 4,000+ mailboxes
- 400+ server
- 1,000+ backup jobs
- 7.3 PB storage
- 100+ firewall
- 200+ certification

### Advantages of managed services

- Reduced IT costs
- Support of the business continuity
- Focus on core business
- Reduced risks through increased service levels
- Increased service quality
- Reduced HR responsibilities

### Competencies

- Detailed knowledge of customer systems with all their components
- Human resources with high end-to-end business and management capabilities
- Platform independent management with the experienced and certified team for each vertical
- 24/7 network operations management center
- Proactive management and control

### 24/7 monitoring

All layers of IT systems, which are the basis of the business processes of companies, are monitored 24/7. Potential problems in these layers are identified in advance and any problem is intervened proactively.

### Network management

Network infrastructure components are monitored and managed remotely 24/7 by the Network Operations Center and the healthy operation of the system is ensured. Accordingly, in related devices; possible performance losses are identified and intervened, necessary changes are made with the configuration, and devices are updated.

### System and cloud management

Configuration, monitoring, critical patch management, minor updates, system repair, system-based log tracking, user management and authorization, performance for server components such as operating system management, antivirus management, e-mail services, database management, middleware management, virtualization management, follow-up and improvement processes are carried out.

### Data center design, installation, and migration

Solutions and consultancy are provided on data centers that are on the basis of business processes and operations. Regarding data centers, management and consultancy of turnkey processes are carried out, including the analysis of the company's IT infrastructure, optimization of resources, design of necessary data center infrastructures to accommodate the relevant systems, and migration of the data to these designed structures.

### Security, risk and compliance management

Netaş offers a comprehensive suite of services to ensure the security and regulatory compliance of an IT infrastructure. Its team of security experts, information technology lawyers, and KVKK compliance monitoring specialists provides continuous monitoring and support. The company help its clients manage their IT security processes effectively, ensuring adherence to relevant regulations. This includes security scoring to evaluate the overall security posture of their IT infrastructure, presented through informative dashboards. Additionally, Netaş generates detailed monthly reports to provide ongoing transparency.

Netaş fosters a collaborative approach, actively involving its clients in information technology security and risk management projects. The company's goal is to work with its clients to develop the most appropriate solutions to safeguard their IT environment.

### End-user services management

Netaş provides a centralized approach to end-user management, support, and IMACD (Install, Move, Add, Change, and Delete) services. This allows its clients to manage all these processes from a single point of contact. Netaş offers the flexibility to deploy its team on-site at the client's location or deliver these services remotely, whichever best suits specific needs. By partnering with Netaş, its clients can ensure their end-users receive professional and consistent support, maximizing the satisfaction with their IT environment.

## NETAŞ NETWORK OPERATION CENTER (NOC)

The Netaş Network Operation Center (NOC) safeguards business continuity by proactively monitoring its clients' critical system and network infrastructure, which house all their business data. This central monitoring approach ensures swift action can be taken when necessary. The NOC delivers the highest quality service by optimizing both infrastructure costs for centralized management and staffing costs for the dedicated personnel. This focus on efficiency ensures a cost-effective solution while prioritizing uninterrupted business operations.

### NOC services

- Information collected simultaneously from the devices that form the company network, is reported within specific time intervals.
- The problems on the network are determined in advance and are fixed on short notice, and the workflow is maintained without interruption.
- Network performance measurements are made and evaluated to ensure that the required optimization and systems work at the ideal performance.
- Software and application management and its updates are performed from a single-center on time.

24/7 network monitoring  
High quality service  
Central management  
Management support

### Elements of network operations management

**Configuration management:** It enables the configuration of all assets (hardware, software, network products, documentation, connected systems), keeping detailed information, monitoring, and reporting its history.

**Change management:** It provides the use of standard processes and procedures determined by the company. The impact of the change-related incidents on the quality of service is minimized and, as a result, the company's daily operations are accelerated.

**Version management:** It enables the control and distribution of newer versions of hardware or software that will be created by Netaş or outsourced from the company.

**Event management:** According to the IT incident management process that will be created by Netaş or outsourced from the company, it makes the right decisions for identification, analysis, and elimination of incidents occurring during the service.

**Problem management:** According to the purpose of problem management, it provides studies to find root problems within the IT infrastructure being serviced and ensures that the problems are solved without being occurred again.



**BDH**

# Professional and competent IT support services

BDH (Information Support Services), a Netaş company experiencing continued growth in IT support services, is extending its expertise to neighboring countries. This expansion leverages BDH's strengths: a skilled team, a nationwide service network in Türkiye, 24/7 field support, warranty and managed services capabilities.



With 34 years of information and communication technology (ICT) know-how, BDH empowers businesses of all sizes on their digital transformation journeys. They offer a comprehensive suite of services including consultancy, managed services, strategic outsourcing, in-warranty and out-of-warranty repair and maintenance, and field support. Building on BDH's established reputation as the authorized maintenance and repair center for leading global smart device brands in Türkiye, Netaş is pursuing the designation of "Hardware Technical Maintenance Base" for ZTE in the surrounding region. This initiative will strengthen Netaş's capabilities in hardware support for ZTE products within the country, utilizing domestic resources to contribute to both economic growth and customer satisfaction.

## Service partner of the most valuable technology brands

BDH's commitment to service excellence continues to fuel its growth, evidenced by renewed service contracts with leading technology manufacturers. These include HP, Dell, Lenovo, Zebra, Xerox, Supermicro, H3C, Viewsonic, Microsoft Xbox, OKI, Samsung, Oppo, Realme, OnePlus, Apple, Vivo, Tecno, Xiaomi, Redmi, Poco, and Omix. BDH actively cultivates partnerships beyond traditional manufacturers. They are currently working towards expanding their service portfolio to include Unisys, Ivy, ESP, and Hammersbach. Furthermore, BDH invests heavily in ongoing training and field application studies for various international manufacturers, paving the way for successful contract negotiations. BDH's unwavering dedication to high-quality service and warranty operations has established them as a trusted partner to the top three global PC and notebook manufacturers.

## BDH stands by Turkish Telekom's customers all across Türkiye

Answering 80 thousand calls per month, BDH both supports vendors in the field and ensures the continuity of the work of organizations from every sector within the scope of the contract. Thanks to the opportunities provided by its structure spread across the entire geography of the country, BDH mobilized within its means to heal the wounds to some extent for the earthquake we experienced in February 2023.

## Leader in network transformation

Netaş, Türkiye's leading technology brand in network transformation, empowers businesses in their cloud journeys by leveraging the expertise of its solution partners and BDH. In collaboration with industry leaders like Microsoft, VMware, Cisco, Dell EMC, and Fortinet, BDH has played a key role in cloud transformation projects for Türkiye's leading conglomerates, financial institutions, transportation companies, online retailers, and public sector entities. The company continues to expand its client base in this domain.

BDH stands out in managed services thanks to its expertise in different verticals, its ability to provide 24/7 support at every service level, its measurable service quality and its ability to adapt to current technologies regardless of the manufacturer. BDH continues to deepen in managed services, adding new customers to its portfolio.

BDH actively embraces innovation by integrating artificial intelligence (AI) and robotic process automation (RPA) into its own internal processes. Closely following advancements in these technologies, BDH strives to enhance customer satisfaction and optimize digital workflows. The company demonstrates its commitment to environmental responsibility by fostering sustainable practices within its ecosystem and engaging with stakeholders on these crucial issues.



## Digital Transformation Projects

# Netaş Powering Türkiye's Digital Transformation

Netaş is a driving force behind Türkiye's digital transformation journey. The company supports leading organizations across all sectors, from telecommunications and finance to public sector and energy. Netaş leverages its five-pillar digital transformation strategy to deliver tailored solutions that meet the evolving needs of its clients.



### Safe transport on railways

Netaş provides high performance and secure communication for railways with GSM-R, a world-class radio communication technology. In addition to the GSM-R lines in commercial use, the company also provides services to high-speed and conventional railway lines with its transmission projects.

Some of the ongoing projects in this field, in which Netaş is involved with more than 10 projects, are as follows:

- Sivas-Yerköy High Speed Train Project:** With the New Generation R4 GSM-R Switchboard put into service in Sivas and Ankara, all TCDD lines will now operate with geo-redundancy over these systems.
- Yerköy-Kayaş High Speed Train Project:** Construction of the GSM-R radio communication network and wired communication infrastructure, including towers and related structures, for the Yerköy-Kayaş High Speed Train Project is nearing completion. This critical project is being delivered concurrently with the main infrastructure works.
- Sivas-Yerköy-Kayaş Line:** One-year support, training and supervision activities for the GSM-R and transmission sections are ongoing.
- Konya-Polatli High Speed Train line GSM-R System Maintenance:** Ongoing for three years.

### Netaş Delivers Türkiye's First Domestic Metro Signalling System

Netaş played a pivotal role in developing the Automatic Train Supervision (ATS) system for the Gayrettepe-Istanbul New Airport-Halkalı Metro Line, part of ASELSAN's National Signaling System. This project marks a significant milestone: Türkiye's first local metro signaling system. Phase 1 Stage 1, encompassing the Kağıthane-Istanbul New Airport section, commenced operations in January 2023. This advanced system enables a maximum operating speed of 120 kilometers per hour and a headway (train interval) of 180 seconds. Netaş is further expanding its expertise in metro signaling systems. Currently, they are developing the ATS system for Phase 1 Stage 2 (Gayrettepe-Kağıthane section) of the same line and the Gebze-Darıca Metro project.

### Emergency Health Automation System

Netaş digitalized Türkiye's pre-hospital emergency healthcare system with the Emergency Healthcare Automation System (ASOS) developed for the Ministry of Health. ASOS ensures data integrity, facilitates streamlined coordination, and strengthens communication between all stakeholders, including the Ministry's central organization and hospitals. Netaş is currently undertaking the third phase of the three-year project, further enhancing the capabilities of the ASOS system. This phase focuses on the development of the ASOS mobile application, launched in 2023. The app will empower users with features such as real-time patient transfer monitoring, coordinated incident management during disasters, and a variety of additional functionalities.



### E-government transformation in TRNC

As part of the TRNC e-Government Program, led by Türksat on behalf of the Digital Transformation Office of the Turkish Presidency, Netaş is delivering three key projects. This program aims to modernize public institutions and organizations in the TRNC, transforming them into efficient e-Government entities.

#### TRNC e-Population system project

This project of the first phase of the TRNC e-Government Program is at the core of e-Government. During the project, it was Netaş providing detailed analysis, software design, and development, integration of the system with other institutions and systems, testing, installation, commissioning, training, data digitalization, and counselling. Now the company provides guarantee, maintenance and support services.

#### TRNC e-Enterprise Project

Netaş is undertaking the TRNC e-Enterprise Project, which involves conducting detailed analysis, designing and developing software, integrating with other institutions and systems, testing, digitizing data, transferring data, supplying hardware, installing, configuring, commissioning, providing training and technical support, a three-year warranty, as well as maintenance, support and integration activities for the implementation of the Electronic Companies Central Registry System.

#### TRNC e-Customs Project

The Customs Information System (CIS) project's scope includes comprehensive analysis, software design and development, integration with other institutions and systems, testing, consultancy, hardware supply, installation, configuration, commissioning, training/technical support, three-year warranty, maintenance, support and integration activities. The goal of the project is to provide a modern and high-quality customs service in compliance with global trade standards and European Union customs regulations.

## Smart cities built on smart technologies

The Smart Cities Consortium, which was established under the leadership of Netaş in response to TÜBİTAK's SAYEM call to "develop high value-added products or product groups by creating innovation networks in cooperation with the private sector, universities and the public sector in line with national high technology targets", focuses on integrated smart solutions in the fields of energy, building management systems, emergency management, health, environment and waste management, car parking and transportation systems.

In the first phase, the data to be produced by the devices to be used in the solutions to be produced in six verticals determined as energy, building emergency, health, environment and waste management, parking and transportation systems will be collected in a central management unit. The data to be processed with big data analytics and artificial intelligence applications will enable a structure that produces real-time actions.

The centralized data architecture will enable seamless integration among solutions from different manufacturers, allowing them to work together harmoniously. This combination of forces will form the basis for new applications and research, with public access to real-time data streams open to any kind of analysis.

### Phase 2 application approved

The Smart City Project, presented by the consortium, was one of the three projects that succeeded in making it to Phase 2 in applications for the Industry Innovation Network Mechanism (SAYEM), the incentive program of TÜBİTAK. Undertaking system integration and telecommunication projects abroad with the technologies it has developed in its R&D, Netaş will continue to contribute to increasing the high technology exports of our country with this consortium.

### SAYEM - Smart Cities Architecture

- Vertical applications
  - Smart energy
  - House-building
  - Emergency management
  - Smart healthcare
  - Environment and waste management
  - Parking and transport systems



## International Markets

# End-to-end transformation with international experience

Offering solutions in the fields of communication networks, cloud computing infrastructures, data centers and software development in many countries, Netaş aims to be the technology brand that best defines, stages and implements end-to-end digital transformation in its neighboring region.



Leveraging its offices in Kazakhstan and Algeria, Netaş is a leading force in international digital transformation projects. The company delivers complex, large-scale turnkey solutions in partnership with key technology manufacturers. This includes a strong focus on integrating products from ZTE, Netaş's major shareholder, within the telecommunications sector.

### R&D and Defense technologies in the international market

Netaş is a key solution provider to leading Turkish defense sector companies, contributing significantly to the nation's defense technology export ambitions. The company designs and develops cutting-edge, world-class communication systems specifically tailored for the needs of the Turkish defense sector and the surrounding region.

Netaş's innovative event management solutions, developed in-house by their R&D team, are already proving their effectiveness in Algeria and Qatar. Furthermore, the "Customs Information System" and "Company Registry System" solutions have been successfully implemented in the TRNC. Netaş is also expanding its international footprint in the R&D testing domain. VisiumFarm, the company's first locally developed device farm from the VisiumLab test product family, has been exported to Azerbaijan. Additionally, Netaş offers penetration testing services to support the foreign operations of Türkiye-based companies in Germany, Azerbaijan, and Bulgaria.

### New agreements for modernisation of telecommunication infrastructure and 5G networks in Kazakhstan

Having signed many new critical agreements in the process of modernizing the telecommunications infrastructure and commissioning 5G networks in Kazakhstan, Netaş maintained its leading position in the field of LTE CPE sales in the Kazakhstan market and doubled its current contract volume. Netaş continued its LTE Cat4 CPE product sales by expanding its contract with Kazakhstan's largest telecoms operator. In addition, Netaş signed a new three-year Framework Agreement for the supply of ZTE Cat6 LTE CPE products, enabling the operator to expand its customer base in FWA (Fixed Wireless Access). In the same telecom operator, Netaş also positioned a high number of IPTV STB devices for the rapidly growing IPTV field.

Netaş also won a tender for the supply of 5G CPE devices to a telecom operator for the deployment of 5G networks in Kazakhstan in 2023. Deliveries of ZTE 5G CPE devices have started for 5G Fixed Wireless Access services provided by the operator in major Kazakhstan cities such as Astana, Almaty and Shymkent. ZTE also signed new contracts for the supply of multi-band antennas to two telecom operators to meet their urgent needs in 4G and 5G network modernization projects.

Netaş also achieved great success in expanding the area of ZTE DC Power Supply equipment in Kazakhstan. Having signed two new Framework Contracts for the supply of DC Power Systems including indoor and outdoor cabinets to one of the largest telecom operators in Kazakhstan, Netaş expanded the existing contract and delivered a high number of power systems to the customer in 2023.

In 2023, Netaş managed to double the volume of its contract with one of the largest telecom operators on the supply of ZTE's IP Core router products to expand fixed network capacity.

At the same time, Netaş renewed the technical support contract for ZTE BSC/RNC equipment, continuing its success in providing high quality warranty and post-warranty technical support to Kazakhstan telecom customers.

### Two new Microsoft license agreements in Kazakhstan

Netaş, further solidifying its presence in the Kazakhstan market, has achieved a notable success in collaboration with business partner Microsoft. This success involves two key agreements:

- A significant expansion of existing contracts for the supply of Microsoft licenses to Netaş's main customer.
- The signing of a new agreement with one of Kazakhstan's largest telecom operators for Microsoft license provision.

# n-telligent institute

## High-tech training center

Netaş offers dozens of different trainings under six main headings within the scope of the n-telligent institute, which it supports to keep the competences of its entire ecosystem up to date, from its employees to companies from every sector.

In today's increasingly competitive landscape, maintaining up-to-date digital skills is paramount for business success. Research clearly demonstrates a direct correlation between market capitalization and a skilled workforce. Investing in human resource development is the key to economic progress and company growth. Recognizing this critical need, Netaş established the n-telligent institute. This institute serves as a valuable "business partner" for companies across diverse sectors, offering training programs designed to strengthen their digital competencies.

Responding swiftly to the evolving demands of digital transformation, n-telligent institute equips companies with a lifelong learning approach. Their programs enable workforces to stay abreast of the latest technological advancements and effectively integrate them into their operations. With a particular focus on nurturing engineering leadership, n-telligent institute provides targeted training that fosters technical leadership skills and enhances engineers' social capabilities.

### Technology giant ZTE's trainings are also offered

The n-telligent institute curriculum encompasses training on cutting-edge 5G network technologies, radio access technologies, IP networking, wireless communication technologies, and switching infrastructure. The institute also offers in-depth training on RAN products from ZTE, Netaş's major shareholder. ZTE is a world leader in communication technologies, holding a significant number of patents in this field. Leveraging its expertise and ZTE's industry leadership, n-telligent institute provides comprehensive training and development support to its business partners. These programs focus on products and technical areas where Netaş possesses a deep knowledge base.



### Netaş's legacy as an "engineering school" turned into an actual school

Netaş's rich history as an "engineering school" has taken a significant step forward with the establishment of the n-telligent institute. This institute fosters the development of both social and technical competencies within Netaş's workforce. By sharing its extensive know-how with its entire ecosystem, n-telligent institute is instrumental in nurturing future Netaş leaders. Building upon the legacy of the "Netaş engineer school" motto, n-telligent institute plays a vital role in shaping employees who possess the following key qualities:

- ▶ **Target and success orientation:** This emphasizes a focus on achieving goals and driving success.
- ▶ **Goal and success orientation with developing technology:** This highlights the institute's commitment to equipping employees with the skills to drive technological advancement and achieve success within that context.
- ▶ **Increasing efficiency and effectiveness within organizations:** This emphasizes the institute's focus on improving overall organizational performance.
- ▶ **Strengthening performance:** This highlights the goal of enhancing employee capabilities.
- ▶ **Solution and result oriented:** This emphasizes a problem-solving approach and a focus on achieving tangible outcomes.

### Training of Trainer Certificate Program

n-telligent institute boasts a team of highly skilled internal trainers. To ensure their continued development and effectiveness, the institute offers a dedicated "Training of Trainers" certificate program. This program equips trainers with the necessary skills to create a clear training vision, develop engaging programs, and deliver impactful learning experiences. Furthermore, n-telligent institute takes the lead in nurturing future trainers through its "Digital Trainer's Training" program, categorized under Personal Development. This program is offered to both internal trainer candidates and existing trainers within the company. By providing this comprehensive training, n-telligent institute fosters a competent internal trainer staff and empowers them to establish successful training academies.

### Dozens of different training opportunities are offered under 6 main headings

- ▶ Agile Management
- ▶ Software Testing Services
- ▶ Big Data Unit
- ▶ Software
- ▶ Salesforce
- ▶ Self-improvement

# Human Resources

## It Starts with You

Upholding its "It Starts with You" motto throughout 2023, Netaş remains committed to fostering a positive work environment that prioritizes employee development and well-being.



The company actively shapes its corporate culture by fostering open communication. Netaş listens to employee feedback through internal channels, with senior management evaluating and supporting the implementation of valuable suggestions. This collaborative approach encourages employees to actively participate in projects that align with the organization's shared goals and values. Recognizing the significant contribution of employees who lead healthy and balanced lives, Netaş prioritizes employee health and development initiatives as an ongoing focus area.

### LIFE AT NETAŞ

#### Studio Live

Netaş is committed to enhancing its employees' overall well-being. To achieve this, the company offers a comprehensive suite of programs accessible through the Studio Live online wellness application. These holistic programs are designed to effectively improve corporate health, wellness, and employee performance. Netaş employees have access to a wide range of online resources and activities, encompassing yoga, sports, healthy living practices, meditation, and personal development. The program's popularity is evident, with employees registering for a total of 8,017 courses across various topics thus far.

#### An Employees' Assembly - Sen'foni

Netaş has established the Sen'foni program to foster a culture of open communication and employee engagement, aligning with the company's "We" culture change initiative. This program features volunteer-based culture ambassadors who actively represent the employee voice. Sen'foni is complemented by the Engage&Grow program, which provides training and development opportunities for its members. Through their participation, Sen'foni members serve as a conduit for employee suggestions, ideas, and new project proposals. They also champion proactive initiatives that contribute to a more engaged workforce.



#### Coaching Program

Netaş offers voluntary one-on-one corporate coaching to all interested employees. This program leverages the expertise of our Corporate Coaches, who hold the internationally recognized Adler ICF Accredited Coaching Certificate. These highly skilled coaches guide employees in creating environments and fostering conditions that unlock their full potential. Through this personalized approach, Netaş empowers employees to achieve greater well-being, build high-quality relationships, and deliver solution-oriented business results.

#### Mentorship Program

Netaş offers a comprehensive in-house mentoring program designed to support employee career development and professional growth. This program equips employees with the opportunity to:

- Gain guidance on achieving their career goals
- Enhance their professional development and progress
- Develop new skills and knowledge
- Receive support in taking action to advance their development goals

Mentoring sessions are carefully coordinated, pairing employees (mentees) with experienced managers (mentors) who can provide tailored guidance aligned with individual needs.

#### Sorwe Program

Launched in 2023, the Sorwe program underscores Netaş's commitment to gathering feedback from the entire Netaş family (employees). This dedicated platform, the Sorwe application, serves a multitude of purposes:

- **Evaluation:** Employees can use Sorwe to evaluate training programs, events, and projects.
- **Employee Satisfaction:** The platform facilitates employee satisfaction measurement studies.
- **Idea Generation:** A platform-specific suggestion wall allows employees to submit suggestions and ideas about the company.
- **Surveys:** Sorwe enables the administration of employee loyalty surveys, various pulse surveys, and culture surveys.
- **Feedback Mechanism:** Employees can readily provide feedback and suggestions through Sorwe.

By leveraging Sorwe, Netaş ensures a development-oriented approach, continuously improving based on valuable employee input.

## NETAŞ EMPLOYEES DEVELOP THEMSELVES

### Udemy

Through its partnership with the online learning platform Udemy, Netaş grants its employees unlimited free access to a vast library of professional development courses encompassing technical and personal skillsets. This comprehensive program empowers employees to curate their own learning paths and participate in certified training programs. As of today, employees have accumulated a remarkable total of 37,455 viewing hours across a wide range of topics within the Udemy ecosystem. Notably, in 2023 alone, employees have dedicated 19,710 viewing hours to 2,244 unique training titles.

### Tech To Non-Tech

Demonstrating its commitment to fostering a future-ready workforce, Netaş has launched the "Tech To Non-Tech" training program. This innovative initiative aims to equip non-engineering employees with the knowledge and skills required to navigate the world of advanced technologies. Guided by the motto "We not only produce advanced technology, but also train the leaders of the future," Netaş offers this program to broaden employee skillsets in critical areas like 5G, cloud computing, big data, artificial intelligence, machine learning, and blockchain.

### BAU Netaş Techno Academy

Within the scope of the cooperation with Bahçeşehir University, Netaş employees are entitled to participate in master's and doctoral programs with a 50 percent discount.

### n-telligent institute

The legacy of the "Netaş engineer school" has been revitalized with the establishment of the n-telligent institute. By openly sharing its extensive know-how with its entire ecosystem, n-telligent institute empowers Netaş. The institute cultivates both the social and technical skillsets of its employees, fostering the development of future Netaş leaders.

### İç Eğitim Programı

The n-telligent institute training center has developed the Internal Trainer Program to align with human resource development goals and support talent and career management initiatives. This program prioritizes both increased employee productivity and motivation. Training programs are meticulously designed to address the specific competency development needs identified for Netaş employees.

## NEW NETAŞ EMPLOYEES ARE BEING TRAINED

### Netaş COOP Program

Launched in 2014, the Netaş COOP program provides a valuable long-term internship opportunity for over 100 students annually at the Netaş R&D Center. This program is open to third and fourth-year students enrolled in computer engineering, electrical and electronics engineering, and communication engineering programs.

The program is structured across three seasonal terms – autumn, spring, and summer – each lasting three months. Students actively participate in projects spanning VoIP switchboard design, VoIP and web security, IPv6, JITC, Log Wizard, Smart Office, and Application Server Replacement. Successful interns who demonstrate initiative and complete the program are offered part-time positions while they continue their studies. This allows them to gain valuable professional R&D experience and continue their development within the company. Netaş COOP serves as a springboard for full-time employment. Candidates with 8-18 months of experience in Netaş technologies, who demonstrate a strong cultural fit, a proven track record of success, and a desire to build their career at Netaş, are eligible for full-time opportunities after meeting specific evaluation criteria.

In 2023, 95 students from partner universities participated in the program, with 11 interns transitioning to full-time or part-time engineering roles within R&D teams. To date, an impressive 268 out of 1,225 program participants have joined the Netaş family as part-time or full-time employees.

### Netaş Bootcamp Program

Established in 2020, the Netaş Test Bootcamp program provides an exceptional opportunity for over 100 students annually to gain full-time experience at the Netaş R&D Center's Test Directorate. This program is open to recent graduates from various engineering disciplines, including computer, electrical and electronics, communication, industrial, and mathematics. The program is structured in three distinct monthly training modules. This targeted approach allows Netaş to develop highly skilled test specialists who possess the technical expertise required by the Test Directorate and can be seamlessly integrated into ongoing projects. Furthermore, the program

fosters the development of qualified test engineers by nurturing recent graduates through continuous training and professional development within the company.

In 2023, a total of 81 recent engineering graduates participated in the Bootcamp program. To date, an impressive 308 program alumni have leveraged the acquired skills and training to join the Netaş family as qualified test engineers.

### Netaş Melyaz Programı

The Melyaz project was initiated in cooperation with YASAD in order to encourage students studying software in vocational high schools to attend university and to teach them about business life while they are still in high school. In this context, 25 senior high school students from Tuzla Technical Vocational High School had the opportunity to work in different departments at Netaş R&D and experience the processes closely during an academic year.

### Netaş Career and JOBSHOP

Netaş employees seeking internal career moves can leverage the Connect Career Opportunities application to submit nominations for open positions across the company, facilitating both horizontal and vertical transfers. In addition to the application system, Netaş continues to welcome applications for open positions submitted through external career portals and <http://kariyer.netas.com.tr>.

## FRINGE BENEFITS AND REWARD SYSTEMS AT NETAŞ

### Benefit&Banafit Flexible Benefits Program

Netaş's Benefit&Banafit program offers employees a high degree of flexibility in selecting their fringe benefits packages. This program recognizes the diverse preferences and needs of its workforce by allowing employees to tailor their benefits within predefined guidelines, criteria, and spending limits.

### Bravo Rewarding Portal

Everyone working at Netaş can give awards to each other in different categories for different reasons, without the need to wait for the end of the year to be rewarded and/or recognized.

## COMMUNICATION AT NETAŞ

### Lunchtime Talks

Netaş organizes lunch talks in cooperation with speakers, institutions and organizations on many different topics.

### NetaşTalks

With NetaşTalks events, Netaş employees share their inspiring stories with their colleagues.

### Planetaş

Planetaş, Netaş's quarterly internal communication magazine, features a rich tapestry of content designed to engage employees. Readers can discover inspiring success stories, stay informed about company events and innovative products, and delve into thought-provoking technology columns. The magazine further fosters a sense of community by showcasing employee contributions in the form of art, sports, and travel articles.

## TOMORROW AT NETAŞ

### We are hopeful

Netaş employees, who are an important part of social transformation as well as digital transformation thanks to the Netaş spirit, carry out many activities in all volunteering activities carried out under the name of "We are Hopeful", from Volunteer Reader projects for the Visually Impaired to donations and collaborations with NGOs.

### Netaş Orphans Foundation

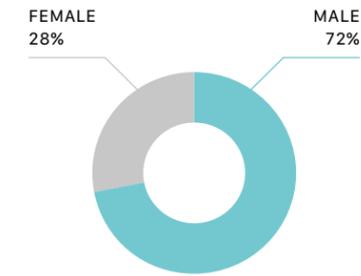
With the Netaş Orphans Foundation, which was established within Netaş and has been in existence for 33 years, Netaş employees support the education of the children of their deceased colleagues.

## NETAŞ EMPLOYEES IN NUMBERS

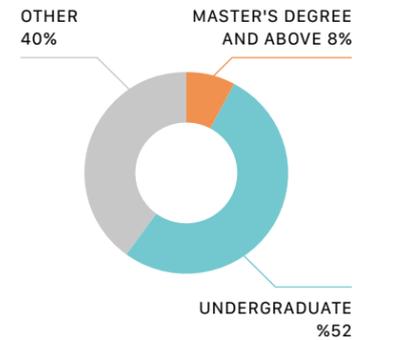
Netaş has 1,682 employees as of the end of 2023, with an average age of 35 and 31 percent of them being women. In 2023, the gender-based wage rate is 93.87 per cent.

### Employee Demographics Data (2023)

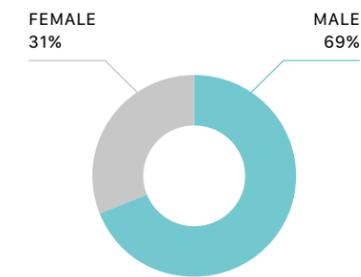
#### New Employee Ratio by Gender



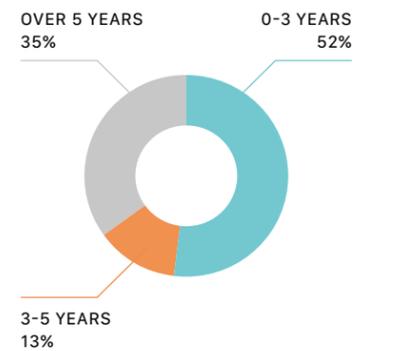
#### Distribution of Employees According to Education Level



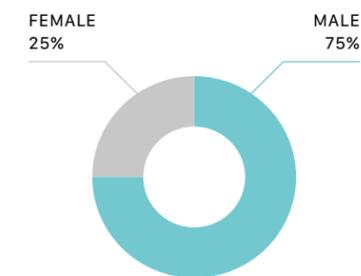
#### Employee Ratio by Gender



#### Ratio of Employees According to Seniority



#### Ratio of Managers by Gender



# Sustainability

## Technology that creates sustainable value

Recognizing digitalization as a key driver of sustainability, Netaş capitalizes on the expertise of its diverse workforce – a true "multi-talent set" – and fosters a strong sense of environmental responsibility among its employees. Through this combined focus, Netaş strives to create sustainable value for the future.

### Sustainable Development Goals That Netaş Supports



For over half a century, Netaş has been contributing to the sustainable development in Türkiye. This commitment is evident in the company's numerous "firsts" its contributions to the economy through job creation, investment, and exports, and its ongoing social investments.

Recognizing the crucial role of technology and the business community in achieving the United Nations (UN) Sustainable Development Goals (SDGs), Netaş has established the "Netaş Platform for a Better Life" to drive positive change. This platform leverages the "healing and transformative power of technology" to address the UN's 17 SDGs in the most impactful way possible. Netaş focuses on realizing projects across a broad spectrum, from environmental initiatives to education and diversity programs. The company's vision is to continuously expand the scope of these projects, fostering a sustainable future for all stakeholders. A particular focus is placed on empowering "digital architects of the future" – our children – and nurturing startups that share Netaş's commitment to technological innovation for a better life..

### SDG Innovation for Young Professionals Program

Netaş actively supports the UN Global Compact's SDG Innovation for Young Professionals Program, nurturing future business leaders. Netaş teams volunteer for this program, collaborating with entrepreneurial young professionals from Türkiye and across the globe. Together, they work to reimagine traditional business models and develop innovative solutions to pressing sustainability challenges.

### Supporting sustainable development through digitalization

Leveraging its strengths in R&D and system integration leadership, Netaş plays a pivotal role in Türkiye's sustainable development journey. The company delivers end-to-end digital transformation projects across various sectors: public sector, transportation, energy, entertainment, retail, education, telecom technologies, and defense. These projects support the creation of smart cities and the development of next-generation technologies dedicated to environmental protection and resource conservation.

A prime example of Netaş's commitment is the Smart City Consortium. Established under their leadership in response to TÜBİTAK's SAYEM call, this consortium focuses on developing a robust smart city ecosystem in Türkiye. They achieve this by providing integrated solutions in energy,

building management systems, emergency management, healthcare, environmental and waste management, car parking, and transportation systems. Sensor data collected from these solutions across six key verticals will be centralized in a management unit. Advanced analytics powered by big data and artificial intelligence will then transform this data into actionable insights, enabling real-time decision-making for a sustainable future.

### Strengthening its ecosystem

Recognizing the critical role of technology entrepreneurs within the innovation ecosystem, Netaş offers a multifaceted support system. This includes:

- **Mentorship Programs:** Seasoned Netaş professionals provide guidance and mentorship to budding entrepreneurs.
- **Netaş Wesley Clover Fund:** Established in 2015, this dedicated fund provides financial backing to promising technology ventures.
- **Netaş as a Platform:** Technology SMEs benefit from Netaş's established R&D infrastructure and sales channels, accelerating their growth potential.

### Netaş Melyaz Program

Netaş launched the Melyaz Project in cooperation with YASAD in order to encourage students studying software in vocational high schools to attend university and to teach them about business life while they are still in high school. In this context, 25 senior high school students from Tuzla Technical Vocational High School had the opportunity to work in different departments at Netaş R&D and experience the processes closely during an academic year.

### Diversity is the foundation of the corporate culture

Netaş prioritizes gender equality in its hiring practices, fostering a culture that inspires women to pursue careers in technology. The company's commitment to diversity, a cornerstone of its 56-year history, is further solidified by the establishment of the Netaş Diversity Principles. These principles, signed by employees, provide a clear framework for building a more inclusive workplace.

- Female employee ratio (2023): % 31

### Environmentally friendly company

Netaş demonstrates a longstanding commitment to environmental responsibility through its adherence to ISO 14001 and 45001 standards. The company's robust Environment, Health and Safety Policy, established in 1997, guides its practices.

- **Resource Efficiency:** Netaş prioritizes efficient energy use and implements measures to protect ecological balance.
- **Environmental Awareness:** The company actively promotes environmental awareness among its workforce to foster a culture of sustainability.
- **Environmental Management System:** An Environmental Board comprised of experts oversees the system, monitors permits and approvals, and ensures compliance with legal regulations.
- **Voluntary Initiatives:** Netaş participates in studies on greenhouse gas control, risk/opportunity identification, and ecological protection. It also completes and submits CDP climate change and water reports to investors.
- **Transparency:** External environmental audits are conducted by TÜV NORD, and the resulting Environment, Health and Safety (EHS) Program report is published on the company website.
- **Zero Waste Certification:** In 2022, Netaş achieved Zero Waste Certification for its responsible management of non-hazardous waste separation, recycling, and reuse.
- **Circular Electronics Certification:** Netaş also obtained Circular Electronics Certification in the same year, reflecting its commitment to recycling obligations in cooperation with TÜBİSAD under the Waste Electrical and Electronic Equipment Regulation.
- **Battery Recycling:** Netaş has established partnerships with AKÜDER for waste accumulator recycling and recovery, and with the Portable Battery Manufacturers and Importers Association (TAP) for waste battery recycling.
- **Medical Waste Management:** A Medical Waste Contract is in place with Istanbul Metropolitan Municipality.
- **Defense and Public Projects:** Netaş contributes to circular economy principles in defense and public projects through various approaches.
- **Renewal and Service Solutions:** The company provides Renewal Center and Authorized Service Center services to communication companies, further advancing its circular economy efforts.

Netaş has implemented a hybrid work model, resulting in a reduction in floorspace usage and a corresponding decrease in energy and water consumption.

### Netaş Healing Forest for Biodiversity

Within the "Netaş Healing Forest" project in Gaziköy, a village in Tekirdağ, Netaş aims the protection of the healing plants in an environmental plan, and to provide an alternative source of income from the forest other than wood for Gaziköy villagers, in rural development. In the project, 23 kinds of medicinal plants with an economical value are grown. In 2020, Netaş collaborated with e-cording, one of the brightest initiatives of the start-up ecosystem, as both companies believe that the power of technology serves the best for sustainability in both rural development and nature. Within the scope of the cooperation, 40 thousand sage seed capsules were thrown to the soil in Netaş Healing Forest with the help of drones. The project became a source of income for the women of Gaziköy, which prepared 40 thousand seed balls. With this project, where women's labour meets smart technology, Netaş aims to support biodiversity while contributing to the transformation of forest villagers into exporters.



### Support for Earth Hour

Netaş employees supported the Earth Hour – Solidarity Hour, implemented by the World Wildlife Fund (WWF) around the world to draw attention to climate change, by turning off the lights in their homes and offices this year as well.

### Sustainability in the Supply Chain

Netaş implements a detailed sustainability policy in its supply chain for social and economic sustainability and has audit and blacklist systems to ensure that all suppliers comply with the Supply Chain Management Ethical Principles and Rules. Within this framework, Netaş firmly states that it is against discrimination, unequal wage policies, child labor, precarious work, corruption and environmentally harmful activities.

### Charity Foundation for the Education of Netaş Orphans

The Netaş Foundation for the Education of Netaş Orphans, which is entirely funded by Netaş employees, has been operating for 33 years and provides scholarship support to children who lost their parents while working at Netaş.

### Support to the region after the earthquake

Following the devastating earthquake centered in Kahramanmaraş on 6th February 2023, which profoundly impacted ten surrounding provinces and our entire nation, Netaş swiftly mobilized a comprehensive relief effort:

- ▶ Contact details for numerous aid organizations, including AFAD, the Red Crescent, and AKUT, were circulated to all Netaş employees.
- ▶ Netaş organized the collection and transportation of heaters and blankets to the affected region.
- ▶ As a technology company, Netaş assembled teams to address technical infrastructure issues in the field. This included both repairing faulty equipment and supplying generators and power banks.
- ▶ In collaboration with Istanbul Metropolitan Municipality, Netaş employees were informed of specific needs identified in the region. Urgent supplies were collected and prioritized to support mothers and babies affected by the disaster.
- ▶ Through swift coordination with AFAD, a significant shipment of in-kind donations from Netaş, ZTE, and BDH was delivered to the affected area.
- ▶ In April, a dedicated team of Netaş employees visited Hatay to provide further in-kind aid and demonstrate ongoing support for the recovery process.
- ▶ To bring joy to earthquake-stricken children, Netaş established a playground in Hatay Samandağ as a lasting tribute to National Sovereignty and Children's Day.
- ▶ To ensure the uninterrupted education of girls affected by the earthquake, Netaş employees participated in the 45th Istanbul Marathon on behalf of the Koruncuk Foundation. Their support for the "My Dream is School" Project contributes directly to girls' educational opportunities.

### Next generation products

Since its inception, Netaş has championed a strong environmental focus, integrating sustainability principles into product and service development. This commitment to "eco-design" – creating innovative solutions that deliver social benefits while minimizing environmental impact – remains a core driver of continuous improvement across all processes.

### UZAF

Netaş has developed a groundbreaking remote rehabilitation solution that leverages modern technologies to transform healthcare delivery. This innovative system enables physiotherapists and patients to connect remotely, facilitating gamified rehabilitation exercises that patients can perform from the comfort of their homes. Supported by TÜBİTAK's Smart Cities Project R&D incentive, the solution offers significant environmental benefits. By reducing the need for in-person visits to hospitals or rehabilitation centers, it contributes to lower carbon emissions and less traffic congestion, fostering a more sustainable society. Additionally, the remote approach ensures continuity of care during epidemics or similar situations where social distancing is crucial.



### Smart-WIND

As part of the EUROGIA consortium, Netaş is spearheading the Smart-Wind project to optimize wind turbine performance. This collaborative effort brings together seven organizations from Spain, Germany, and Türkiye. Leveraging data collected from Zorlu Enerji's wind turbines through IoT solutions, Netaş applies cutting-edge artificial intelligence and machine learning techniques. This data-driven approach enables the project to identify and address inefficiencies within critical turbine components, ultimately boosting overall output. Launched in 2020 and successfully completed in 2023, the Smart-Wind project demonstrates Netaş's commitment to fostering domestic advancements in smart energy technologies.

### V2X

The tests of 5G-compatible applications such as On-Board Communication Unit and Roadside Communication Unit (V2X) for smart transportation, Remote Physiotherapy for next-generation healthcare services continue with collaborations in both private and public sectors.

### Incentive Projects

#### SOCFAI Project

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

#### Smart Agriculture Project for Qatar

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

# Investor Relations

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- › SHARE PERFORMANCE OF NETAŞ TELEKOMÜNİKASYON
- › STUDIES FOR SUSTAINABILITY INDEX OF ISTANBUL STOCK EXCHANGE

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## INVESTOR RELATIONS AND SHARE PERFORMANCE

### INVESTOR RELATIONS DEPARTMENT

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

In addition to meeting the information requests of existing shareholders, the Investor Relations department focuses on expanding the domestic and foreign investor portfolio of Netaş. Throughout 2023, various meetings were held with various corporate investors and individual investors, mostly fund managers of asset management firms, and they were informed about the operational and financial performance of Netaş. Since the pandemic, meetings between investor relations and stakeholders were conducted mainly electronically as an alternative to one-on-one meetings.

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

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

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

### General Assembly Meetings

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

In 2023, the General Assembly meeting for 2022 was held in accordance with the current legislation, articles of association and other in-house regulations, and the general meeting agenda and information document were prepared for the shareholders prior to the General Assembly.

The 2022 Ordinary General Assembly was held on May 30, 2023, and the obligations related to public disclosure before and after the meeting were fulfilled in accordance with the legislation, and it was ensured that the necessary disclosures were made on the Public Disclosure Platform (KAP – [kap.gov.tr](http://kap.gov.tr)) in a complete, direct, easily understandable manner, containing sufficient information and free from misleading statements.

In 2023, the return on Netaş shares lagged behind the Information Technology Index (XBLSM) and the BIST100 (XU100) benchmark index in relative terms. According to the relative performance comparison, where the starting value of 2 January 2023 is accepted as 100, the value of Netaş shares decreased to 96 by the end of 2023, while the value of the Informatics Index increased to 145 in the same period, and the value of the BIST100 index completed the year at 132.

### INVESTOR RELATIONS – STUDIES FOR SUSTAINABILITY INDEX OF ISTANBUL STOCK EXCHANGE

The trend and necessity of investing in environmentally friendly, sustainable companies (responsible investing), which have become increasingly prominent recently, brings new responsibilities to investor relations. According to 2023 data, almost all institutional investors state that they consider "climate change" when making their investment decisions; the 17 "Sustainable Development Goals" are observed to have been playing a key role ensuring the global economic growth as revealed in the United Nations Development Program (UNDP). In the long run, sustainable economic growth triggers a turnover and profit growth for companies, which provide gains in stocks and other assets. Therefore, aligning investors and companies in line with the goals of the society is gaining importance day by day.

As a result of the studies carried out by the Investor Relations Department, Netaş shares were included in the "Sustainability Index" by Borsa Istanbul as of November 2019 and traded under the Sustainability Index since November 2019, and have complied with the legislation and regulations updated every period to remain within the scope of the index.

In 2023, Netaş continued its achievements in this field and as a result of the valuation studies carried out by Refinitiv for the mentioned period, Netaş was entitled to be one of the companies included in the BIST Sustainability Index determined by Borsa Istanbul and continued to be traded within the scope of the sustainability index.

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

### SHARE PERFORMANCE OF NETAŞ TELEKOMÜNİKASYON

#### Comparative Performance of Netaş, Borsa Istanbul and Technology Index (2023 YE)



\*Reflects the performance of Netaş, XBLSM and BIST100 index between January 2, 2023 and December 29, 2023.

## FINANCIAL PERFORMANCE

In the year 2023;

Sales revenues increased by 73% to TL 6,958 million

Orders received grew by 60% to TL 6,671 million

Orders on hand (OOH) grew by 34% to TL 2,905 million

### Financial Highlights

TL Million	YE 2023	YE 2022	y/y %
<b>Revenue</b>	<b>6.958</b>	<b>4.012</b>	<b>73%</b>
Cost of Sales	(6.355)	(3.624)	75%
<b>Gross Profit</b>	<b>603</b>	<b>387</b>	<b>56%</b>
<b>Gross margin %</b>	<b>8,7%</b>	<b>9,7%</b>	<b>(98)</b>
<b>Operating Expenses</b>	<b>(449)</b>	<b>(319)</b>	<b>41%</b>
General Administrative Expenses	(219)	(162)	35%
Sales, Marketing & Distribution Expenses	(228)	(151)	51%
Research & Development Expenses	(2)	(7)	(64%)
Incentives	3	2	50%
<b>EBIT</b>	<b>157</b>	<b>70</b>	<b>125%</b>
<b>EBIT margin %</b>	<b>2,3%</b>	<b>1,7%</b>	<b>52</b>
Depreciation	111	96	16%
<b>EBITDA</b>	<b>268</b>	<b>166</b>	<b>62%</b>
<b>EBITDA margin %</b>	<b>3,9%</b>	<b>4,1%</b>	<b>(28)</b>
<b>Earnings Before Tax</b>	<b>(59)</b>	<b>(84)</b>	<b>(30%)</b>
<b>EBT Margin %</b>	<b>-0,8%</b>	<b>-2,1%</b>	<b>n.m.</b>
<b>Net Profits</b>	<b>100</b>	<b>(25)</b>	<b>506%</b>
<b>Net Profit Margin</b>	<b>1,4%</b>	<b>-0,6%</b>	<b>n.m.</b>

EBIT= Gross Profit - Marketing, Selling and Distribution Expenses - General Administrative Expenses - Research and Development Expenses + R&D Incentives

R&D Incentives: In the financial statements prepared in accordance with the Capital Market standards, it is recognized under Other Income from Operating Activities.

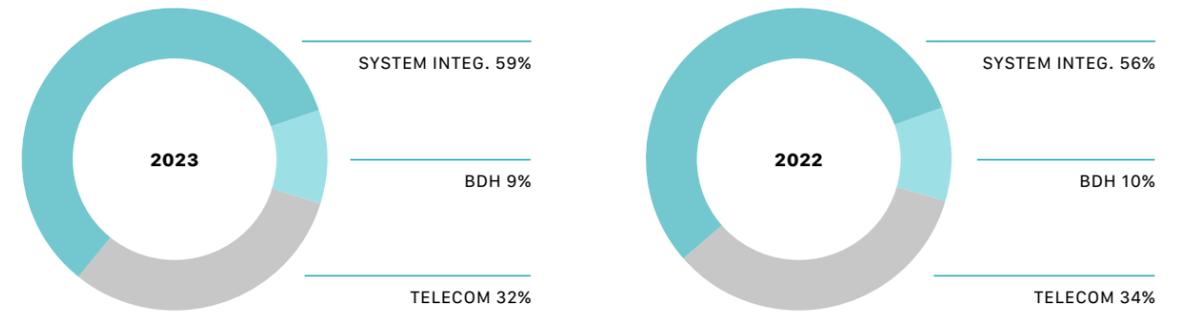
EBITDA = EBIT + Depreciation

### Sales Revenue & Orders

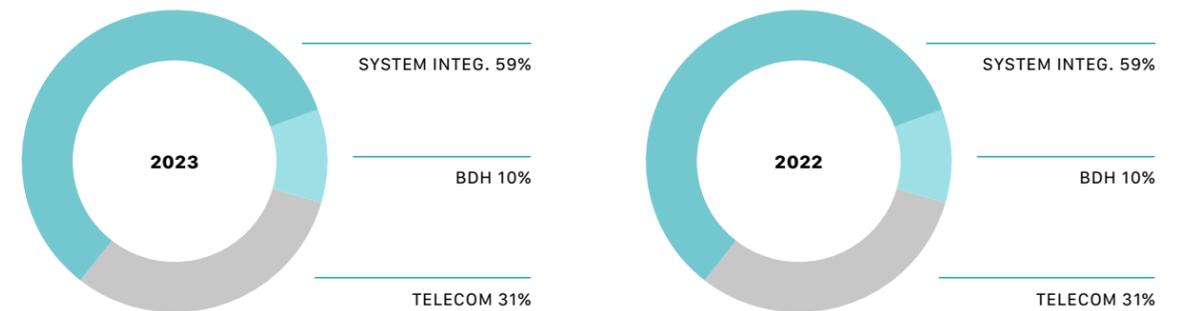
**Sales Revenue:** 2023 year-end consolidated group revenues was recorded at around 7 billion TL with a 73% increase year over year.

**Orders:** Orders received in 2023 increased 60% year-on-year and recorded at 6,671 million TL. In the same period, orders on hand grew by 34% to 2,905 million TL.

### Orders Breakdown



### Revenues Breakdown



## CONSOLIDATED FINANCIAL PERFORMANCE

In 2023, the Group's consolidated orders received saw an increase of 60% compared to the previous year, reaching 6,671 million TL. Among the segments, systems integration had the highest increase in orders received, with a 69% year-on-year growth. As a result, the share of systems integration segment in total orders increased from 56% in 2022 to 59% in 2023. Meanwhile, the system integration (SI) segment continued to be the largest contributor to the total orders, in line with 2022.

The Group's consolidated sales revenues increased by 73% year-on-year in 2023 and amounted to 6,958 million TL. The distribution of sales revenues by segments was in line with the order breakdown, and the system integration and telecom segments accounted for 59% and 31% of total sales, respectively. In 2023, the breakdown of sales revenues between segments was the same as the previous year, with SI, Telekom and BDH sales revenues accounting for 59%, 31% and 10% of total sales, respectively.

Looking at the sales revenues of individual segments, in 2023, the SI segment's sales grew by 74% to 4,081 million TL, while the telecom and BDH segments' revenues were 2,162 million TL and 715 million TL, respectively.

With the Capital Markets Board Bulletin dated December 28, 2023 and numbered 2023/81, it was announced to the public that issuers and capital market institutions subject to the financial reporting regulations of the Capital Markets Board have decided to apply inflation accounting by applying the provisions of TAS 29 "Financial Reporting in Hyperinflationary Economies" starting from the annual financial reports for the accounting periods ending on or after December 31, 2023.

Our Company, which applies Turkish Accounting/Financial Reporting Standards in accordance with the decision of the Capital Markets Board dated December 28, 2023, has prepared its December 31, 2023 financial statements by applying inflation accounting in accordance with the provisions of TAS 29, and the methods and effects of inflation accounting application are explained in detail in the Company's financial report and independent audit report dated December 31, 2023.

Netaş, whose functional currency is USD, recognized the prior period effects of its only subsidiary (BDH), whose functional currency is TL and subject to inflation adjustment, under foreign currency translation differences on 1 January 2023.

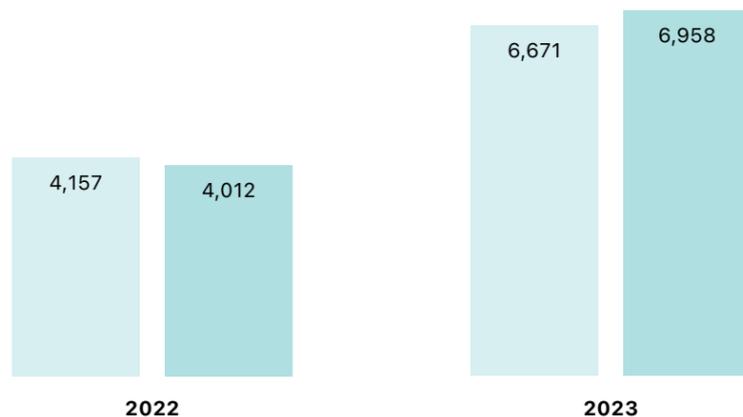
In 2023, the Company's orders and sales continued to grow, with the systems integration segment being the most important segment with 59% share both in orders and in sales revenues. The Company increased its gross profitability by 56% year-on-year and posted a gross profit of TL 603 million, with a gross profit margin of 9%.

The Group has taken and implemented many measures to increase its operational profitability and reduce its financial expenses throughout 2023. Some of these measures include focusing on new technology products and solutions with higher profit margins in 5 technology areas identified as target areas in system integration, focusing on domestic and national R&D solutions in Defense, Telecommunications and Transportation, which are identified as strategic sectors, avoiding projects with high financial and operational risks, not preferring projects with high financing needs and currency risks, and achieving savings in operational expenses.

As a result of these measures, the ratio of the Company's operational expenses to sales decreased from 8% as of December 31, 2022 to 6% as of the current period, and the Company announced an EBITDA of TL 268 million with an increase of 62%.

As of 2023 year-end, the deferred tax asset arising from R&D discounts that the Company is entitled to use but not yet utilized had a positive impact on net profitability. TL 176,817,852 of the TL 700,716,534 deferred tax asset recognized as of December 31, 2023 was reflected in the income statement as deferred tax income and the Company announced a net profit of TL 100,450,587.

In addition to the increase in net profitability, foreign currency translation differences arising from the application of inflation accounting led to an increase in shareholders' equity, and as of December 31, 2023, shareholders' equity increased to TL 217,693,183.



ORDERS BOOKED (TL MILLION)

SALES REVENUE (TL MILLION)

## FINANCIAL PERFORMANCE BASED ON SEGMENTS

YE 2023 (Million TL)	Telecom	System Integration	BDH	Unallocated	Total
Orders Booked	2.162,6	3.934,1	574,2	-	6.671,0
Sales Revenue	2.162,2	4.080,8	715,3	-	6.958,3
Cost of Sales	(1.977,3)	(3.725,5)	(652,2)	-	(6.355,0)
Gross Profit	184,9	355,4	63,1	-	603,3
Gross Profit Margin	9%	9%	9%	-	9%
Sales, Marketing and Distribution Expenses	(51,5)	(118,9)	(57,8)	-	(228,2)
General Administrative Expenses	-	-	-	(218,9)	(218,9)
Operating Profit/ (Loss) of Segment	133,4	236,5	5,3	(218,9)	153,9
Operating Profit Margin	6%	6%	1%	-	2%

YE 2022 (Million TL)	Telecom	System Integration	BDH	Unallocated	Total
Orders Booked	1.432,0	2.329,5	395,9	-	4.157,4
Sales Revenue	1.259,2	2.347,8	404,5	-	4.011,6
Cost of Sales	(1.151,6)	(2.127,4)	(345,3)	-	(3.624,2)
Gross Profit	107,7	220,4	59,2	-	387,3
Gross Profit Margin	9%	9%	15%	-	10%
Sales, Marketing and Distribution Expenses	(44,2)	(72,9)	(33,9)	-	(151,0)
General Administrative Expenses	-	-	-	(161,6)	(161,6)
Operating Profit/ (Loss) of Segment	63,5	147,5	25,4	(161,6)	68,2
Operating Profit Margin	5%	6%	6%	-	2%

### Systems Integration (SI)

In 2023, the systems integration (SI) segment of the Company witnessed an uptick in both orders received and sales revenues by 69% and 74%, respectively. As a result, the SI segment emerged as the major contributor to the Group's consolidated sales, accounting for a whopping 59% of the total sales with orders received worth 3,934 million TL and sales revenues worth 4,081 million TL.

### Telecom

New projects with ZTE products continue to increase the volume of the segment. In 2023, the telecom segment, which displayed a significant leap in 2022, continued to grow. In the current year, orders and sales of the telecom segment grew by 51% and 72%, respectively. The share of the telecom segment in total sales was 31%, the same level as in 2022, with the telecom segment taking the second largest share in sales after system integration.

### BDH

In 2023, BDH's order book and sales revenues increased by 45% and 77% compared to the previous year. BDH's share in total sales revenues was realized at 10% and remained stable.

## DEBT STRUCTURE

As of 2023 year-end, the Group's consolidated financial debt increased in TRY terms, but decreased in USD terms compared to the previous year. As of 2022 year-end, the Group's net debt was USD 61 million, while this amount decreased to USD 51 million as of 2023 year-end.

As of the end of 2023, the Group's consolidated financial debt is TL 1.6 billion. As of the end of 2023, all but TL 156 million of the Group's financial liabilities consist of short-term financial borrowings or short-term portion of long-term financial liabilities.

As of the end of 2023, 69% of the Group's total short-term financial liabilities amounting to TL 1,298 million consist of bank borrowings amounting to TL 1,031 million denominated in USD. The remaining portion of short-term bank borrowings consists of TL denominated loans amounting to 30% and Euro denominated loans amounting to 1%.

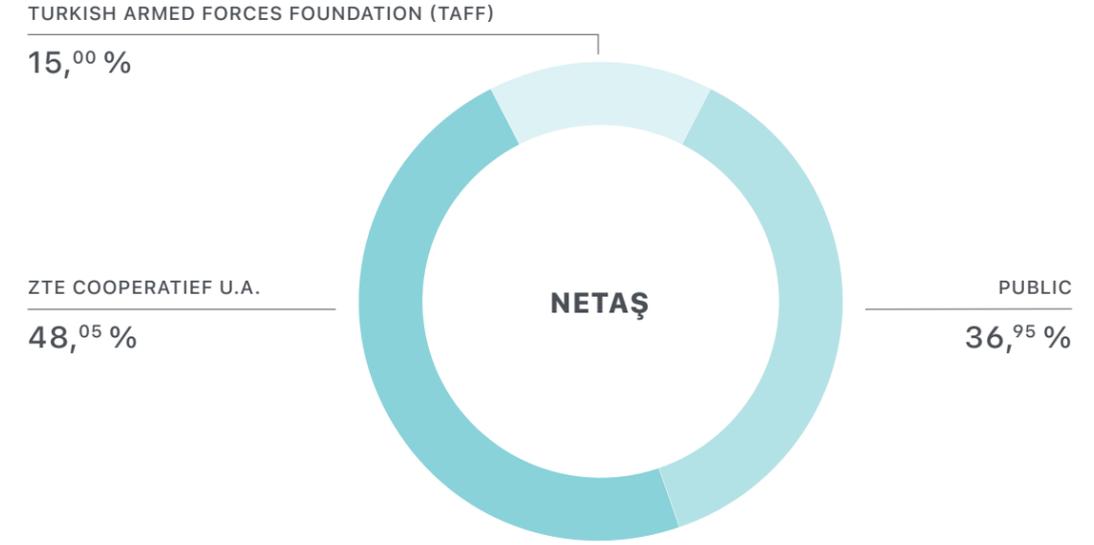
2023 YE*	TL mn.	USD mn.
Short Term Financial Debt	1,298	44
Long Term Financial Debt	156	5
Short Term Portion of Long Term Bank Loans	128	4
<b>Total Debt</b>	<b>1,582</b>	<b>54</b>

\* Financial Debt including bank loans and leasing transactions.

(million TL)	Consolidated Total Financial Debt	Cash and Cash Equivalents	Net Debt (TL mn)	Net Debt (US Dollar mn)
2023	1,582	90	1,492	51
2022	1,354	220	1,134	61

## CORPORATE GOVERNANCE

### NETAŞ'S SHAREHOLDING STRUCTURE



As of 31 December 2023, main shareholder of Netaş Telekomünikasyon A.Ş is ZTE Cooperatief U.A with 48.05%. 15% of the company's shares are owned by Turkish Armed Forces Foundation. Netaş stock is listed in Borsa İstanbul and the company's free float is 36.95% as of 31 December 2023.

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

As of 31 December 2023, capital structure of the company as in the following:

31 December 2023	Nominal Value (TL)	Share (%)
ZTE Cooperatief U.A. (*)	31,168,351.34	48.05%
Turkish Armed Forces Foundation (TSKGV)	9,729,720.00	15.00%
Public	23,966,728.66	36.95%
<b>Total Paid in Capital</b>	<b>64,864,800.00</b>	
<b>Istanbul Stock Exchange Code</b>	<b>NETAS</b>	

\* As of July 28, 2017, the conditions precedent to completion of the Transaction stipulated under the Share Purchase Agreement have been satisfied in full and the shares of OEP were transferred to ZTE Cooperatief. Following the transaction, a Mandatory Takeover Bid Obligation has arisen for the shares owned by ZTE Cooperatief. Takeover bid has been completed on October 17, 2017. As of October 17, 2017, ZTE Cooperatief holds 48.05% of Netaş.

## INFORMATION ON SHARES

### SHAREHOLDING STRUCTURE

Shareholder	Share Group	Registered / Bearer	Number of Shares	Nominal Value (TL)	Share Ratio
ZTE COOPERATİEF UA	A	Registered	23,351,328.00	23,351,328	36.00%
ZTE COOPERATİEF UA	B	Registered	7,817,023.34	7,817,023	12.05%
ZTE COOPERATİEF UA (Total)	A and B	Registered	31,168,351.34	31,168,351	48.05%
TURKISH ARMED FORCES FOUNDATION	A	Registered	9,729,720.00	9,729,720	15.00%
OTHER	B	Registered	23,966,728.66	23,966,729	36.95%
<b>TOTAL</b>			<b>64,864,800.00</b>	<b>64,864,800</b>	<b>100.00%</b>

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

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

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

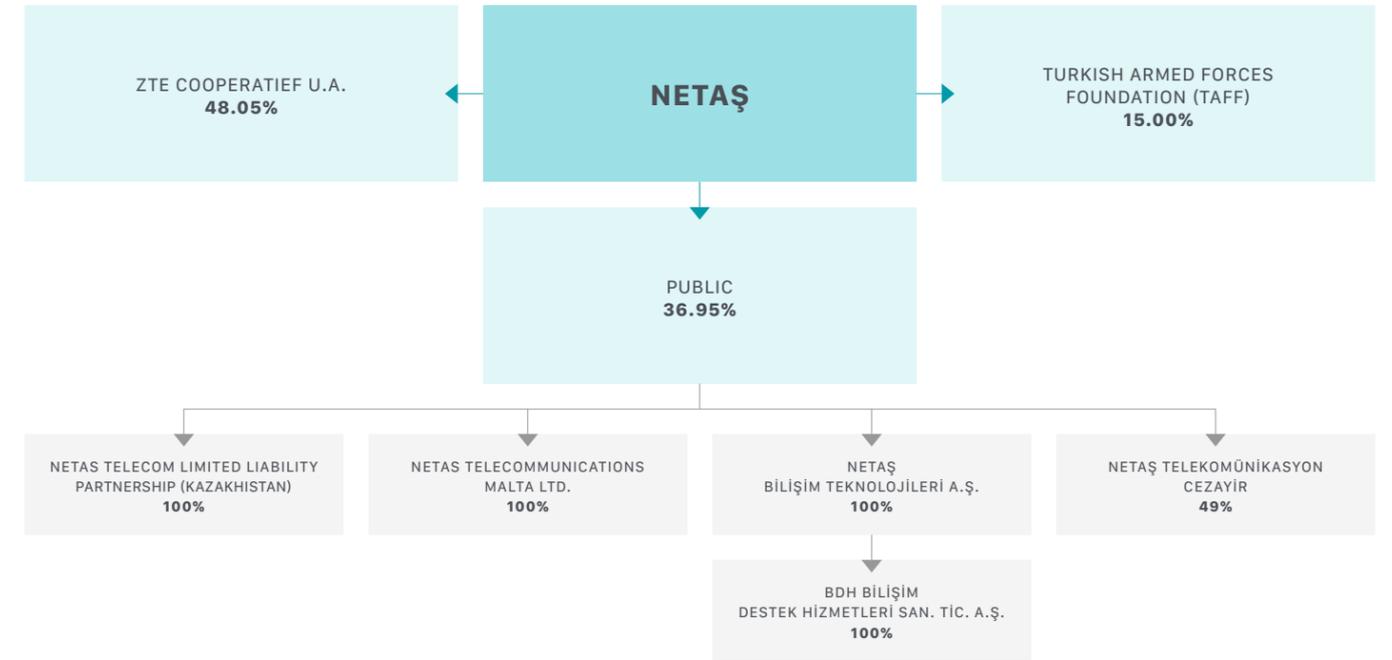
nominated by the Turkish Armed Forces Foundation, four (4) members from among the candidates nominated by Group (A) shareholders and three (3) members from among the candidates nominated by Group (B) shareholders.

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

### INFORMATION ON SHARES

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

## OPERATIONAL STRUCTURE



## RELATED TO JOINT VENTURES AND ASSOCIATION OF THE COMPANY

### Netaş Bilişim Teknolojileri A.Ş.

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

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

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

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

### Netaş Telecom LLP (Kazakhstan)

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

### Netaş Telekomünikasyon Malta Ltd.

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

### Netaş Telekomünikasyon Algeria

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

## BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

### Board of Directors

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

Name Surname	Title
Aiguang Peng	Chairman
Şuay Alpay	Vice Chairman
Hongguang Zhou*	Board Member
Bowen Mei	Executive Board Member
Ming Li	Board Member
Ali Zülfü Tigrel**	Independent Board Member
Özer Karabulut	Independent Board Member

\* Ding Minzhongxia resigned on 16 August 2023 and was replaced by Hongguang Zhou to complete the remaining term of office of his predecessor and to be approved at the first general assembly to be held.  
\*\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

### Board Committees

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

### Audit Committee

**Chairman:** Ali Zülfü Tigrel\* (Independent Board Member)

**Member:** Özer Karabulut (Independent Board Member)

\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

### Committee for Early Detection of Risks

**Chairman:** Ali Zülfü Tigrel\* (Independent Board Member)

**Member:** Özer Karabulut (Independent Board Member)

**Member:** Şuay Alpay

**Member:** Ding Minzhongxia

\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

### Corporate Governance Committee

**Chairman:** Ali Zülfü Tigrel\* (Independent Board Member)

**Member:** Aiguang Peng

**Member:** Şuay Alpay

**Member:** Ding Minzhongxia

**Member:** Yeşim Bilginturan

\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

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

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

### Remuneration Provided for Board of Directors and Top Management

Top management of the Group consists of members of the board of directors and executive board, general managers and deputy general managers. As of December 31, 2023, the total amount of salaries and benefits similar to salaries paid to top management personnel is 38,732,695 TL (December 31, 2022: 21,770,541 TL). As of 31 December 2023 and 31 December 2022, there are no loans borrowed from the Group by the key management of the Group.

Total donations for the year 2023 were realized as 94,600 TL.

### Prohibition of Competition

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

### Judicial Sanctions

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

## RISK MANAGEMENT AND INTERNAL CONTROL MECHANISMS

### Credit Risk

The Group Management covers credit risks by limiting the average risk for the counterparty in each agreement and by taking guarantees if necessary. The collection risk of the Group mainly arises from its trade receivables. The Group manages this risk that may arise from trade receivables by limiting the credit limits set for customers with the guarantees received.

The Group has applied the simplified approach stated in IFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables. In order to measure the expected credit loss, the Group first classifies its trade receivables by taking into account the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience, forward macroeconomic indicators were calculated, and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

### Liquidity Risk

Adaption of a management policy to ensure that the collection due dates for receivables comply with debt due dates protects the Group against liquidity risk. The Group holds adequate sources to be able to fulfill its current and future liabilities.

### Currency Risk

Functional currency of the Group is USD and therefore, currency risk is associated for the most part with the shifts of USD value against TL and other currencies. With the purpose of limiting the effects of appreciation or depreciation of USD against other currencies, the Group makes use of its assets in compliance with its liabilities to the extent possible and undertakes contracted expenditures in the contract currency. Further Information concerning currency risk is provided in the Financial statements footnote 29.

### Interest Rate Risk

Interest rate-sensitive financial assets are placed in short term instruments in order to avoid any possible interest rate fluctuations.

### Information on Activities of the Internal Audit Unit

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

These internal audit activities have been carried out by the Internal Audit Department since 2022 in accordance with the global best practices framework. To this end, the Internal Audit Department continued to provide reasonable assurance of the effective functioning of the internal control system with 9 internal audit reports in 2023. In addition, within the scope of the consultancy service, it continued its role as a catalyst and coordinator in the follow-up and improvement of the findings reported by the audit firm PWC. The Internal Audit Department reported the findings of the audits to the Audit Committee on a monthly basis and also informed the Board of Directors at the Board of Directors meetings held during the year. In addition, the weekly status monitoring reports prepared by the Internal Audit Department were regularly submitted to the Netaş Executive Board on a weekly basis, and the findings that needed to be decided on the agenda of the Executive Board and the items that were overdue were discussed.

The Internal Audit Department prepared the audit plan for 2024 and received approval from the Board of Directors. Within the scope of both this approved annual audit plan and extra-plan tasks and activities to be assigned by the Audit Committee, in 2024, the Internal Audit Department will carry out independent and impartial assurance and consultancy activities related to risk management, control and corporate governance processes with a systematic and disciplined approach, and will continue to contribute to the realisation of the Company's objectives by taking a proactive role.

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

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

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

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

## CORPORATE GOVERNANCE REPORTING

### SHAREHOLDERS

#### Exercise of the Information Rights by Shareholders

The majority of the requests and questions from shareholders were concerning the operational and financial performance of the company, developments of the projects and fluctuations in the stock price. The requests from local individual investors were mostly received through telephone and replied based on available information, to the extent permitted by legislation and confidentiality rules relating to business secrets. Requests received through electronic mail were responded through electronic mail.

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

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

#### General Assembly Meetings

One ordinary general assembly meeting was held during the period. Netaş Telekomünikasyon A.Ş. Ordinary General Assembly Meeting for the period 01.01.2022 - 31.12.2022 was held on 30 May 2023 and the meeting quorum was 63.43%. There was no media participation in the General Assembly meeting, and shareholders' representatives attended the meeting. The invitation to the meeting was made in accordance with Article 14 of the Company's Articles of Association and Article 414 of the Turkish Commercial Code and the provisions of the Capital Markets Law, published in the Turkish Trade Registry Gazette, sent by registered mail to shareholders with registered shares, and announced on the Public Disclosure Platform.

The 2022 General Assembly meeting was held physically and electronically through the Electronic General Assembly System (EGKS) of Merkezi Kayıt Kuruluşu A.Ş. In the announcement made, shareholders who will attend the meeting via EGKS were reminded of their obligations. Prior to the Ordinary General Assembly Meeting, the financial statements for the period, the Annual Report of the Board of Directors and the Dividend Distribution Proposal of the Board of Directors were made available for the review of the shareholders at the Company headquarters and on the Company's website within three weeks prior to the meeting date. Shareholders were given the right to speak and ask questions at the General Assembly meeting. No agenda proposals were submitted by the shareholders, and other proposals were submitted for the approval of the General Assembly by the Chairman of the Council. At the Ordinary General Assembly meeting, shareholders were informed about the donations made during the period with a separate agenda item, and the General Assembly was informed that the amount of donations made by the company in 2022 was TL 25,787.50.

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

#### Voting Rights and Minority Rights

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

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

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

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

#### Dividend Rights

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

At the Ordinary General Assembly Meeting of the Company held on 30 May 2023, the proposal of the Board of Directors not to distribute dividend due to the fact that the Company did not generate any profit for the period 01.01.2022 - 31.12.2022 was submitted to the information and approval of the shareholders and unanimously approved.

#### Transfer of Shares

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

Accordingly, (B) group registered shares can be freely transferred without being subject to any limitation or condition within the framework of Turkish Commercial Code and Capital Markets Legislation. However, concerning the transfer of (A) group registered shares the existing shareholders in Group (A) are entitled to pre-emptive rights which are required to be exercised within 30 days from the date of the offer for sale. Therefore a shareholder wishing to transfer its shares, in full or in part, must

first offer, in writing, to transfer its shares to the other shareholders in Group A in proportion to their respective shares, stating the price and other conditions for sale. If any shareholder, to whom the offer was made, declines to purchase the offered shares, such shares shall be offered to the other shareholders in proportion to their share ownership and this method will be pursued in the same manner until all shares are sold or rejected. Following the application of the above procedures, the transferor will be free to offer any rejected shares to third parties without restrictions provided that the price and other conditions of sale are no more favourable to the third party than the price and other conditions contained in the initial offer.

### PUBLIC DISCLOSURE AND TRANSPARENCY

#### Corporate Website and Content

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

#### Annual Report

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

### STAKEHOLDERS

#### Informing Stakeholders

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

announced on corporate web sites and corporate social media accounts. Employees are regularly informed via announcements and various events organized by Company.

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

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

#### Participation of Stakeholders in Management

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

#### Human Resources Policy

The success of Netaş in a dynamic and rapidly changing information and Communication Technologies sector is dependent upon the contributions and development of its employees. The Company aims to maximize the potential, motivation and innovation of its employees in order to achieve corporate objectives. To this end, the Company provides equal opportunities for employment, rewards performance, promotes the development of individuals and teams, fosters environmental protection, and meets the requirements of health and safety regulations. Competitive compensation and social benefit programs are prepared, the knowledge and the competencies of the employees are assessed through the attributes defined in Core Competencies. Within the performance management process and throughout the career development process, employees are given opportunities to assess and develop their skills.

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

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

#### Ethical Rules, Environment and Social Responsibility

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

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

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

## STRUCTURE OF THE BOARD AND PRINCIPLES OF ACTIVITY

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

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

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

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

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

There have been no events compromising the independence of the independent members serving as members of the board of directors in 2023.

### Working Principles of the Board of Directors

The agenda for the meeting of the Board of Directors is determined by consultation between the Chairman, the members of the Board and the General Manager. Invitations to meetings were made at least three days in advance of the meeting together with the notification of the agenda. Meetings of the Board of Directors for the year 2023 were mostly held in electronic environment and were signed by hand in accordance with the Articles of Association. 100% participation was achieved in all Board meetings held in 2023. In order to facilitate communication

with the Board Members and to provide related services a Corporate Secretarial Services function exists within the Company. In case of a different opinion expressed in the Board Meetings, these are reflected in the minutes of the meeting. Questions raised and comments made at the meetings of the Board and related responses are recorded in the minutes of the meeting. Members of the Board of Directors are not granted weighted voting rights or veto rights under the Articles of Association.

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

An amount of USD 20 million has been insured against possible losses to be incurred by the Company arising from faults of Members of the Board of Directors during service, and the insurance exceeds 25% of our capital.

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

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

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

### Strategic Objectives of the Company

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

### Financial Benefits

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

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

Compensation policy is available at the company website.

### Other Issues Concerning the Operations of the Company

- The company acquired none of its own shares during the reporting period.
- In the year of 2023, there is no administrative and judicial sanction applied to the company or the company's management due to practices contrary to the provisions of the legislation.
- The company compared its 2023 targets with its budget, upper management examined the deviations and determined the necessary strategic actions to be taken.
- There is no taken or avoided to taken measures which may cause a loss for the company in the year of 2023.
- In the year of 2023, the company was not a respondent in any suit whose outcome would be capable of significantly affecting either the company's financial position or the conduct of its business.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

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

	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
<b>1.5. MINORITY RIGHTS</b>						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2- The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of minority rights.			X			For Considerations did not take place in the Articles of Association, verdicts of Capital Markets Board of Türkiye and Turkish Commercial Code is applicable.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Assembly is posted on the company website.	X					
1.6.2- The dividend policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3- The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The Board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1- There are no restrictions preventing shares from being transferred.		X				The transfer of shares is stipulated in Article 6 subparagraph (c) of the Articles of Association. (B) group registered shares can be freely transferred without being subject to any limitation. Article 6 subparagraph (c) of the Articles of Association is applicable for the transfer of (A) shares.
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1- The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2- The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4- The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				Most of the content taking place on the corporate website also presented in English.
<b>2.2. ANNUAL REPORT</b>						
2.2.1- Board Members ensure that annual report of the company reflects the operations of the company as whole and complete.	X					
2.2.2- The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3- Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5- The company addresses conflicts of interest among stakeholders in a balanced manner.	X					

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

	Compliance Status					Remarks
	Yes	Partially	No	Exempted	N/A	
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.		X				Ethic Rules take place on the corporate website under the topic of Sustainability.
3.5.2- The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1 ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1- The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
<b>4.2. ACTIVITY OF THE BOARD OF DIRECTORS</b>						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5-The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations Department and the corporate governance committee work effectively. The Board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8- The company has subscribed to a Directors and Officers Liability insurance covering more than 25% of the capital.	X					
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - Şirket yönetim kurulunda, kadın üye oranı için asgari %25'lik bir hedef belirleyerek bu amaca ulaşmak için politika oluşturmuştur. Yönetim kurulu yapısı yıllık olarak gözden geçirilmekte ve aday belirleme süreci bu politikaya uygun şekilde gerçekleştirilmektedir.			X			There is no policy concerning a target to have women board members at a minimum of 25%
4.3.10- At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					

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

## CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating The Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	None
1.2. Right to Obtain and Review Information	
The number of special audit request(s)	None
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1 (ad)	<a href="https://www.kap.org.tr/tr/Bildirim/1147650">https://www.kap.org.tr/tr/Bildirim/1147650</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Documents presented only in Turkish.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	None
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	None
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	None
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations – Corporate Information-Articles of Association
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/tr/Bildirim/1154681">https://www.kap.org.tr/tr/Bildirim/1154681</a>
The number of the provision(s) of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Clause 8
Identified stakeholder groups that participated in the General Meeting of Shareholders, if any	Some of the shareholders and their representatives, Board Members, Auditor of the company, some members of the executive committee and the employees responsible for the general assembly attended to the General Assembly Meeting.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	-
The percentage of ownership of the largest shareholder	48.05%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of association	No
If yes, specify the relevant provision of the articles of association	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations / Corporate Governance /Policies / Dividend Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	The Chairman of the Meeting stated that the Board of Directors proposed not to distribute profits due to the fact that the Company did not make a profit in the 01.01.2022 - 31.12.2022 accounting period and due to economic uncertainties.
PDP link to the related general meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	<a href="https://www.kap.org.tr/tr/Bildirim/1154681">https://www.kap.org.tr/tr/Bildirim/1154681</a>

General Assembly Meetings	
General Meeting Date	30.05.2023
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate in the General Shareholders' Meeting	63.43%
Percentage of shares directly present at the GSM	0%
Percentage of shares represented by proxy	63.43%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the number of votes for or against	Investors Relations / General Assembly Info (in Turkish)
Specify the name of the page of the corporate website that contains all questions asked in the general assembly Meeting and all responses to them	Investors Relations / General Assembly Info (in Turkish)
The number of the relevant item or paragraph of the General Shareholders' Meeting minutes in relation to related party transactions	Item 9
The number of declarations by insiders received by the board of directors	48
The link to the related PDP general shareholder Meeting notification	<a href="https://www.kap.org.tr/tr/Bildirim/1154681">https://www.kap.org.tr/tr/Bildirim/1154681</a>

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

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	54
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Human Resources
The contact detail of the company alert mechanism	insan_kaynaklari@netas.com.tr
3.2. Supporting The Participation Of The Stakeholders in The Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	-
Corporate bodies where employees are actually represented	Executive Committee
3.3. Human Resources Policy	
The role of the Board on developing and ensuring that the company has a succession plan for the key management positions	The Board Supports the Human Resources Department
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Netaş-Human Resources
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resources policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy	Investor Relations – Sustainability Section
The number of definitive convictions the company is subject to in relation to health and safety measures	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations – Sustainability Section
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide information about any measures taken on environmental, social and corporate governance issues.	Investor Relations – Sustainability Section
Any measures combating any kind of corruption including embezzlement and bribery	Investor Relations – Sustainability Section
4. BOARD OF DIRECTORS - I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	None
Number of reports presented by internal auditors to the audit committee or any other relevant committee of the board	9
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report – Risk Management and Internal Control Systems
Name of the Chairman	AİGUANG PENG
Name of the CEO	SİNAN DURLU
If the CEO and Chair functions are combined, provide the link to the relevant PDP announcement providing the rationale for such combined roles	The roles of the Chairman and CEO are undertaken by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Year End Annual Report <a href="https://www.kap.org.tr/tr/Bildirim/1000479">https://www.kap.org.tr/tr/Bildirim/1000479</a>
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no such policy.
The number and ratio of female directors within the Board of Directors	0

Structure of the Board							
Name/Surname of Board Member	Whether Executive Director or not	Whether Independent Director or not	The First Election Date to Board	Link to Pdp Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy the Independence or not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
AİGUANG PENG	No	No	07.08.2020	-	-	No	No
ŞUAY ALPAY	No	No	29.05.2019	-	-	No	Yes
HONGGUANG ZHOU	No	No	16.08.2023	-	-	No	No
MING LI	No	No	03.04.2019	-	-	No	Yes
BOWEN MEI	Yes	No	05.03.2021	-	-	No	No
ALİ ZÜLFÜ TİGREL*	No	Yes	07.06.2018	<a href="https://www.kap.org.tr/tr/Bildirim/1008929">https://www.kap.org.tr/tr/Bildirim/1008929</a>	Yes	No	Yes
ÖZER KARABULUT	No	Yes	29.05.2019	<a href="https://www.kap.org.tr/tr/Bildirim/1008929">https://www.kap.org.tr/tr/Bildirim/1008929</a>	Yes	No	No

\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

4. BOARD OF DIRECTORS - II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	8
Director average attendance rate at board meetings	%100
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	3
The name of the section on the corporate website that provides information about the board charter	Investor Relations – Corporate Governance – Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Turkish Commercial Code is applicable in this manner, it is submitted to the approval of General Assembly every year.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report – Corporate Governance Compliance Report – Number, Structure and Independence of the Board Committees
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/1008929">https://www.kap.org.tr/tr/Bildirim/1008929</a>

Board Committees -I				
Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or not	Whether Board Member or not
Corporate Governance Committee	-	ALİ ZÜLFÜ TİGREL*	Yes	Board Member
Corporate Governance Committee	-	AIGUANG PENG	No	Board Member
Corporate Governance Committee	-	ŞUAY ALPAY	No	Board Member
Corporate Governance Committee	-	HONGGUANG ZHOU	No	Board Member
Corporate Governance Committee	-	YEŞİM BİLGİNTURAN	No	Not a Board Member
Audit Committee	-	ALİ ZÜLFÜ TİGREL*	Yes	Board Member
Audit Committee	-	ÖZER KARABULUT	No	Board Member
Early Detection of Risk Committee	-	ALİ ZÜLFÜ TİGREL*	Yes	Board Member
Early Detection of Risk Committee	-	ÖZER KARABULUT	No	Board Member
Early Detection of Risk Committee	-	ŞUAY ALPAY	No	Board Member
Early Detection of Risk Committee	-	HONGGUANG ZHOU	No	Board Member

\* Ali Zülfü Tigrel resigned and left his post on 4 October 2023.

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

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

## SUSTAINABILITY COMPLIANCE REPORT

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

		Compliance Status				Explanation	Related Report / Link
		Yes	No	Partial	N/A		
<b>A3</b>	<b>Reporting</b>						
A3.1	Discloses sustainability performance, targets and actions in an intelligible, accurate and adequate manner in annual reports.			X		The relevant information is included in the Sustainability part of the annual reports in the Sustainability Framework Reporting.	Annual Report/ Sustainability Part
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.		X			No information is disclosed within this context.	
A3.3	Makes disclosures regarding the lawsuits filed and/or concluded against the company on account of ESG issues, which are material with respect to ESG policies and/or have material impact on operations.	X				The company includes relevant information in its annual reports and corporate governance reports.	Website, Annual Report
<b>A4</b>	<b>Verification</b>						
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.		X			Since Sustainability Reporting has not been carried out yet, verification is not made by 3rd parties.	
<b>B</b>	<b>Environmental Principles</b>						
B1	Publicly discloses its environmental management policy and practices, action plans, environmental management systems (known by ISO 14001 standard) and programs	X				The company complies with the ISO 14001 standard.	Website, Annual Report
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information		X			There is no separate reporting other than the one in the annual report and on the website.	
B3	Provided in A2.1.		X			The working teams are still carrying out the relevant activities. Committees have not been established.	
B4	Discloses the environmental targets included in rewarding criteria within the scope of performance incentive systems on the basis of stakeholders (board members, executives, employees and so on).		X			Not available.	
B5	Explains how environmental issues identified to be material are integrated into business goals and strategies.			X		The company takes care that its targets are compatible with sustainability.	Website
B6	Provided in A2.4.			X		Explanations regarding this area are made in the annual report and on the website.	Website, Annual Report
B7	Explains how it manages environmental issues throughout the Company's value chain including suppliers and customers so as to cover the operation process as well and how they are integrated into its business goals and strategies.			X		The company's policy regarding suppliers has been established and efforts are underway to improve it.	Website, Annual Report
B8	Discloses whether it is involved in policymaking processes on environmental issues of relevant institutions and non-governmental organizations and its collaborations with these institutions and organizations, if any			X		The company includes this information under the heading of sustainability in its annual report and on its website. No separate reporting is made.	Website, Annual Report
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; GHG emissions Scope-1 (Direct), Scope-2 (Indirect from purchased energy), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).	X				The company has a CDP (Carbon Disclosure Report) Report.	Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.

		Compliance Status				Explanation	Related Report / Link
		Yes	No	Partial	N/A		
B10	Discloses the standard, protocol, methodology and baseline year details used to collect and calculate its data.			X		Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.	Our CDP Report has been filled in on a voluntary basis and is not disclosed to the public.
B11	Publicly discloses the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.		X			There is a separate reporting but no such indicator.	
B12	Sets short and longterm goals to reduce its environmental impact and discloses these goals and the progress, if any, as compared to the targets set in previous years.		X			After determining the long-term targets, the relevant data will be reported.	
B13	Discloses its strategy and actions to combat the climate crisis.		X			Strategy formation studies are continuing.	
B14	Explains its programs or procedures to prevent or minimize the potential negative impacts of the products and/or services it offers.		X			Although the company has acted towards this purpose, it has not yet disclosed its program and procedures to the public.	
	Takes and explains its actions for driving reduction of GHG emission quantities of third parties (e.g. suppliers, sub-contractors, dealers, etc.).		X				
B15	Discloses the total number of actions taken, projects carried out and initiatives undertaken to mitigate its environmental impacts, along with the benefits/ revenues and cost savings they provide.		X			There is no separate reporting yet.	
B16	Reports energy consumption data (gas, diesel oil, fuel oil, LPG, coal, electricity, heating, cooling, etc.) and discloses its energy consumption as Scope-1 and Scope-2.			X		Relevant data are available in the CDP report.	Website
B17	Discloses information about the electricity, heat, steam and cooling generated during the reporting year. Discloses information about the electricity, heat, steam and cooling generated during the reporting year.	X				It is disclosed in our EHS Report on the website.	Website
B18	Discloses information about the electricity, heat, steam and cooling generated during the reporting year.			X		The company operates in parallel with this purpose. There is no report on this subject yet.	Website
B19	Discloses data on its renewable energy generation and consumption.		X			There is no separate reporting yet.	
B20	Develops energy efficiency projects and discloses the quantity reduced in energy consumption and emission enabled by these efforts.		X			There is no separate reporting yet.	
B21	Reports the amount of underground or overground water withdrawn, recycled and discharged, the resources and procedures.			X		Relevant data is available in the CDP report. It is disclosed in our EHS Report on the website.	
B22	Discloses whether its operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).		X			There is no separate reporting yet.	
B23	Discloses the carbon credits saved or purchased during the reporting period. Discloses the details if carbon pricing is applied within the Company		X			There is no separate reporting yet.	
B24	Discloses the platforms that it reports its environmental information to.		X			There is no separate reporting yet.	
B25	Discloses data on its renewable energy generation and consumption.			X		Relevant data are available in the CDP report.	Website

		Compliance Status				Explanation	Related Report / Link
		Yes	No	Partial	N/A		
<b>C</b>	<b>Social Principles</b>						
<b>C1</b>	<b>Human Rights / Employee Rights</b>						
C1.1	Develops a Company Human Rights and Employee Rights Policy, which pledges full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other applicable legislation. Discloses the policy and the roles and responsibilities associated for its implementation.			X		All regulations regarding the Company's Human Rights Policy are made available to all employees on the company portal. In addition, processes related to HR policy are included under the human resources heading of the website.	Website
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.			X		Netaş Inclusivity and Diversity Commitment has been prepared and submitted for the signature of our employees. In addition, every new employee is requested to read and approve it.	Website
C1.3	Discloses the measures taken throughout the value chain for protecting the rights of groups sensitive to certain economic, environmental, social factors (low-income groups, women, etc.) or for securing minority rights/ equal opportunity.			X		Within the scope of Netaş Inclusivity and Diversity Commitment, it is shared that our employees embrace the differences in gender, ethnicity, age, language, religion, health status, family obligations, educational background and abilities regarding equal opportunities.	Website
C1.4	Reports on progress in relation to actions for preventing and remedying discrimination, inequality, human rights violations, forced labor and child labor.		X			There is no separate reporting yet. The processes for not employing child labor are governed by the provisions of the labor law.	
C1.5	Incorporates investments in employees (training, development policies), employee compensation, fringe benefits granted, the right to unionize, work/ life balance solutions and talent management in its policies concerning employee rights.			X		Processes related to regulations in Human Resources are supported. There is no policy regarding unionization.	Website, Annual Report
	Determines the mechanisms for resolution of employee complaints and labor disputes, and establishes conflict resolution processes.		X				
	Discloses the activities for ensuring employee satisfaction during the reporting period.			X		1. With Employee Engagement surveys, processes and actions are organized in line with employee feedback. 2. Steering Committee has been created and followed up to follow the actions and plans. 3. The "We" program, which focuses on the employee, was launched. 4. The developments in the "We" program are shared with the employees through monthly newsletters.	Website
C1.6	Establishes and discloses occupational health and safety policies.	X				Occupational Health and Safety Policy is published on the website.	Website
	Discloses the measures adopted for preventing workplace accidents and for protecting occupational health along with statistical data on accidents.	X				It is explained on the website in our EHS Report.	Website
C1.7	Establishes and discloses personal data protection and data security policies.	X				The relevant policy has been created and announced to the public via the corporate website.	Website

		Compliance Status				Explanation	Related Report / Link
		Yes	No	Partial	N/A		
C1.8	Establishes and discloses a code of ethics.	X				The relevant policy has been created and announced to the public via the corporate website. In addition, Netaş Communication protocol was prepared and published on the company portal. Expectations from employees are clearly stated in social media, events and meetings with the press. It is also shared with employees via e-mail.	Website
C1.9				X		Ongoing social responsibility activities are regularly featured on the corporate website and annual activity reports.	Website, Annual Report
C1.10	Organizes information meetings and training programs on ESG policies and practices for employees.			X		Efforts to update and create ESG policies continue, and training programs are planned afterwards.	Website
<b>C2</b>	<b>Stakeholders, International Standards and Initiatives</b>						
C2.1	Establishes and discloses a customer satisfaction policy for handling and resolving customer complaints.		X			There is a customer satisfaction policy. A customer satisfaction survey is conducted annually and the results are analyzed. However, public disclosure is not made as there is no reporting at the moment.	
C2.2	Discloses information about the communication maintained with stakeholders (which stakeholders, topics and frequency).			X		There is no separate reporting yet. Transparent information is provided by communicating with stakeholders through the annual report, press and social media channels.	Annual Report
C2.3	Discloses the international reporting standards embraced in its reporting		X				
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.			X		The company has been a signatory of the UN Global Compact since 2019. She is also a signatory of the Women Empowerment Principles and a supporter of the HeforShe platform.	Website, Annual Report
C2.5	Makes improvements and concrete efforts to qualify for inclusion in sustainability indices of Borsa Istanbul and/ or international index providers.	X				The company is included in the Borsa Istanbul Sustainability Index.	Website
<b>D</b>	<b>Corporate Governance Principles</b>						
D1	Seeks stakeholders' opinions when determining the measures and strategies in relation to sustainability.		X			Strategy formation studies are continuing. It has not been finalized yet.	
D2	Works on raising awareness of sustainability and its importance through social responsibility projects, awareness activities and training programs.	X				Efforts are being made to increase in-house awareness.	Website, Annual Report

## DECLARATION OF INDEPENDENCE

To the Board of Directors of Netaş Telekomünikasyon A.Ş.;  
I hereby declare that;

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

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

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

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

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

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

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

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

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

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

  
Ali Zülfi TIGREL  
29.05.2019

To the Board of Directors of Netaş Telekomünikasyon A.Ş.;  
I hereby declare that;

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

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

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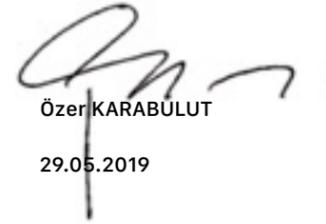
I have strong ethical standards, professional reputation and experience to positively contribute in Company activities, to maintain neutrality in conflicts of interest between the Company and shareholders, and to freely make decisions by taking into consideration the rights of stakeholders,

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

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

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

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

  
Özer KARABULUT  
29.05.2019



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

### CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Netaş Telekomünikasyon Anonim Şirketi

#### Opinion

We have audited the annual report of Netaş Telekomünikasyon Anonim Şirketi (the "Company") and its subsidiaries (together will be referred as "the Group") for the period between 1 January 2023 and 31 December 2023, since we have audited the complete set consolidated financial statements for this period.

In our opinion, the consolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent, in all material respects, with the audited complete set of consolidated financial statements and information obtained during the audit and provides a fair presentation.

#### Basis for Opinion

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

#### Other Matter

The annual report of the Group for the period between 31 December 2022 was audited by another auditor who expressed an unmodified opinion on the annual report on 8 March 2023.



### Auditor's Opinion on Complete Set of consolidated Financial Statements

We have expressed an unqualified opinion on the complete set of consolidated financial statements of the Group for the period between 1 January 2023 and 31 December 2023 on 28 March 2024.

### Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Communiqué on the Principles of Financial Reporting in Capital Markets numbered II – 14.1 (the "Communiqué"), the Group's management is responsible for the following regarding the annual report:

- The Group's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- The Group's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated financial position of the Group accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Group's consolidated financial statements. The annual report shall also clearly indicates the details about the Group's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.
- The annual report also includes the matters below:
  - Significant events occurred in the Group after the reporting period,
  - The Group's research and development activities.
  - Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

### Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated financial information included in the annual report in accordance with the TCC and the Communiqué and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the audited consolidated financial statements of the Group and the information obtained during the audit and give a true and fair view and form a report that includes this opinion .

We conducted our audit in accordance with Standards on Auditing issued by POA. These standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited financial statements regarding the position of the Group are consistent with the consolidated financial statements and the information obtained during the audit and provides a fair presentation.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Hatice Nesrin Tuncer, SMMM  
Partner  
28 March 2024  
İstanbul, Türkiye

**NETAŞ TELEKOMÜNİKASYON A.Ş.**

**AND ITS' SUBSIDIARIES**

AS AT AND FOR THE PERIOD ENDED

31 DECEMBER 2023 CONSOLIDATED FINANCIAL

STATEMENTS AND THE INDEPENDENT AUDITORS' REPORT

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



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

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

**To the Shareholders of Netaş Telekomünikasyon Anonim Şirketi**

**A) Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Netaş Telekomünikasyon Anonim Şirketi ("the Company") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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 at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

**Basis for Opinion**

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

**Key Audit Matters**

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

**Revenue recognition**

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

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

**Other Matter**

The consolidated financial statements of Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 8 March 2023.

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

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

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

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

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

Responsibilities of auditors in an audit are as follows:

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

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

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

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

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

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

### **B) Other Legal and Regulatory Requirements**

- 1) Pursuant to the fourth paragraph of Article 398 of Turkish Commercial Code ("TCC") numbered 6102; the Independent Auditor's Report on System and Committee of Early Identification of Risks is presented to the Board of Directors of the Company on 28 March 2024.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that for the period between 1 January 2023 and 31 December 2023, the Company's bookkeeping activities and consolidated financial statements are not in compliance with TCC and provisions of the Company's articles of association in relation to financial reporting.
- 3) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Hatice Nesrin Tuncer, SMMM

Partner  
28 March 2024  
İstanbul, Türkiye

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**AUDITED CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION AS OF 31 DECEMBER 2023**  
(Unless otherwise stated the amounts are in TL)

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	<b>Notes</b>	<b>Audited 31 December 2023</b>	<b>Audited 31 December 2022</b>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>3.967.423.520</b>	<b>3.196.676.305</b>
Cash and Cash Equivalents	5	90.112.867	220.130.315
Trade Receivables		2.875.092.744	1.950.953.880
<i>Due from related parties</i>	28	9.686.111	70.128.043
<i>Trade receivables, third parties</i>	7	2.865.406.633	1.880.825.837
Other Receivables		4.944.536	3.125.482
<i>Other receivables, third parties</i>	8	4.944.536	3.125.482
Inventories	9	384.359.746	425.556.194
Contract Assets related to Goods and Services Provided		403.011.780	440.623.216
<i>Contract Assets related to Goods and Services Provided</i>	11	403.011.780	440.623.216
Prepaid Expenses	10	72.210.779	69.508.094
Current Income Tax Assets	26	66.385.058	39.417.852
Other Current Assets	19	71.306.010	47.361.272
<b>Non-Current Assets</b>		<b>1.764.475.865</b>	<b>983.142.061</b>
Property, Plant and Equipment	12	127.684.364	104.419.220
Right of Use Assets	14	213.423.126	88.396.034
Financial Investments	3	39.338.713	25.360.788
Intangible Assets		683.313.128	458.907.627
<i>Goodwill</i>	13	539.546.509	342.704.462
<i>Other intangible assets</i>	13	143.766.619	116.203.165
Deferred Tax Assets	26	700.716.534	306.058.392
<b>TOTAL ASSETS</b>		<b>5.731.899.385</b>	<b>4.179.818.366</b>

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**AUDITED CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION AS OF 31 DECEMBER 2023**  
(Unless otherwise stated the amounts are in TL)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>LIABILITIES</b>			
<b>Short Term Liabilities</b>			
Short Term Borrowings		5.231.635.187	4.012.878.974
Short Term Bank Loans	6	1.297.908.289	1.131.510.175
Short-Term Portion of Long-Term Borrowings		128.271.232	157.312.811
Short-Term Portion of Long-Term Bank Loans	6	-	61.218.489
Short-Term Portion of Long-Term Lease Liabilities	6	128.271.232	96.094.322
Trade Payables		2.655.598.301	1.980.523.062
Due to related parties	28	1.346.153.623	757.233.720
Trade payables, third parties	7	1.309.444.678	1.223.289.342
Other Payables		152.960.779	93.396.310
Other payables, third parties	8	152.960.779	93.396.310
Employee Benefit Obligations	18	125.514.331	43.250.541
Contract Liabilities		648.265.146	451.692.035
Contract Liabilities	11	648.265.146	451.692.035
Provisions		200.654.943	150.506.216
Provisions for Employee Benefits	18	88.422.594	50.090.562
Other Short Term Provisions	16	112.232.349	100.415.654
Current Income Tax Liabilities	26	22.462.166	4.687.824
<b>Long Term Liabilities</b>			
Long Term Borrowings		156.295.182	65.409.415
Lease Liabilities	6	156.295.182	65.409.415
Provisions		121.205.919	83.838.218
Provisions for Employee Benefits	18	121.205.919	83.838.218
<b>SHAREHOLDERS' EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>			
Share Capital	20	64.864.800	64.864.800
Share Capital Adjustments		41.612.160	41.612.160
Other comprehensive income to be reclassified in profit and loss		87.378.230	9.570.710
Currency Translation Differences		87.378.230	9.570.710
Other comprehensive income not to be reclassified in profit and loss		565.091.392	538.278.161
Remeasurement gain/ (loss) on defined benefit plans		(59.553.558)	(41.158.337)
Currency Translation Differences		624.644.950	579.436.498
Restricted Reserves	20	34.897.360	34.897.360
Retained Earnings		(675.821.374)	(645.253.804)
Net Loss for the Period		99.670.615	(30.567.570)
<b>Non-controlling interests</b>		<b>5.069.914</b>	<b>4.289.942</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5.731.899.385</b>	<b>4.179.818.366</b>

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**AUDITED CONSOLIDATED STATEMENT OF**  
**PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**  
(Unless otherwise stated the amounts are in TL)

	Notes	Current Period 1 January- 31 December 2023	Previous Period 1 January- 31 December 2022
<b>INCOME OR LOSS FROM OPERATIONS</b>			
Revenue	21	6.958.287.619	4.011.553.628
Cost of Sales (-)	21	(6.354.978.246)	(3.624.228.360)
<b>GROSS PROFIT</b>		<b>603.309.373</b>	<b>387.325.268</b>
Sales, Marketing and Distribution Expenses (-)	22	(228.152.785)	(150.985.067)
General Administrative Expenses (-)	22	(218.909.666)	(161.566.947)
Research and Development Expenses (-)	22	(2.386.154)	(6.557.959)
Other Income from Operating Activities	23	3.476.434	33.283.777
Other Expenses from Operating Activities (-)	23	(116.491.440)	(152.314.966)
<b>OPERATING PROFIT / (LOSS)</b>		<b>40.845.762</b>	<b>(50.815.894)</b>
Income from Investment Activities	24	624.106	31.089.521
Expenses from Investment Activities (-)	24	(949.592)	(337.789)
Income from Investments Accounted Using the Equity Method	3	-	317.606
<b>OPERATING LOSS BEFORE FINANCE INCOME AND EXPENSES</b>		<b>40.520.276</b>	<b>(19.746.556)</b>
Financial Income	25	261.779.493	167.137.791
Financial Expenses (-)	25	(358.161.363)	(231.011.494)
Monetary Gain/Loss		(2.812.760)	
<b>LOSS BEFORE TAX</b>		<b>(58.674.354)</b>	<b>(83.620.259)</b>
<b>Tax (Expenses) / Income</b>		<b>159.124.941</b>	<b>58.857.765</b>
Current Tax Expenses	26	(17.692.911)	(18.024.354)
Deferred Tax Income	26	176.817.852	76.882.119
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>100.450.587</b>	<b>(24.762.494)</b>
<b>Attributable to:</b>			
Non-controlling Interest		779.972	5.805.076
Equity Holders of the Parent		99.670.615	(30.567.570)
Earn/(Loss) per share	27	1,5366	(0,4713)
<b>OTHER COMPREHENSIVE INCOME/ (EXPENSES)</b>			
<b>Other comprehensive income or (expenses) that will not be reclassified subsequently to profit of loss</b>			
Currency translation differences		45.208.452	16.520.554
Remeasurement gain/ (loss) on defined benefit plans	18	(24.526.961)	(29.869.391)
Remeasurement gain/ (loss) on defined benefit plans, deferred tax	26	6.131.740	5.973.878
<b>Other comprehensive income or expenses that will be reclassified subsequently to profit of loss</b>		<b>77.807.520</b>	<b>14.420.936</b>
Currency translation differences other than the translation of businesses abroad		45.208.452	6.610.607
Currency translation differences arising from businesses abroad		32.599.068	7.810.329
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>		<b>104.620.751</b>	<b>7.045.977</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>		<b>205.071.338</b>	<b>(17.716.517)</b>
<b>Attributable to:</b>			
Non-controlling Interest		779.972	5.805.076
Equity Holders of the Parent		204.291.366	(23.521.593)

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



**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**AUDITED CONSOLIDATED STATEMENT OF**  
**CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL.)

	<b>Audited</b>	
	<b>Current Period 1 January- Notes 31 December 2023</b>	<b>Current Period 1 January- 31 December 2022</b>
<b>B.CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets	1.480.507	1.450.581
<i>Proceeds from Sales of Property, Plant, Equipment</i>	<i>1.480.507</i>	<i>1.197.730</i>
<i>Proceeds from Intangible Assets</i>	<i>-</i>	<i>252.851</i>
Purchase of Property, Plant, Equipment and Intangible Assets	(7.670.467)	(9.960.915)
<i>Purchase of Property, Plant, Equipment</i>	<i>(7.454.807)</i>	<i>(9.610.538)</i>
<i>Purchase of Intangible Assets</i>	<i>(215.660)</i>	<i>(350.377)</i>
Cash Inflows Due to Share Sale or Capital Reduction of Associates and/or Joint Ventures	3	52.080.098
Other Outflows of Cash	(13.977.925)	(7.434.571)
	<b>(20.167.885)</b>	<b>36.135.193</b>
<b>C.CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES</b>		
Inflows from Borrowings	6	2.228.506.295
Outflows from Borrowings	6	(2.689.724.701)
Interest Paid	(265.281.562)	(183.544.251)
Interest Received	25	11.862.741
Payments of lease liabilities	6	(57.839.924)
	<b>(772.477.151)</b>	<b>(395.441.601)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>	<b>(359.462.456)</b>	<b>(435.050.874)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	229.445.008	113.210.462
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>(130.017.448)</b>	<b>(321.840.412)</b>
<b>E.CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>5</b>	220.130.315
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (A+B+C+D+E)</b>	<b>5</b>	<b>90.112.867</b>
		<b>220.130.315</b>

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL)

**1 ORGANIZATION AND OPERATIONS OF THE GROUP**

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

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

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

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

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

An agreement was reached between Lütfi Yenel, one of the partners of the company and Kron Telekomünikasyon A.Ş., for the purchase of 10% of Group A shares representing the company capital for a price of 1.700.000 TL, and %10 share transfer was realized.

In the decision of the Board of Directors dated 29 April 2022, it was decided to sign the Share Purchase and Sale Agreement to sell all of 10% A Group shares in Kron Telekomünikasyon A.Ş. with a total nominal value of TL 1.426.852 to Zeynep Yenel Onursal for a share value of TL 36.5 and a total value of TL 52.080.098. Within the framework of the aforementioned Share Purchase and Sale Agreement, the share transfer was realized as of 29 April 2022, and the Group obtained a sales profit of TL 30.469.943 from the transaction and reflected it in the profit or loss statements. (Note 24)

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

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

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

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

As of 31 December 2023, the Group has no blue-collar employees (31 December 2022: None). The average number of white-collar personnel employed in the Group as of 31 December 2023 is 1.682 (31 December 2022: 1.885).

**Approval of Consolidated Financial Statements**

The financial statements were approved by the Board of Directors on 28 March 2024. The General Assembly has the right to change the interim consolidated financial statements.

**2 BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

**a) Statement of Compliance**

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

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL)

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

**2.1 Basis of Presentation (Cont'd)**

**b) Basis of presentation of consolidated financial statements**

The details of the Company's subsidiaries as of 31 December 2023 and 31 December 2022 are as follows:

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

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

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

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

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

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

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

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

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

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

As of 31 December 2023, the Group has no associates. (31 December 2022: the Group has no associates)

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

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL)

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

**2.1 Basis of Presentation (Cont'd)**

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

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

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

**c) Functional Currency and Reporting Currency**

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

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

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

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

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

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

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

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

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

- Assets and liabilities have been translated to TL by using USD rate as of 31 December 2023 1 USD: 29,4382 TL (31 December 2022: 1 USD: 18,6983 TL)
- Statements of profit or loss and statements of cash flows have been translated to TL by using yearly average exchange rate (1 USD: 23,7662 TL) for the period ended 31 December 2023 (for the period ended 31 December 2022 1 USD: 16,5658 TL).

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

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL)

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

**2.1 Basis of Presentation (Cont'd)**

**d) Adjustment of Financial Statements in High Inflation Periods**

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

Date	Index	Conversion Factor
31 December 2023	1.859,38	1,00000
31 December 2022	1.128,45	1,64773
31 December 2021	686,95	2,70672

In accordance with the POA's "Implementation Guide on Financial Reporting in Economies with High Inflation", the financial statements dated 1 January 2022, which are the opening amounts of the comparative financial table for the consolidated financial statements of the enterprises ending on 31 December 2023, are accepted as the opening statement of financial position. Since the functional currency of the parent company is USD, the past period effects of the Companies subject to inflation adjustment are accounted for under foreign currency translation differences on 1 January 2023.

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

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

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

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

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

**2.3 Change in Accounting Policies**

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

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

**NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated the amounts are in TL)

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

**2.4 Summary of Significant Accounting Policies**

**2.4.1 Revenue**

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

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

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

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

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

**Design Performance Obligation**

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

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

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

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

**Hardware Performance Obligation**

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

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

Hardware which are more than one, produced afterwards and integrated and delivered are not concluded as separate performance obligations, but a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer are settled as single performance obligation. The Group recognizes revenue at a point of time of the hardware which are not produced by the Group or does not need a significant integration process. The Group recognizes revenue when the control, collection right and the legal ownership of the hardware are transferred to the customers.

**Installation Performance Obligation**

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

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

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

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.1 Revenue(Cont'd)**

**Installation Performance Obligation(Cont'd)**

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

**Maintenance Performance Obligation**

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

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

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

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

The Group sells support packages, which is provided from third parties, with the hardware. In cases of the Group is not directly responsible for the performance in the support packages provided by third party, the Group acts as an "agent". The Group accounts for the service provider, who performs the performance of the contracts in which acts an agent, as the commission income in the consolidated financial statements, after paying the amount collected by the customer for the maintenance services.

The Group determined standalone selling price of maintenance performance obligation using cost plus margin method considering management's best estimate and experience, observable prices of similar types of contracts. When the sum of the stand-alone selling prices of promised goods or services in the contract exceeds the promised consideration, the Group allocates a discount proportionately to all performance obligations in the contract.

**Warranty Performance Obligation**

Warranty performance obligation is committed by the Group for its own production. In case of the customer has a purchase the warranty separately in other words and the warranty is separately priced and negotiated in the contracts, the warranty is evaluated as a different service and recognized as a separate performance obligation.

Warranty income is recognized when the customer obtains the control of the hardware and accepts it. In other words, each hardware's warranty begins after its delivery and the revenue is recognized after the delivery.

Warranty is recognized at over time since the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group recognizes revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract with output method.

**Licence Performance Obligation**

The Group sells licenses with three parties' contracts. In such contracts, the Group is acting as agent therefore the Group is not directly responsible for fulfilling the contract (e.g., license updates), the Group does not have inventory risk and the Group has restricted discretion in establishing prices. The Group recognizes the net amount after paying license fee to providers as commission income for the license contracts that the Group is acting as agent. License performance obligations' income is recognized as "a point of time" when the control of an asset is transferred.

**Outsourcing and Support Services Performance Obligation**

The Group provides outsourcing, support, and consultancy services in accordance with the customers' expectations. Outsourcing and some support and consultancy services are recognized at over time since the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.1 Revenue(Cont'd)**

**Outsourcing and Support Services Performance Obligation (Cont'd)**

In case of the Group can reasonably measure the progress towards complete satisfaction of outsourcing and support services performance obligations, the revenue which is related with cost occurred in overtime is recognized by cost-based input method. In the case of the Group cannot reasonably measure the progress towards complete satisfaction, the Group recognizes revenue to the extent of the right to bill by output method.

The Group recognizes revenue at "a point of time" when the control is transferred for short-term support services and one-off consultancy services.

The training services, which are in the goods and services, specified in the contracts and an integral part of production and integration, are recognized with "Input Method" with considering the total design, hardware, and training costs of the projects.

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a "deferred revenue" when the payment is made or the payment is due (whichever is earlier). Deferred revenue is Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group defers associated costs until to deliver all contractual obligations and they are presented on the face of balance sheet under "Contract Assets and Liabilities" accounts.

If an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as "unbilled receivables", excluding any amounts presented as a receivable. Unbilled receivables are an entity's right to consideration in exchange for goods or services that the Group has transferred to a customer. If the consideration is unconditional, it is recognized as "trade receivables".

Advance payments received on contracts, before corresponding works had been carried out, are booked in "Order Advances" account group under "Deferred Revenue". Costs incurred to date, adjusted by profits and losses recognized and progress billings, is determined on a contract-by-contract basis. If the amount is positive, it is included as asset under "unbilled receivables" under "Trade receivables" group.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group expects to recover those costs.

In the long contracts exceeding one year, depending on the level of materiality, the stamp tax that is paid for the contract and is expected to recover is capitalized as "Contract Costs" throughout the term of the contract and is amortized by depreciation method.If the contract period or the redemption period of the asset, is one year or less, the stamp tax is recognized as an expense in the financial statements.

**2.4.2 Inventories**

Inventories are stated at the lower of cost and net realizable value and valued on monthly weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

**2.4.3 Plant, Property and Equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.Properties during construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss.

Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.4 Intangible Assets**

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**Licenses**

Lisanslar, tarihi maliyetleriyle gösterilir. Lisansların sınırlı faydalı ömürleri bulunmaktadır ve maliyet değerlerinden birikmiş amortismanlar düştükten sonraki tutarıyla gösterilirler. Lisanslar, beklenen faydalı ömürlerine göre doğrusal amortisman yönetimi kullanılarak itfa edilir.

**Computer software**

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5-10 years).

**Internally-generated intangible assets**

Expenditure on research activities is recognized in the income statement in the period in which it is incurred. An internally-generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development
- and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Computer software development costs recognized as assets are amortized over their estimated useful lives.

The useful life and depreciation method are regularly reviewed, and whether the depreciation method and duration applied are in line with the economic benefits to be obtained from the related assets.

**Contractual customer relationships**

Contractual customer relationships acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

**2.4.5 Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.5 Impairment of tangible and intangible assets other than goodwill(Cont'd)**

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**2.4.6 Financial Instruments Classification and Measurement**

The Group classifies its financial assets in three categories as financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

**(a) Financial assets carried at amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded, and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables", "other receivables" and "cash and cash equivalents" in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

**Impairment**

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the experience of the Group and its expectation based on the macroeconomic indications

**(b) Financial assets carried at fair value**

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make an irrevocable choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

**Financial assets carried at fair value through profit or loss**

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

**Financial assets carried at fair value through other comprehensive income**

Financial assets carried at fair value through other comprehensive income comprise of "financial investment" in the statement of financial position. The Group measures these assets at their fair values. Gains or losses from related financial assets, other than impairment and foreign exchange income or expenses, are recognized in other comprehensive income. In case the assets with fair value difference recognized in other comprehensive income are sold, the valuation difference recognized in other comprehensive income is transferred to retained earnings.

The Group accounts for expected credit losses in accordance with TFRS 9 that are expected to be equal to their expected life-time losses for their trade receivables, in cases where the trade receivables are not impaired for some reason with realized impairment losses. Expected credit loss provision is based on the Group's past credit loss experience and expected credit loss ratio as determined based on forward-looking macroeconomic indicators. Expected credit loss reversals are recorded in other operating income/ (expenses).

**Financial liabilities**

Financial liabilities are initially measured at fair value. During the initial measurement of financial liabilities other than fair value through profit or loss, transaction costs related to financial liability are included in the measurement of the fair value. Financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.6 Financial Instruments Classification and Measurement (Cont'd)**

**Credit risk**

The Group has applied the simplified approach stated in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables. To measure the expected credit loss, the Group first classifies its trade receivables by considering the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience and forward macroeconomic indicators were calculated and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

**Foreign currency risk**

Due to its core business, the Group is subject to exchange rate volatility tied to the value change of foreign currencies. The Group's foreign currency risk for assets and liabilities has been disclosed in Note 29.

**Liquidity risk**

The Group is generally raising funds by liquidating its short-term financial instruments such as collecting its receivables and selling out securities. The Group's proceedings from these instruments generally approximates their fair values.

**2.4.7 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

**2.4.8 Effects of Change in Foreign Exchange Rates**

The effects of change in foreign exchange rates on the financial statements have been disclosed in note 2 "Basis of Financial Statements" section 2.1.c "Functional and Reporting Currency". For the purpose of presentation of the consolidated financial statements as TL, balance sheet has been translated to TL by using Turkish Central Bank foreign exchange buying rates as of 31 December 2023 (1 USD = 29,4382 TL, 1 EUR = 32,5739 TL, 1 CAD =

22,1962 TL, 1 GBP = 37,4417 TL, 1 BDT = 0,26487 TL, 1 AZN=17,2196 and 1 DZD=0,21796).

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

**2.4.9 Earnings/ (Losses) per Share**

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned. In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

**2.4.10 Subsequent Events**

Non-adjusting matters after the reporting period are disclosed in the footnotes of the consolidated financial statements if they affect the economic decisions of users of the financial statements.(Note 31)

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.11 Provisions, Contingent Liabilities and Assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

**Provisions for executory contracts**

In cases where the current estimated total project cost is higher than the expected revenue, the Group makes provisions for these economically executory contracts. Estimated project costs include unavoidable costs. The cost of fulfilling a contract consists of costs directly related to the contract. Costs directly related to the contract, variable costs incurred to fulfill the contract (for example, direct labor and materials cost), and amounts allocated from other costs directly related to fulfilling the contract (for example, for an item of property, plant and equipment used, inter alia, to fulfill the contract in question) the amount distributed from the depreciation expense allocated). Estimates may change as new information emerges in parallel with the progress of the project.

**Return provision**

Within the scope of customer agreements, the obligation to refund is accounted for due to the obligation to return part or all of the price received from customers for products that have the right to return. The Group's return obligations stem from the customers' right to return. Liability is measured by the amount the Group expects to eventually return. The Group updates its estimates of repayment obligations at the end of each reporting period.

**2.4.12 Related Parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements.

**a) A person or a close member of that person's family is related to a reporting entity**

if that person:

- i) has control or joint control over the reporting entity;
- ii) has significant influence over the reporting entity; or
- iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

**b) An entity is related to a reporting entity if any of the following conditions applies:**

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

**2.4.13 Reporting of Financial Information on Segment Basis**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments are affected from different kinds of economic and geographical conditions and managed as the sole authority. While assessing the performance of the operating segments, Group Management is focused on their gross and operating profit.

The Group evaluates the performance of 6 segments to determine resource allocation. The segments of the Group are system enterprise, public, international, technology, telecom and BDH.

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.14. Government Grants and Incentives**

Gains arising from incentives for investment and research and development activities together with government grants are recognized when there is a reasonable assurance for the necessary conditions to be fulfilled and incentive to be acquired by the Group.

Vested government grants related with expense or capitalization realized in previous accounting periods, are recognized in statements of profit or loss when collectible and grants relating to capital assets are accounted for as deferred income in the consolidated balance sheet and are credited to consolidated profit and loss statement on a straight-line basis over the expected lives of related assets.

Government grants are presented in the consolidated financial statements regardless of whether the grants are obtained in cash or by decreasing a liability to the government. Government grants are presented in Note 15.

**2.4.15 Taxes Calculated on Corporation Earnings**

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Tax expense form continues operation includes current year income tax expense and deferred income tax (expense) / benefit.

**Current tax**

Current year income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

**Deferred tax**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that expected to apply to the period when asset is realized, or the liability is settled.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current and deferred tax for the year**

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**2.4.16 Employee Benefits**

**Termination and retirement benefits**

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per Turkish Accounting Standard No. 19 (revised) "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in other comprehensive income.

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

**2.4 Summary of Significant Accounting Policies (Cont'd)**

**2.4.16 Employee Benefits (Cont'd)**

**Profit-sharing and bonus plans**

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.4.17 Statements of Cash Flows**

In statement of cash flows, cash flows are classified according to operating, investing, and financing activities. Cash flows related to operating activities show the cash flows used and obtained by the Group in its activities. Cash flows related to investment activities show the cash flows used and obtained by the Group in its investment activities (fixed asset investments and financial investments). Cash flows related to financing activities show the resources used by the Group in financing activities and repayments of these resources.

**2.4.18 Share Capital and Dividends**

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

**2.4.19 Leasing**

**Group - as a lessee**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset.
- Group has the right to direct the use of the asset throughout the period of use only if either:
  - a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
  - b) Relevant decisions about how and for what purpose the asset is used are predetermined
    - i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
    - ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above-mentioned factors.

**Right-of-use asset**

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

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

**2.4 Summary of Significant Accounting Policies(Cont'd)**

**2.4.19 Leasing(Cont'd)**

**Group - as a lessee(Cont'd)**

When applying the cost model, Group measures the right-of-use asset at cost:

- less any accumulated depreciation and any accumulated impairment losses; and
- adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset.

Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

**Lease liability**

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments, less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- educing the carrying amount to reflect the lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

**Practical expedients**

The short-term lease agreements with a lease term of 12 months or less and agreements related to information technology equipment leases (mainly printer, laptop, mobile phone etc.), which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 Leases Standard and related lease payments are recognised as an expense in the period in which they are incurred.

**Group - as lessor**

The Group does not have any activity as the lessor.

**2.5 Significant Accounting Estimates, Judgements and Assumptions**

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and the assumptions underlying the estimates are constantly reviewed. Updates in accounting estimates are recorded in the period when the estimates are updated and in subsequent periods affected by these updates.

Estimation uncertainties that have a significant effect on the amounts recorded in the consolidated financial statements are explained in the notes below:

Note 7,29 Trade receivables: Estimations and accounting judgments regarding to collectability of receivables. Trade receivables and payables: The Group allocates provision for doubtful receivables for the estimated losses caused by the inability of its customers to make the necessary payments. The Group calculates provision for doubtful receivables according to the prospective credit loss model. In this context, the loss is weighed according to the probabilities of realization and it evaluates how economic factors affect the expected credit loss. The provision is revised periodically. The provision expense calculated for trade receivables is calculated over the percentages determined for the aging group in which the receivable is included and increasing as the receivables age.

Note 9 Inventories: Estimations regarding to inventory provision. Inventories: When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and charged to the income statement in the year in cost. It also requires significant judgment whether inventories are unsaleable. According to the calculations based on the judgments and estimations of the Group Management, since the net realizable value of the inventories fell below its cost, a portion of the inventories was reduced to their net realizable value.

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

**2.5 Significant Accounting Estimates, Judgements and Assumptions (Cont'd)**

Note 12,13 Property, plant and equipment and intangible assets: If there is an indication of impairment of tangible and intangible assets, an impairment test is performed. In particular, in the analysis of intangible assets impairment, the actions taken by other market members and technological developments in the current period are taken into account. Assumptions on the balance sheet date, which have a certain risk that may cause significant adjustments to assets and liabilities in the next reporting period and are related to the future period, and sources of calculation uncertainty are explained below. In case of an indication of impairment, the Group determines whether there is impairment in property, plant and equipment by calculating the recoverable amount. This requires calculating the value in use of the cash-generating unit. Calculating the value in use requires the Group to calculate the estimated cash flows expected to be received in the future period of the cash generating unit and determine the appropriate discount rate to be used in calculating the present value of these cash flows.

Note 13 Goodwill: Estimations regarding to impairment of goodwill. Goodwill: The assumptions used by the Group during the impairment test of goodwill have been disclosed. The group determines the useful life of an asset by considering the estimated useful life of that asset. This assessment is based on the Group's experience with similar assets. The Group also considers additional impairment in case the assets become technically or commercially unusable as a result of changes and developments in the market. The useful lifes used by the Group are based on the judgment of Group Management and are disclosed in notes 12 and

Note 16 Provisions: Estimations regarding to provision amounts. Provisions, contingent assets and liabilities: The Group has become a party to multiple investigations, examinations and lawsuits, both as defendant and plaintiff, within the scope of its ordinary activities during the period. All these investigations, investigations and lawsuits were evaluated by the Group Management in TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and reflected in the consolidated financial statements or footnotes. Future results of these investigations, investigations and litigation may differ from the Group's assessments. As a result of the evaluations made under the current conditions as of the reporting date, the Group Management is of the opinion that the necessary information is presented in the accompanying consolidated financial statements in order to ensure that appropriate accounting criteria and measurement principles are applied to provisions, contingent liabilities and contingent assets, and that financial statement users understand their characteristics, timing and amounts.

Note 21 Revenue and cost of sales: Estimation of revenue and cost based on project based analysis. Sales and cost of sales: The percentage project completion rate method is used in the accounting of project contracts, and since the ratio of the contract expense realized until a certain date to the estimated total cost of the contract is calculated, the total estimated costs and project profitability of the projects are determined within the scope of TFRS 15, and the loss provision is calculated for the projects that are expected to end with a loss.

Note 26 Tax Assets and liabilities: The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its tax base financial statements and its financial statements prepared in accordance with TFRS. Group companies have deferred tax assets consisting of R&D incentives that can be deducted from future profits. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, the expiry dates of future profit projections, losses in current periods, unused losses and other tax assets and tax planning strategies that can be used when necessary are taken into consideration. In this context, profit estimations were made according to the Group's 5-year business plan. In these estimations, the focus is on new technology products and solutions with higher profit margins in 5 technology areas determined as the target areas in system integration, and domestic and national R&D solutions in the field of Defense, Telecommunication and Transportation, which are determined as strategic sectors. In line with these determined strategies, a domestic server was launched and sales started in 2023. On the other hand, in parallel with the developments in the sector, initiatives in the field of electric charging stations were started and were announced to the public in 2024. As a result of the evaluation, as of 31 December 2023, there is an R&D incentive amounting to TL 3.318.722.438 within the framework of the Law No. 5746 on Supporting Research and Development Activities, which has been concluded that the temporary differences arising from tax deductions can be foreseen and that the right to tax deduction can be utilized within the period during which the tax deduction right can continue. However there is a carryforward tax loss amounting to TL 834.275.439. A deferred tax asset was recognized over the R&D incentive and carryforward tax loss of TL 2.759.491.212. The Group has calculated a deferred tax asset over the corporate tax deduction arising from the R&D incentives that it has not used (Note 26). R&D incentives that have been qualified but not yet used have an indefinite lifespan.

**2.6 The New Standards, Amendments, and Interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2023 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, 2023 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**i) Standards issued but not yet effective and not early adopted**

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

**Classification of Liabilities as Current or Non-current (Amendments to TAS 1)**

On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

After reconsidering certain aspects of the 2020 amendments; IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Related amendment was published by POA as "TFRS 2023" on 3 January 2023. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares.

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

**2.6 The New Standards, Amendments, and Interpretations (Cont'd)**

**i) Standards issued but not yet effective and not early adopted (Cont'd)**

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2024 with earlier application permitted. It also specifies the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 1.

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

In September 2022, IASB issued Lease Liability in a Sale and Leaseback, which amends IFRS 16 Leases. Related amendment was published by POA as "TFRS 2023" on 3 January 2023. Amendments to TFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

The amendments confirm the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of TFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of TFRS 16 in 2019, and potentially restate those that included variable lease payments.

The Group is assessing the potential impact on its [consolidated] financial statements resulting from the application of the amendments to Amendments to TFRS 16 Leases.

**Amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements**

On 25 May 2023, IASB has amended IAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures. Related amendment was published by POA on 19 September 2023. The amendments introduce additional disclosure requirements for companies that enter into supplier finance arrangements (referred to as supply chain finance, payables finance or reverse factoring arrangements). However, they do not address the classification and presentation of the related liabilities and cash flows.

The IASB's amendments apply to supplier finance arrangements<sup>1</sup> that have all of the following characteristics.

- A finance provider pays amounts a company (the buyer) owes its suppliers.
- A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

The amendments do not apply to arrangements for financing receivables or inventory.

The amendments introduce two new disclosure objectives – one in TAS 7 and another in TFRS 7 – for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to TAS 7 Statement of Cash Flows and TFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements.

**TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and TSRS 2 Climate-related Disclosures**

On 26 June 2023, The International Sustainability Standards Board (ISSB) has issued IFRS<sup>®</sup> Sustainability Disclosure Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on. Related standards were published by POA as "TSRS 1 and TSRS 2" on 29 December 2023.

Two standards are designed to be applied together, supporting companies to identify and report information that investors need for informed decision making – in other words, information that is expected to affect the assessments that investors make about companies' future cash flows.

To achieve this, the general standard provides a framework for companies to report on all relevant sustainability-related topics across the areas of governance, strategy, risk management, and metrics and targets.

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

**2.6 The New Standards, Amendments, and Interpretations (Cont'd)**

**i) Standards issued but not yet effective and not early adopted (Cont'd)**

The standards are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. But it will be for individual jurisdictions to decide whether and when to adopt. Accordingly, POA announced in the Board Decision published in the Official Gazette dated 29 December 2023 that certain entities will be subject to mandatory sustainability reporting as of 1 January 2024.

**ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA**

Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate.

Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the Amendments to IAS 21.

**iii) Amendments are effective on 1 January 2023**

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2023:

- 1- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to TAS 12 Income Taxes
- 2- Definition of Accounting Estimates (Amendments to TAS 8)
- 3- Disclosure of Accounting Policies (Amendments to TAS 1)
- 4- Amendments to IAS 12- IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules AND Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

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

**2.7 Going Concern**

As of 31 December 2023, the financial statements have been prepared on the basis of going concern. As of 31 December 2023, current assets of the Group are amounting to TL 3.967.423.520 and short term liabilities of the Company are amounting to TL 5.231.635.187. The Group's short term liabilities exceeded current assets TL 1.264.211.667 and a significant part of short-term liabilities consists of trade payables to related parties (TL 1.346.153.623).

On the other hand, the Group has not had any problems in the payment of its loans in the past, anticipates that it will not face any payment problems in 2024 and the following years.

The Group management evaluates that there is no issue that may affect going concern in the foreseeable future in terms of the Group's cash flows and ability to fulfill its obligations.

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**3 FINANCIAL INVESTMENTS AND INVESTMENTS ACCOUNTED USING THE EQUITY METHOD**

As of 31 December 2023 and 31 December 2022, the details of financial investments and investments accounted for using the equity method are as follows:

	31 December 2023	31 December 2022
Private Investment Capital Fund	39.338.713	25.360.788
<b>TOTAL</b>	<b>39.338.713</b>	<b>25.360.788</b>

**Associates**

**Details of significant associate:**

As explained in Note 2, in the decision of the Board of Directors dated 29 April 2022, it was decided to sign the Share Purchase and Sale Agreement to sell all of 10% A Group shares in Kron Telekomünikasyon A.Ş. with a total nominal value of TL 1.426.852 to Zeynep Yenel Onursal for a share value of TL 36.5 and a total value of TL 52.080.098. Within the framework of the aforementioned Share Purchase and Sale Agreement, the share transfer was realized as of 29 April 2022, and the Group obtained a sales profit of TL 30.469.943 from the transaction and reflected it in the profit or loss statements. (Note 24)

Selling Price	52.080.098
Affiliate amount on the date of sale	8.610.621
<b>Profit</b>	<b>43.469.477</b>
Currency translation difference reclassified as profit or loss	(12.999.534)
<b>Net Profit</b>	<b>30.469.943</b>

The movement of acquisition balance arising from Kron is given below;

	2022
<b>As of 1 January</b>	8.621.337
Share from the profit of the period	317.606
Defined benefit plan remeasurement gains /(losses)	13.585
Selling of Associate	(8.610.621)
Currency translation difference	(341.907)
<b>As of 31 December</b>	-

**Financial Investment Funds**

The fair values of the investments in private equity ventures are determined over the net equity values determined on the basis of the fair value of the underlying asset determined by independent valuation experts.

The movement table of the Group's investments as of 31 December 2023 and 31 December 2022 is as follows:

	2023	2022
<b>As of 1 January</b>	25.360.788	17.926.217
Fair value increases	(475.324)	189.037
Foreign currency conversion differences	14.453.249	7.245.534
<b>As of 31 December</b>	<b>39.338.713</b>	<b>25.360.788</b>

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**4 SEGMENT REPORTING**

Within the framework of the strategy of providing an integrated information and technology service and products, the Group divides its main business segments into four operating segments, namely "Telecom", "System Integration", "Technology" and "BDH", in order to ensure economic integrity. Activities are segmented so that Group Management can evaluate performance and decide on resource allocation, and each section is reviewed regularly. The decisionmaking authority regarding the activities of the Group is the Board of Directors.

The main activities of the Telecom segment are proving services and selling product to mobile operator companies.

The line of business followed in the system integration segment is system integration services to public and private sector organizations. In addition to these services, software licenses and hardware that the Group distributes are sold.

In the activities of the technology segment, services are provided for technological development and improvements for digital transformation of corporate and public institutions.

In the BDH segment, it provides consultancy, strategic outsourcing, hardware and support services to small-scale companies, large corporations and public institutions in the field of information technologies.

There are six business segments containing information that Group Management evaluates performance and uses to decide on resource allocation. The following table shows the information about each segment. The operational profit and breakdowns below are regularly considered in evaluating the performance of segments. To reach the operating profit/ loss amount used to evaluate the performance of the segment, other income and expenses from operating activities are deducted from the consolidated operating profit/ loss amount presented in the consolidated financial statements. Operating profit/loss is not a measure of financial performance defined in TFRS and may not be comparable to similar indicators defined by other companies. Since the company management does not monitor the company's performance according to geographical segments, reporting is not given according to geographical segments.

For the period ended 31 December 2023	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	2.162.162.740	4.080.837.169	-	715.287.710	-	6.958.287.619
Cost of sales (-)	(1.977.282.766)	(3.725.463.137)	-	(652.232.343)	-	(6.354.978.246)
<b>Gross margin</b>	<b>184.879.974</b>	<b>355.374.032</b>	-	<b>63.055.367</b>	-	<b>603.309.373</b>
Sales,marketing and distribution expenses (-)	(51.475.806)	(118.919.847)	-	(57.757.132)	-	(228.152.785)
General administrative expenses (-)	-	-	-	-	(218.909.666)	(218.909.666)
Research and development expenses (-)	-	-	(2.386.154)	-	-	(2.386.154)
<b>Operating profit / (loss) of segment</b>	<b>133.404.168</b>	<b>236.454.185</b>	<b>(2.386.154)</b>	<b>5.298.235</b>	<b>(218.909.666)</b>	<b>153.860.768</b>

For the period ended 31 December 2022	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	1.259.243.722	2.347.798.152	-	404.511.754	-	4.011.553.628
Cost of sales (-)	(1.151.552.976)	(2.127.398.915)	-	(345.276.469)	-	(3.624.228.360)
<b>Gross margin</b>	<b>107.690.746</b>	<b>220.399.237</b>	-	<b>59.235.285</b>	-	<b>387.325.268</b>
Sales,marketing and distribution expenses (-)	(44.207.212)	(72.902.655)	-	(33.875.200)	-	(150.985.067)
General administrative expenses (-)	-	-	-	-	(161.566.947)	(161.566.947)
Research and development expenses (-)	-	-	(6.557.959)	-	-	(6.557.959)
<b>Operating profit / (loss) of segment</b>	<b>63.483.534</b>	<b>147.496.582</b>	<b>(6.557.959)</b>	<b>25.360.085</b>	<b>(161.566.947)</b>	<b>68.215.295</b>

31 December 2023	Telecom	System Integration	Technology	BDH	Unallocated (*)	Total
Trade receivables	1.303.352.510	1.459.827.811	-	99.795.417	2.430.895	2.865.406.633
Due from related parties	9.686.111	-	-	-	-	9.686.111
Inventories	112.616.423	247.855.374	-	23.887.949	-	384.359.746
Contract assets	53.944.800	339.553.302	-	9.513.678	-	403.011.780
<b>Segments assets</b>	<b>1.479.599.844</b>	<b>2.047.236.487</b>	-	<b>133.197.044</b>	<b>2.430.895</b>	<b>3.662.464.270</b>

Trade payables (*)	92.900.946	1.032.597.411	-	148.447.403	35.498.918	1.309.444.678
Due to related parties	1.346.153.623	-	-	-	-	1.346.153.623
Contract liabilities	334.474.247	313.773.199	-	17.700	-	648.265.146
Other short term provision	16.672.143	72.880.639	-	-	22.679.567	112.232.349
<b>Segment liabilities</b>	<b>1.790.200.959</b>	<b>1.419.251.249</b>	-	<b>148.465.103</b>	<b>58.178.485</b>	<b>3.416.095.796</b>

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**4 SEGMENT REPORTING (Cont'd)**

31 December 2022	Telecom	System Integration	Technology	BDH	Unallocated (*)	Total
Trade receivables	719.243.945	1.086.626.248	-	73.863.692	1.091.952	1.880.825.837
Due from related parties	70.128.043	-	-	-	-	70.128.043
Inventories	169.610.229	237.223.842	-	18.437.072	285.051	425.556.194
Contract assets	385.366.586	55.256.630	-	-	-	440.623.216
<b>Segments assets</b>	<b>1.344.348.803</b>	<b>1.379.106.720</b>	<b>-</b>	<b>92.300.764</b>	<b>1.377.003</b>	<b>2.817.133.290</b>
Trade payables (*)	59.664.328	1.015.383.009	-	83.211.992	65.030.013	1.223.289.342
Due to related parties	757.233.720	-	-	-	-	757.233.720
Contract liabilities	127.679.378	323.861.236	-	151.421	-	451.692.035
Other short term provision	7.399.544	80.277.520	-	-	12.738.590	100.415.654
<b>Segment liabilities</b>	<b>951.976.970</b>	<b>1.419.521.765</b>	<b>-</b>	<b>83.363.413</b>	<b>77.768.603</b>	<b>2.532.630.751</b>

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

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

	For the period ended 31 Decembe 2023	For the period ended 31 Decembe 2022
Operating (loss) of segment	153.860.768	68.215.295
Other (expenses)/income from operating activities (net)	(113.015.006)	(119.031.189)
Other (expenses)/income from investments (net)	(325.486)	30.751.732
Income from investments accounted using the equity method	-	317.606
Finance (expenses)/income (net)	(99.194.630)	(63.873.703)
<b>(Loss) before tax</b>	<b>(58.674.354)</b>	<b>(83.620.259)</b>

Assets	31 December 2023	31 December 2022
Segment assets	3.662.464.270	2.817.133.290
Other assets (*)	2.069.435.115	1.362.685.076
<b>Total assets</b>	<b>5.731.899.385</b>	<b>4.179.818.366</b>

Liabilities	31 December 2023	31 December 2022
Segment liabilities	3.416.095.796	2.532.630.751
Other liabilities (*)	2.093.040.492	1.629.495.856
<b>Total liabilities</b>	<b>5.509.136.288</b>	<b>4.162.126.607</b>

(\*) Other assets consist of items such as unallocated cash, tax assets and prepaid expenses, as well as items such as tangible and intangible assets, right-of-use assets and goodwill that are benefited equally by all segments. Other liabilities consist of items such as unallocated bank loans, tax liabilities, payables from lease transactions, personnel payables and provisions.

**5 CASH AND CASH EQUIVALENTS**

	31 December 2023	31 December 2022
Bank- demand deposits	83.612.867	143.830.315
Bank- time deposits	6.500.000	76.300.000
	<b>90.112.867</b>	<b>220.130.315</b>

Currency	Original Currency Amount	Interest Rate %	Maturity	31 December 2023
TL	6.500.000	32,98 - 38,00	January 2024	6.500.000
				<b>6.500.000</b>

Currency	Original Currency Amount	Interest Rate %	Maturity	31 December 2022
TL	76.300.000	12,00	January 2023	76.300.000
				<b>76.300.000</b>

As of 31 December 2023, and 31 December 2022 there are no restriction / blockage on bank accounts.

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**6 BORROWINGS**

	31 December 2023	31 December 2022
<b>Short term financial liabilities</b>		
Short term unsecured loans	1.031.302.122	1.093.165.025
Financial borrowing from factoring transactions	266.606.167	38.345.150
	<b>1.297.908.289</b>	<b>1.131.510.175</b>

As of 31 December 2023, effective interest rate for TL loans is %45,16%, effective interest rate for USD loans is 10,23% and effective interest rate for EUR loans is 10,23%. (As of 31 December 2022, effective interest rate for TL loans is 17,06% and effective interest rate for USD loans is 8,1%)

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

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2023
TL	311.593.683	32,00-50,30	January 2024-November 2024	311.593.683
USD	24.079.939	9,00-12,35	January 2024-December 2024	708.870.060
EURO	332.732	10,56	Eylül 2024	10.838.379
				<b>1.031.302.122</b>

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2022
TL	618.204.570	14,75-25,30	January 2023-December 2023	618.204.570
USD	25.401.264	4,90-13,25	January 2023-July 2023	474.960.455
				<b>1.093.165.025</b>

(\*) Presents the lower and upper rates.

The detail of financial borrowing from factoring transactions of the Group is given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2023
TL	266.606.167	40,00-50,00	January 2024-June 2024	266.606.167
				<b>266.606.167</b>

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturity	31 December 2023
TL	34.881.064	28,00-35,50	January 2023-May 2023	34.881.064
USD	185.262	13,50	January 2023	3.464.086
				<b>38.345.150</b>

	31 December 2023	31 December 2022
<b>Short-Term Portion of Long-Term Financial Liabilities</b>		
Short-Term Portion of Long-Term Unsecured Bank Loans	-	61.218.489
Short-Term Portion of Long-Term Lease Liabilities	128.271.232	96.094.322
	<b>128.271.232</b>	<b>157.312.811</b>

As at 31 December 2022, the detail of short-term portion of long-term unsecured bank loans of the Group is given below:

Currency	Original Currency Amount	Interest Rate(%) (*)	Maturit	31 December 2022
TL	61.218.489	9,00-14,75	February 2023-April 2023	61.218.489
				<b>61.218.489</b>

(\*) Presents the lower and upper rates.

The details of long-term unsecured loans of the Group are given below:

	31 December 2023	31 December 2022
<b>Long term financial liabilities</b>		
Long term lease liabilities	156.295.182	65.409.415
	<b>156.295.182</b>	<b>65.409.415</b>

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**6 BORROWINGS (Cont'd)**

The movement of banks loans and financial borrowing from factoring transactions of the Group is given in the table below. Cash flows arising from the borrowings of the Group are classified under the cash inflows/ outflows arising from financing activities in the consolidated statement of cash flows.

	2023	2022
<b>Opening-1 January</b>	1.192.728.664	1.142.699.339
Cash inflow under within borrowings received	2.228.506.295	1.562.114.965
Cash pouflow under within borrowings received	(2.424.443.139)	(1.742.478.637)
Interest accruals changes	264.204.770	167.907.876
Interest paid	(265.281.562)	(183.544.251)
Currency translations changes	302.193.261	246.029.372
<b>Closing-31 December</b>	<b>1.297.908.289</b>	<b>1.192.728.664</b>

The reconciliation of the Group's debts from lease transactions for the nine-month accounting periods ending on 31 December 2023 and 2022 is as follows:

	2023	2022
<b>Opening-1 January</b>	161.503.737	115.041.653
Additions	85.810.900	40.773.618
Interest expenses and foreign exchange loss on lease liabilities	35.875.427	17.005.820
Lease payments	(57.839.924)	(38.081.052)
Foreign Currency Translation Difference	59.216.274	26.763.698
<b>Closing-31 December</b>	<b>284.566.414</b>	<b>161.503.737</b>

As of 31 December 2023, liabilities arising from leasing transactions are in TL and consist of liabilities accounted with fixed rate borrowing interest rates, which vary between 14,81% and 31%. The maturity structure of debts arising from leasing transactions and the exchange rate risk carried over are presented in Note 29.

**7 TRADE RECEIVABLES AND PAYABLES**

	31 December 2023	31 December 2022
<b>Trade Receivables from Third Parties</b>		
Trade receivables	3.202.873.225	2.107.866.896
Discount on trade receivables (*)	(38.643.054)	(26.288.669)
Allowances for doubtful receivables (-)	(298.823.538)	(200.752.390)
	<b>2.865.406.633</b>	<b>1.880.825.837</b>

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

<b>Movement of Allowance for Doubtful Receivables</b>	2023	2022
<b>Reported as of 1 January</b>	<b>(200.752.390)</b>	<b>(143.495.538)</b>
Charge for the period	(665.151)	(17.097)
Provision no longer required	4.141.585	911.119
Currency translation differences	(101.547.582)	(58.150.874)
<b>As of 31 December</b>	<b>(298.823.538)</b>	<b>(200.752.390)</b>

The provision for doubtful receivables allocated for trade receivables is determined based on the experience of non-collection of receivables and expected credit loss model.

	31 December 2023	31 December 2022
<b>Trade Payables to Third Parties</b>		
Trade payables	1.309.444.678	1.223.289.342
	<b>1.309.444.678</b>	<b>1.223.289.342</b>

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**8 OTHER RECEIVABLES AND PAYABLES**

	31 December 2023	31 December 2022
<b>Other Receivables</b>		
Receivable of tax return	3.458.246	2.119.706
Deposits and guarantees given	692.125	424.465
Other	794.165	581.311
	<b>4.944.536</b>	<b>3.125.482</b>

	31 December 2023	31 December 2022
<b>Short Term Other Payables</b>		
Taxes and duties payables	152.007.691	92.799.127
Other	953.088	597.183
	<b>152.960.779</b>	<b>93.396.310</b>

**9 INVENTORIES**

Inventories are stated at their cost values and allocated the provision for impairment on inventories.

	31 December 2023	31 December 2022
Raw materials	131.414.493	101.289.497
Finished goods	74.676.366	39.537.456
Trade goods	151.615.849	271.994.517
Right of return assets	27.303.104	13.874.351
Allowance for inventory impairment (-)	(650.066)	(1.139.627)
	<b>384.359.746</b>	<b>425.556.194</b>

Movement table of provision for inventory impairment is as follows:

	2023	2022
<b>Movement for allowance:</b>		
Opening balance	(1.139.627)	(68.436.157)
Released for the year	4.159.563	86.784.634
Provision	(3.235.871)	(2.739.169)
Foreign currency translation difference	(434.131)	(16.748.935)
Closing balance	<b>(650.066)</b>	<b>(1.139.627)</b>

**10 PREPAID EXPENSES**

	31 December 2023	31 December 2022
<b>Short term prepaid expenses</b>		
Short term prepaid expenses	36.199.891	29.557.829
Advances given for inventories	36.010.888	39.950.265
	<b>72.210.779</b>	<b>69.508.094</b>

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**11 CONTRACT ASSETS AND LIABILITIES**

Details of the contract assets are given below;

Customer	31 December 2023			31 December 2022		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Telecom	53.944.800	-	53.944.800	385.366.586	-	385.366.586
System Integration	339.553.302	-	339.553.302	55.256.630	-	55.256.630
Technology	-	-	-	-	-	-
BDH	9.513.678	-	9.513.678	-	-	-
Other	-	-	-	-	-	-
	<b>403.011.780</b>	<b>-</b>	<b>403.011.780</b>	<b>440.623.216</b>	<b>-</b>	<b>440.623.216</b>

Details of the contract liabilities are given below;

Customer	31 December 2023			31 December 2022		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Telecom	334.474.247	-	334.474.247	127.679.378	-	127.679.378
System Integration	313.773.199	-	313.773.199	323.861.236	-	323.861.236
Technology	-	-	-	-	-	-
BDH	17.700	-	17.700	151.421	-	151.421
Other	-	-	-	-	-	-
	<b>648.265.146</b>	<b>-</b>	<b>648.265.146</b>	<b>451.692.035</b>	<b>-</b>	<b>451.692.035</b>

Contract assets represent the consideration that the Group deserves in return for goods or services transferred to the customer within the scope of ongoing customer contracts. The contract asset was evaluated for impairment in accordance with TFRS 9 and as of 31 December 2023, impairment in the amount of 37.689.050 TL was recognized (31 December 2022: 9.363.791 TL). (Note:29)

Contractual obligations represent the Group's obligation to deliver goods and services in return for the price collected from its customers.

**12 PROPERTY, PLANT AND EQUIPMENT**

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
	<b>Cost</b>				
1 January 2023	629.136.116	448.729	53.156.764	177.748.923	860.490.532
Adjustments due to change in accounting policy (Note: 2.1d)	38.668.331	411.515	17.155.468	29.332.462	85.567.776
<b>Recalculated 1 January 2023 balance</b>	<b>667.804.447</b>	<b>860.244</b>	<b>70.312.232</b>	<b>207.081.385</b>	<b>946.058.308</b>
Translation difference	308.740.051	93.163	23.480.405	90.565.885	422.879.504
Purchases	3.703.769	-	267.976	3.483.062	7.454.807
Disposals	(75.269.162)	(10.190)	(3.933.976)	(2.312.615)	(81.525.943)
<b>31 December 2023</b>	<b>904.979.105</b>	<b>943.217</b>	<b>90.126.637</b>	<b>298.817.717</b>	<b>1.294.866.676</b>
<b>Accumulated Depreciation</b>					
1 January 2023	(552.512.405)	(359.331)	(45.305.835)	(157.893.741)	(756.071.312)
Adjustments due to change in accounting policy (Note: 2.1d)	(31.746.829)	(283.122)	(12.001.043)	(10.966.508)	(54.997.502)
<b>Recalculated 1 January 2023 balance</b>	<b>(584.259.234)</b>	<b>(642.453)</b>	<b>(57.306.878)</b>	<b>(168.860.249)</b>	<b>(811.068.814)</b>
Translation difference	(288.004.206)	(93.164)	(21.451.884)	(88.135.374)	(397.684.628)
Period charge	(20.674.826)	(137.584)	(4.073.699)	(13.501.931)	(38.388.040)
Disposals	74.590.051	10.190	3.400.882	1.958.047	79.959.170
<b>31 December 2023</b>	<b>(818.348.215)</b>	<b>(863.011)</b>	<b>(79.431.579)</b>	<b>(268.539.507)</b>	<b>(1.167.182.312)</b>
<b>Net book value at 31 December 2023</b>	<b>86.630.890</b>	<b>80.206</b>	<b>10.695.058</b>	<b>30.278.210</b>	<b>127.684.364</b>

As of 31 December 2023, depreciation charge is TL 38.388.040. TL 12.276.331 is accounted in cost of sales, TL 24.091.649 in general administrative expenses, TL 2.020.060 in sales, marketing, and distribution expenses.

As of 31 December 2023, the total insurance amount of the Group's asset values is TL 291.277.390.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2023.

As of 31 December 2023, there are not any mortgage and financial leasing on property, plant and equipment.

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**12 PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
	<b>Cost</b>				
<b>1 January 2022</b>	<b>484.272.315</b>	<b>402.153</b>	<b>44.441.552</b>	<b>132.463.853</b>	<b>661.579.873</b>
Translation difference	174.816.542	46.576	12.044.335	45.162.979	232.070.432
Purchases	9.217.097	-	250.863	142.578	9.610.538
Disposals	(39.169.838)	-	(3.579.986)	(20.487)	(42.770.311)
<b>31 December 2022</b>	<b>629.136.116</b>	<b>448.729</b>	<b>53.156.764</b>	<b>177.748.923</b>	<b>860.490.532</b>
<b>Accumulated Depreciation</b>					
<b>1 January 2022</b>	<b>(417.507.487)</b>	<b>(256.280)</b>	<b>(35.259.297)</b>	<b>(101.176.957)</b>	<b>(554.200.021)</b>
Translation difference	(151.628.933)	(46.576)	(10.459.906)	(40.331.558)	(202.466.973)
Period charge	(21.785.660)	(56.475)	(2.624.073)	(16.389.252)	(40.855.460)
Disposals	38.409.675	-	3.037.441	4.026	41.451.142
<b>31 December 2022</b>	<b>(552.512.405)</b>	<b>(359.331)</b>	<b>(45.305.835)</b>	<b>(157.893.741)</b>	<b>(756.071.312)</b>
<b>Net book value at 31 December 2022</b>	<b>76.623.711</b>	<b>89.398</b>	<b>7.850.929</b>	<b>19.855.182</b>	<b>104.419.220</b>

As of 31 December 2022, depreciation charge is TL 40.855.460. TL 9.230.247 is accounted in cost of sales, TL 29.699.812 in general administrative expenses, TL 1.925.401 in sales, marketing, and distribution expenses.

As of 31 December 2022, the total insurance amount of the Group's asset values is TL 316.436.032.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2022.

As of 31 December 2022, there are not any mortgage and financial leasing on property, plant and equipment.

Tangible fixed assets are depreciated principally on a straight-line basis using the following rates:

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

**13 INTANGIBLE ASSETS**

**Goodwill**

The shares transfer of "Netaş Bilişim Teknolojileri A.Ş."("Netaş Bilişim") and its subsidiary BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret A.Ş. ("BDH") was completed on 11 October 2011. With the acquisition of these shares, the Group has acquired Enterprise and BDH operating segments. The Enterprise business unit consists of financial sector, general sector and telecom sector customers under the Systems Integration business segment.

During the acquisition, fair value of the customer relations has been identified as a separable intangible asset. Further, a write-up is made on the inventory based on the mark-up margin on the inventory. The difference between the net amount transferred and the total fair value of the net assets acquired is recognized as goodwill.

Changes in goodwill between the acquisition date and the balance sheet date is presented below:

Cost	2023	2022
Opening Balance	342.704.462	244.295.352
Translation difference	196.842.047	98.409.110
Closing Balance	<b>539.546.509</b>	<b>342.704.462</b>

With the estimated statement of profit or loss and potential projects of the future and revenue streams of related segments covering the period between 1 January 2023 and 31 December 2027, a valuation report has been prepared.

A valuation report has been prepared for the determination of the value to be used in the testing of impairment of goodwill as of 31 December 2023. The valuation report has been prepared by an independent valuation company. Income approach has been applied in the valuation study of related segments. The present value of cash flows expected to be generated by the Company in the future is calculated by discounting cash flows today using a discount rate appropriate to the Company's risk profile.

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**13 INTANGIBLE ASSETS (Cont'd)**

**Goodwill (Cont'd)**

The result of income approach and sensitivity analysis indicates that, the firm value of related segments is between USD 40 million and USD 47 million. Considering the Company's adjusted net debt level of USD 8.9 million as of the valuation date, the share value is estimated to be between USD 31 million and USD 38 million.

Considering the future cash flows of the Group, the Company Management concluded that there is no impairment in the goodwill amount as of 31 December 2023.

**Significant assumptions used in discounted cash flow projections**

The significant assumptions used in the calculation of recoverable amounts are discount rates and final growth rates. The after-tax discount rate was used in the valuation studies. The Weighted Average Cost of Capital rate used in the study is variable and 12,7% (31 December 2022: 15%) over the years since the tax rate will be changed during the projection period. In the WACC calculation, 0.82 (31 December 2022: 0.86) was used as asset beta. Throughout the projection period, the company's debt / capital ratio is predicted to be 19,4% (31 December 2022: 18%) and a business risk premium of 1% (31 December 2022: 1%) has been considered in the WACC calculation.

The weighted average cost of capital used in the calculation of discounted cash flows is 0.5% higher or lower (13.2% or 12.2% instead of 12.7%), as of 31 December 2023 in the fair value calculation. It causes an increase of 5 million TL and a decrease of 70.6 million TL respectively. As a result of the impairment sensitivity test, it was determined that there was no impairment in the cash generating unit values.

**Other Intangible Assets**

<b>1 January- 31 December 2023</b>				
	<b>Customer Relations (*)</b>	<b>Other Intangible Assets (**)</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost</b>				
<b>Opening balance</b>	<b>199.466.771</b>	<b>671.726.282</b>	<b>-</b>	<b>871.193.053</b>
Adjustments due to change in accounting policy (Note: 2.1d)	-	22.022.083	-	22.022.083
<b>Recalculated 1 January 2023 balance</b>	<b>199.466.771</b>	<b>693.748.365</b>	<b>-</b>	<b>893.215.136</b>
Translation difference	114.569.410	49.486.907	33.649	164.089.966
Additions	-	74.665	140.995	215.660
Disposals	-	(25.916.774)	-	(25.916.774)
<b>Closing balance</b>	<b>314.036.181</b>	<b>717.393.163</b>	<b>174.644</b>	<b>1.031.603.988</b>
<b>Accumulated amortization</b>				
<b>Opening balance</b>	<b>(199.466.771)</b>	<b>(555.523.117)</b>	<b>-</b>	<b>(754.989.888)</b>
Adjustments due to change in accounting policy (Note: 2.1d)	-	(19.576.747)	-	(19.576.747)
<b>Recalculated 1 January 2023 balance</b>	<b>(199.466.771)</b>	<b>(575.099.864)</b>	<b>-</b>	<b>(774.566.635)</b>
Translation difference	(114.569.410)	8.923.943	-	(105.645.467)
Period charge	-	(33.542.041)	-	(33.542.041)
Disposals	-	25.916.774	-	25.916.774
<b>Closing balance</b>	<b>(314.036.181)</b>	<b>(573.801.188)</b>	<b>-</b>	<b>(887.837.369)</b>
<b>Net book value</b>	<b>-</b>	<b>143.591.975</b>	<b>174.644</b>	<b>143.766.619</b>

(\*) The purchase of shares of Netaş Bilişim Teknolojileri Anonim Şirketi ("Netaş Bilişim") and its subsidiary The contractual customer portfolio amount is related to this purchase.

(\*\*) Other intangible assets are included rights, computer software and licenses.

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**13 INTANGIBLE ASSETS (Cont'd)**

**Other Intangible Assets (Cont'd)**

As of 31 December 2023, amortization charge is TL 33.542.041. TL 20.766.674 is accounted in cost of sales, TL 12.746.824 in general administrative expenses and TL 28.543 in sales, marketing and distribution expenses.

<b>1 January- 31 December 2022</b>				
	<b>Customer Relations (*)</b>	<b>Other Intangible Assets (**)</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Cost</b>				
<b>Opening balance</b>	<b>142.189.000</b>	<b>504.348.507</b>	<b>10.140.787</b>	<b>656.678.294</b>
Translation difference	57.277.771	178.874.710	2.346.388	238.498.869
Additions	-	350.377	-	350.377
Disposals	-	(24.334.487)	-	(24.334.487)
Transfers	-	12.487.175	(12.487.175)	-
<b>Closing balance</b>	<b>199.466.771</b>	<b>671.726.282</b>	<b>-</b>	<b>871.193.053</b>
<b>Accumulated amortization</b>				
<b>Opening balance</b>	<b>(142.189.000)</b>	<b>(412.222.899)</b>	<b>-</b>	<b>(554.411.899)</b>
Translation difference	(57.277.771)	(144.225.020)	-	(201.502.791)
Period charge	-	(23.156.834)	-	(23.156.834)
Disposals	-	24.081.636	-	24.081.636
<b>Closing balance</b>	<b>(199.466.771)</b>	<b>(555.523.117)</b>	<b>-</b>	<b>(754.989.888)</b>
<b>Net book value</b>	<b>-</b>	<b>116.203.165</b>	<b>-</b>	<b>116.203.165</b>

(\*)The purchase of shares of Netaş Bilişim Teknolojileri Anonim Şirketi ("Netaş Bilişim") and its subsidiary The contractual customer portfolio amount is related to this purchase.

(\*\*) Other intangible assets are included rights, computer software and licenses.

As of 31 December 2022, amortization charge is TL 23.156.834. TL 13.657.489 is accounted in cost of sales, TL 9.492.039 in general administrative expenses and TL 7.306 in sales, marketing and distribution expenses.

Intangible fixed assets are amortized principally on a straight-line basis using the following rates, which amortize the assets over their expected useful lives:

	<b>Depreciation Ratio (%)</b>
Softwares	20
Customer Portfolio	10
Licenses	3-15
Rights	20

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**14 RIGHT OF USE ASSETS**

According to TFRS 16, the Group includes the right to use and the lease obligation in its financial statements at the date when the lease begins. The right to use asset is initially measured at its cost and then measures at accumulated depreciation and accumulated impairment losses at the cost adjusted for re-measurement of the lease liability. The right of use asset was initially measured at its cost value and is measured at its fair value in accordance with the Group's accounting policies after the lease started.

As of 31 December 2023, and 2022 the movement table of the right of use assets is as follows:

	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>			
<b>1 January 2023</b>	<b>157.616.557</b>	<b>104.840.101</b>	<b>262.456.658</b>
Adjustments due to change in accounting policy (Note: 2.1d)	40.501.802	64.290.855	104.792.657
<b>Recalculated 1 January 2023 balance</b>	<b>198.118.359</b>	<b>169.130.956</b>	<b>367.249.315</b>
Translation difference	75.861.795	33.118.260	108.980.055
Additions	44.923.026	40.887.874	85.810.900
<b>31 December 2023</b>	<b>318.903.180</b>	<b>243.137.090</b>	<b>562.040.270</b>
<b>Accumulated Depreciation</b>			
<b>1 January 2023</b>	<b>(99.314.255)</b>	<b>(74.746.369)</b>	<b>(174.060.624)</b>
Adjustments due to change in accounting policy (Note: 2.1d)	(18.919.834)	(39.589.705)	(58.509.539)
<b>Recalculated 1 January 2023 balance</b>	<b>(118.234.089)</b>	<b>(114.336.074)</b>	<b>(232.570.163)</b>
Translation difference	(50.938.814)	(25.905.912)	(76.844.726)
Additions	(21.245.606)	(17.956.649)	(39.202.255)
<b>31 December 2023</b>	<b>(190.418.509)</b>	<b>(158.198.635)</b>	<b>(348.617.144)</b>
<b>Net book value at 31 December 2023</b>	<b>128.484.671</b>	<b>84.938.455</b>	<b>213.423.126</b>
	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
<b>Cost</b>			
<b>1 January 2022</b>	<b>97.577.941</b>	<b>81.400.088</b>	<b>178.978.029</b>
Translation difference	27.947.184	14.757.827	42.705.011
Additions	32.091.432	8.682.186	40.773.618
<b>31 December 2022</b>	<b>157.616.557</b>	<b>104.840.101</b>	<b>262.456.658</b>
<b>Accumulated Depreciation</b>			
<b>1 January 2022</b>	<b>(59.626.294)</b>	<b>(51.420.486)</b>	<b>(111.046.780)</b>
Translation difference	(20.707.615)	(10.500.992)	(31.208.607)
Additions	(18.980.346)	(12.824.891)	(31.805.237)
<b>31 December 2022</b>	<b>(99.314.255)</b>	<b>(74.746.369)</b>	<b>(174.060.624)</b>
<b>Net book value at 31 December 2022</b>	<b>58.302.302</b>	<b>30.093.732</b>	<b>88.396.034</b>

**15 GOVERNMENT GRANTS**

For the period ended 31 December 2023 the Group has received approved, well deserved and accrued incentive from TÜBİTAK TL 1.128.515 (31 December 2022: TL 1.566.840)

The Group is qualified for the incentives and exemptions provided by Support of Research and Development Act, numbered 5746 effective from 24 November 2008.

As of 31 December 2023, the Group has a corporate tax benefit of TL 3.318.722.438 due to research and development disbursement and this amount has been transferred (As of 31 December 2022, the Group has a corporate tax benefit of TL 1.743.342.214 due to research and development disbursement and amount is not utilized by the year end). The Group has booked deferred tax assets amounting to TL 483.486.412 for unused R&D tax benefit (Note 26). The unused tax advantages of the Group related to research and development activities has unlimited maturity.

For the period ended 31 December 2023, the amount of income tax incentive within the scope of Act numbered 5746 is TL 17.131.516 (31 December 2022: TL 10.937.438) and the total amount of social premium incentive within the scope of Act numbered 5746 and Social Security and General Health Insurance Act numbered 5510 is TL 21.893.875 (31 December 2022: TL 14.434.715).

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**16 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

<b>Provisions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Executory Contracts (*)	62.246.925	73.802.713
Provisions for return	27.303.104	13.874.351
Provision for legal cases	22.682.320	12.738.590
	<b>112.232.349</b>	<b>100.415.654</b>

(\*) The compulsory reasons created by the pandemic caused the Group's basic assumptions about the projects taken in the past to change. These changes, on the other hand, necessitated the expense of additional costs and similar provisions in previous projects. It has been evaluated within the scope of TAS 37 and a provision has been made for possible expenses.

For the year ended 31 December 2023, the Group has cash outflows of TL 2.343.324 for legal cases during the year (31 December 2022: TL 1.706.215).

	<b>Executory Contracts (*)</b>	<b>Provision for returns</b>	<b>Provision for Legal Cases</b>	<b>Total</b>
1 January 2023	73.802.713	13.874.351	12.738.590	100.415.654
Provision booked and released	(43.552.346)	4.407.693	7.475.631	(31.669.022)
Payments	-	-	(2.343.324)	(2.343.324)
Currency translations	31.996.558	9.021.060	4.811.423	45.829.041
<b>31 December 2023</b>	<b>62.246.925</b>	<b>27.303.104</b>	<b>22.682.320</b>	<b>112.232.349</b>
	<b>Executory Contracts (*)</b>	<b>Provision for returns</b>	<b>Provision for Legal Cases</b>	<b>Total</b>
1 January 2022	170.593.219	36.359.126	13.508.670	220.461.015
Provision booked and released	(146.634.217)	(24.067.115)	5.338.797	(165.362.535)
Payments	-	-	(1.706.215)	(1.706.215)
Currency translations	49.843.711	1.582.340	(4.402.662)	47.023.389
<b>31 December 2022</b>	<b>73.802.713</b>	<b>13.874.351</b>	<b>12.738.590</b>	<b>100.415.654</b>

**17 COMMITMENTS**

The Group's off-balance sheet commitments as of 31 December 2023 and 31 December 2022 are as follows:

**Guarantee Letters Given**

The off-balance sheet commitments and contingencies as of 31 December 2023 and 31 December 2022 are as follows:

<b>Commitments, Pledges, Mortgages, Sureties ("CPMS") are given by the Company</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
A. Total amount of CPMS is given on behalf of own legal personality	-	-
B. Total amount of CPMS is given in favor of subsidiaries which are fully consolidated	-	-
C. Total amount of CPMS is given for assurance of third party's debts in order to conduct of usual business activities	-	-
D. Total Amount of other CPMS	-	-
i. Total amount of CPMS is given in favor of parent company	-	-
ii. Total amount of CPMS is given in favor of other group companies, which B and C doesn't include	-	-
iii. The amount of CPMS is given in favor of third party which C doesn't include	-	-
	-	-

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**17 COMMITMENTS (Cont'd)**

**Guarantee Letters Received**

	Original Currency			
	TL Equivalent	TL	USD	EURO
<b>31 December 2023</b>	<b>4.250.306</b>	300.000	23.538	100.000

	Original Currency			
	TL Equivalent	TL	USD	EURO
<b>31 December 2022</b>	<b>20.459.829</b>	2.368.513	967.538	-

**Guarantees Given**

According to the System Integration Agreement signed between fully consolidated subsidiary, Netaş Bilişim, and Cisco System International B.V., the Company agrees that all financial obligations will be jointly performed by the Company and Netaş Bilişim.

According to the contract between the Company and İGA Havalimanları İnşaatı Adi Ortaklığı Ticari İşletmesi, fully consolidated subsidiary and subcontractor named BDH, and its whole commitments are guaranteed by Netaş.

**18 EMPLOYEE BENEFITS**

**Employee Benefit Obligations:**

	31 December 2023	31 December 2022
Social security payables	81.776.759	42.670.140
Payables to employees	43.737.572	580.401
	<b>125.514.331</b>	<b>43.250.541</b>

**Short Term and Long-Term Provisions for Employee Benefits:**

	31 December 2023	31 December 2022
<b>Short Term</b>		
Provision for employee premiums	88.422.594	50.090.562
	<b>88.422.594</b>	<b>50.090.562</b>
<b>Long Term</b>		
Unused vacation provision	26.673.944	17.083.671
Provision for severance indemnity	93.936.851	66.376.541
Provision for retirement benefits	595.124	378.006
	<b>121.205.919</b>	<b>83.838.218</b>
<b>Total</b>		
Provision for employee premiums	88.422.594	50.090.562
Unused vacation provision	26.673.944	17.083.671
Provision for severance indemnity	93.936.851	66.376.541
Provision for retirement benefits	595.124	378.006
	<b>209.628.513</b>	<b>133.928.780</b>

An actuarial valuation was performed by an independent and authorized company for the Company's total liability for severance indemnity and retirement benefit as of 31 December 2023. Expected interest and service charges for 2023 have also been calculated by the actuarial firm. Expected service and interest charges will be amortized on a periodic basis during the year.

**Severance Indemnity**

Under Turkish Law, the Group is required to pay employment termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires.

The provision is made in respect of all eligible employees, at a rate of 30 days gross pay for each year of service. The retirement pay provision ceiling at the respective balance sheet dates, is subject to a maximum of TL 23.489,83 per year as of 31 December 2023. (31 December 2022: TL 15.371,40). The provision for employee termination benefits is not funded, as there is no funding requirement.

In accordance with Turkish Labor Code, employment termination benefit is the present value of the total estimated provision for the liabilities of the personnel who may retire in the future. The provision made for present value of determined social relief is calculated by the prescribed liability method. All actuarial gains and losses are accounted in equity as other comprehensive income.

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**18 EMPLOYEE BENEFITS(Cont'd)**

**Severance Indemnity(Cont'd)**

The movement for severance indemnity provision is as follows:

	31 December 2023	31 December 2022
Present value of severance indemnity provision	93.936.851	66.376.541
Net liability in balance sheet	<b>93.936.851</b>	<b>66.376.541</b>
Current service cost	16.347.512	7.215.669
Interest cost	6.260.168	5.864.699
Extra payment or loss / (gain)	2.985.796	1.241.665
Period charge at 31 December	<b>25.593.476</b>	<b>14.322.033</b>

<b>Movement for severance indemnity provision:</b>	<b>2023</b>	<b>2022</b>
1 January	66.376.541	35.512.436
Period charge	25.593.476	14.322.033
Severance indemnity paid	(22.560.128)	(13.327.319)
Actuarial (gain)/ loss	24.526.962	29.869.391
31 December	<b>93.936.851</b>	<b>66.376.541</b>

The assumption calculated to determine present value of severance indemnity and retirement benefit provision as of 31 December 2023 and 2022 are as follows:

<b>Assumptions</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Annual inflation rate	20,00%	7,50%
Annual discount rate	23,60%	10,96%
Net discount rate	3,00%	3,22%

**Provision for Employee Bonus and Unused Vacation**

The movement for employee bonus provision is as follows:

<b>Movement for employee bonus provision:</b>	<b>2023</b>	<b>2022</b>
1 January	50.090.562	26.573.697
Period charge	101.413.718	50.746.030
Payments	(63.081.686)	(27.229.165)
31 December	<b>88.422.594</b>	<b>50.090.562</b>

<b>Movement for unused vacation provision:</b>	<b>2023</b>	<b>2022</b>
1 January	17.083.671	11.748.655
Period charge	22.597.362	10.687.102
Payments	(13.007.089)	(5.352.086)
31 December	<b>26.673.944</b>	<b>17.083.671</b>

**19 OTHER ASSETS**

<b>Other Current Assets</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
VAT receivable	70.786.113	46.975.172
Personnel and business advances	348.445	244.707
Other	171.452	141.393
	<b>71.306.010</b>	<b>47.361.272</b>

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**20 SHAREHOLDERS' EQUITY**

**Paid in Capital**

Shareholding structure of Company as of 31 December 2023 and 31 December 2022 are as follows:

Name	Share Class	Capital Nominal Value (TL)	Capital Amount (Number)	Shareholding Ratio (%)
ZTE Cooperatief U.A.	A	23.351.328	23.351.328	36,00%
ZTE Cooperatief U.A.	B	7.817.023	7.817.023	12,05%
<b>ZTE Cooperatief U.A. (Total)</b>		<b>31.168.351</b>	<b>31.168.351</b>	<b>48,05%</b>
Türk Silahlı Kuvvetlerini Güçlendirme Vakfı	A	9.729.720	9.729.720	15,00%
Other Shareholders	B	23.966.729	23.966.729	36,95%
<b>Total</b>		<b>64.864.800</b>	<b>64.864.800</b>	<b>100,00%</b>

The capital of the company is TL 64.864.800 which is divided into 64.864.800 shares with a nominal value of TL 1 each. The share capital of the Company is fully paid.

The Company's share in actual circulation in Borsa Istanbul is 36.95%. (31 December 2022: 36.95%)

In accordance with the Capital Market Board Communiqué No. II-18.1 numbered Registered Capital System, the registered capital system of the Company has been expired due to the expiry date of the authorized capital ceiling (TL 300.000.000).

The shares of the company are divided into two groups, consisting of (A) and (B) group registered shares.

33.081.048 (thirty-three million eighty-one thousand and forty-eight) of these shares constitute the registered (A) group of shares, and 31.783.752 (Thirty-one million seven hundred and eighty-three thousand seven hundred and fifty-two) shares constitute the (B) group registered shares. The differentiation of the shares in (A) and (B) groups, does not give the owners any rights or privileges, except as provided in Articles 9 and 15.

The proportion of (A) group registered shares within the issued capital shall be maintained in capital increases. Pre-emptive rights of shareholders shall be exercised within the respective share groups.

(B) group registered shares can be freely transferred without being subject to any limitation or condition within the framework of Turkish Commercial Code ("TCC") and Capital Markets Legislation. However, concerning the transfer of (A) group registered shares the existing shareholders in Group (A) are entitled to preemptive rights which are required to be exercised within 30 days from the date of the offer for sale. Therefore, a shareholder wishing to transfer its shares, in full or in part, must first offer, in writing, to transfer its shares to the other shareholders in Group A in proportion to their respective shares, stating the price and other conditions for sale. If any shareholder, to whom the offer was made, declines to purchase the offered shares, such shares shall be offered to the other shareholders in proportion to their share ownership and this method will be pursued in the same manner until all shares are sold or rejected. Following the application of the above procedures, the transferor will be free to offer any rejected shares to third parties without restrictions provided that the price and other conditions of sale are no more favorable to the third party than the price and other conditions contained in the initial offer.

The required quorum for meetings and the required majority for resolutions of the shareholders at ordinary and extraordinary meetings shall be subject to the provisions of the TCC and Capital Markets legislation. However, resolution of the shareholders concerning amendments to the Articles of Association shall require the affirmative votes of the shareholders representing at least one half of the total number of shares within Group A.

**Share Capital Adjustments**

According to CMB Decree No: XI-26 "Changes to CMB Decree No: XI-20 Accounting Principles in Hyperinflationary Periods", shareholders' equity is shown at their normal values in the financial statements and the account differences occurred in correction of shareholders' equity are shown under the "Foreign Currency Translation Adjustments" account.

According to Board of Directors decision on 5 April 2004 referring to the Annual General Meeting decision and related CMB Decrees, conversion differences within the meaning of the law, occurred in prior periods were net- off with accumulated losses. Equity Foreign Currency Translation Adjustments are shown in the consolidated statement of financial position under "Share Capital Adjustments" in the Shareholders' Equity.

**Legal Reserves**

Legal reserves are reserves appropriated from the profit of prior periods for certain purposes other than profit distribution or due to legal or contractual requirements. These reserves are shown in the amounts in the legal records of the Company, and the differences in the preparation of the consolidated financial statements in accordance with TFRS are associated with retained earnings.

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**20 SHAREHOLDERS' EQUITY (Cont'd)**

**Legal Reserves (Cont'd)**

The details of restricted reserves are as follows as of 31 December 2023 and 31 December 2022:

	31 December 2023	31 December 2022
Primary legal reserves	11.997.507	11.997.507
Secondary legal reserves	22.899.853	22.899.853
<b>Total</b>	<b>34.897.360</b>	<b>34.897.360</b>

According to Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The primary legal reserves, appropriated out of historical statutory profit at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid in share capital. The secondary legal reserve is appropriated after the first legal reserves and dividends, at the rate of 10% per annum of all cash distribution.

As of 31 December 2023, the primary legal reserve amount of the group is 18% of the paid-in capital and there is no limit to the secondary legal reserve amount. These reserves can only be used to cover losses, to maintain the company in times when things are not going well, or to prevent unemployment and to mitigate the effects of such losses, unless they exceed half of the paid-in capital of the company.

**Retained Earnings (Losses)**

Retained earnings other than net period profit are presented in this item. The extraordinary reserves that are retained by the nature of their accumulated profit and are therefore not restricted, are also recognized as retained earnings.

**21 REVENUE AND COST OF SALES**

The details of the Group's sales by geographies are as follows:

	1 January-31 December 2023	1 January-31 December 2022
<b>Net domestic sales</b>	<b>6.707.471.980</b>	<b>3.857.632.006</b>
<b>Net export</b>	<b>250.815.639</b>	<b>153.921.622</b>
United States	18.981.117	13.098.944
Asia	225.427.796	122.547.054
Africa	612.119	15.182.917
Europe	5.794.607	3.092.707
<b>Total net sales</b>	<b>6.958.287.619</b>	<b>4.011.553.628</b>

The details of the Group's cost of sales are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Equipment expenses	4.411.676.033	2.515.947.307
Personnel expenses	1.034.712.437	543.811.187
Service/Support expenses	752.809.533	485.836.475
Depreciation and amortization expenses	54.514.743	38.983.750
Transportation expenses	37.956.858	11.563.992
Impairment of provision in inventory	3.235.871	2.739.169
Other	60.072.771	25.346.480
	<b>6.354.978.246</b>	<b>3.624.228.360</b>

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**21 REVENUE AND COST OF SALES (Cont'd)**

The distribution of the Group's sales according to the income types in the segments and the fulfillment times of the performance obligations is as follows:

1 January-31 December 2023					
	Telecom	System Integration	Technology	BDH	Total
<b>Performance Obligations:</b>					
Hardware performance obligation	2.037.354.521	1.337.696.660	-	-	3.375.051.181
Licence performance obligation	-	1.648.659.236	-	-	1.648.659.236
Maintenance performance obligation	28.934.961	431.111.254	-	715.287.710	1.175.333.925
Design performance obligation	24.448.494	128.080.840	-	-	152.529.334
Installation performance obligation	46.476.875	101.108.276	-	-	147.585.151
Other performance obligations	24.947.889	434.180.903	-	-	459.128.792
	<b>2.162.162.740</b>	<b>4.080.837.169</b>	<b>-</b>	<b>715.287.710</b>	<b>6.958.287.619</b>
<b>Satisfaction of Performance Obligations:</b>					
At a point in time	2.128.877.563	3.264.721.102	-	715.287.710	6.108.886.375
Overtime	33.285.177	816.116.067	-	-	849.401.244
	<b>2.162.162.740</b>	<b>4.080.837.169</b>	<b>-</b>	<b>715.287.710</b>	<b>6.958.287.619</b>
1 January-31 December 2022					
	Telecom	System Integration	Technology	BDH	Total
<b>Performance Obligations:</b>					
Hardware performance obligation	1.110.141.107	620.520.119	-	-	1.730.661.226
Licence performance obligation	-	1.079.683.971	-	-	1.079.683.971
Maintenance performance obligation	49.818.410	294.611.195	-	404.511.754	748.941.359
Design performance obligation	55.211.611	47.531.629	-	-	102.743.240
Installation performance obligation	28.939.874	60.560.962	-	-	89.500.836
Other performance obligations	15.132.720	244.890.276	-	-	260.022.996
	<b>1.259.243.722</b>	<b>2.347.798.152</b>	<b>-</b>	<b>404.511.754</b>	<b>4.011.553.628</b>
<b>Satisfaction of Performance Obligations:</b>					
At a point in time	1.209.425.312	2.049.016.289	-	404.511.754	3.662.953.355
Overtime	49.818.410	298.781.863	-	-	348.600.273
	<b>1.259.243.722</b>	<b>2.347.798.152</b>	<b>-</b>	<b>404.511.754</b>	<b>4.011.553.628</b>

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**22 RESEARCH AND DEVELOPMENT, SALES, MARKETING AND DISTRIBUTION, AND GENERAL ADMINISTRATIVE EXPENSES**

The details of research and development, marketing, sales and distribution and general administrative expenses are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Sales, marketing and distribution expenses	228.152.785	150.985.067
General administrative expenses	218.909.666	161.566.947
Research and development expenses	2.386.154	6.557.959
	<b>449.448.605</b>	<b>319.109.973</b>
Personnel expenses	254.472.937	178.690.605
Depreciation and amortization expenses	56.617.593	56.833.732
Software expenses	42.028.636	23.786.014
Consultancy, audit and legal expenses	27.188.406	21.095.897
Outsourced service expenses	11.714.248	6.032.744
Electricity,water and gas expenses	9.806.564	5.321.081
Severance indemnity and pension provision expenses	7.725.688	3.877.332
Personnel transportation expenses	5.321.163	3.641.657
Travel and meeting expenses	6.615.624	3.550.174
Communication expenses	5.645.407	3.033.605
Fair and advertising expenses	2.893.529	2.151.429
Private health insurance expenses	4.961.600	2.039.133
Cafeteria expenses	2.436.158	1.767.802
Other insures expenses	2.713.442	1.629.871
Training expenses	1.709.130	1.506.047
Maintenance expenses	4.526.144	1.495.817
Consumable material expenses	1.489.948	576.827
Other	1.582.388	2.080.206
	<b>449.448.605</b>	<b>319.109.973</b>
The breakdown of personnel and depreciation expenses in cost of sales, research and development, marketing, sales and distribution and general administrative expenses is as follows:		
	1 January-31 December 2023	1 January-31 December 2022
<b>Personnel expenses:</b>		
Cost of sales	1.034.712.437	543.811.187
Sales, marketing and distribution expenses	141.225.353	95.479.070
General administrative expenses	110.861.430	76.653.576
Research and development expenses	2.386.154	6.557.959
	<b>1.289.185.374</b>	<b>722.501.792</b>
<b>Depreciation and amortization expenses:</b>		
Cost of sales	54.514.743	38.983.750
General administrative expenses	46.590.891	48.482.010
Sales, marketing and distribution expenses	10.026.702	8.351.722
	<b>111.132.336</b>	<b>95.817.482</b>

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**23 INCOME AND EXPENSES FROM OTHER OPERATING ACTIVITIES**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Income from Other Operating Activities</b>		
Reversal for doubtful receivables expenses	3.476.434	894.022
Discount income, net (*)	-	32.389.755
	<b>3.476.434</b>	<b>33.283.777</b>

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

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Expenses from Other Operating Activities</b>		
Foreign exchange expenses, net	41.304.776	127.828.342
Legal case expenses	12.248.032	6.181.381
Other tax expenses	24.552.156	5.090.546
Discount loss on receivables, net (*)	17.866.675	-
Other expenses and losses	20.519.801	13.214.697
	<b>116.491.440</b>	<b>152.314.966</b>

**24 INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

The breakdown of personnel and depreciation expenses in cost of sales, research and development, marketing, sales and distribution and general administrative expenses is as follows:

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Income from Investing Activities</b>		
Income from sales of property, plant and equipment	388.002	216.350
Income from scrap sales	236.104	214.191
Affiliate sales profit	-	30.469.943
	<b>624.106</b>	<b>31.089.521</b>

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Expenses from Investing Activities</b>		
Loss from sales of tangible assets	474.268	337.789
Financial investment fund valuations	475.324	-
	<b>949.592</b>	<b>337.789</b>

**25 FINANCE INCOME / EXPENSES**

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Financial Income</b>		
Foreign exchange gains, net (*)	249.916.752	160.590.417
Interest income	11.862.741	6.547.374
	<b>261.779.493</b>	<b>167.137.791</b>

(\*) Foreign exchange gains and losses related to cash and cash equivalents, borrowings, and other financial liabilities and currency translation difference.

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
<b>Financial Expenses</b>		
Bank interest expenses	265.281.562	183.544.251
Guarantee letter commissions	22.261.669	18.823.826
Interest and foreign exchange loss on leases	35.875.427	17.005.809
Bank loan commissions and expenses	21.607.913	7.843.822
Other financial expenses	13.134.792	3.793.786
	<b>358.161.363</b>	<b>231.011.494</b>

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**26 TAX ASSETS AND LIABILITIES**

**Corporate Tax**

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

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

As of 31 December 2022, the general corporate tax rate applied to the legal tax base, which is calculated by adding non-deductible expenses and deducting exemptions in accordance with tax laws to the commercial income of corporations in Turkey, was 20%. However, according to the Article 21 of the "Law on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Decree Law No. 375 on Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on 6/2/2023" published in the Official Gazette dated 15 July 2023 and numbered 32249. In accordance with the amendments made in Article 32 of the Corporate Tax Law No. 5520 regulating the corporate tax rate, the general rate applied in corporate tax has been increased from 20% to 25% starting from the declarations to be submitted as of 1 October 2023. Accordingly, the Company and its subsidiaries in Turkey have used the tax rate of 25% in the calculation of the period tax for the year 2023.

The corporate tax rate is applied to the net corporate income by adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and by deducting the exceptions and deductions in the tax laws. In Turkey, provisional tax is calculated and accrued on a quarterly basis.

Accumulated losses can be carried 5 years maximum to be deducted from the taxable profit of the following years. However, accumulated losses cannot be deducted from the profit occurred in the prior years retroactively.

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

As of 31 December 2021, the conditions required for the inflation adjustment of the financial statements as of 31 December 2021 have been met in accordance with Article 298 of the Tax Procedure Law. However, in accordance with the provisional article 33 of the Tax Procedure Law numbered 213 with the Law numbered 7352 "Law on Amendments to the Tax Procedure Law and Corporate Tax Law" published in the Official Gazette dated 29 January 2022 and numbered 31734:

- Repeated financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods and the temporary tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment under Article 298 are met, including the temporary tax periods,
- The financial statements dated 31 December 2023 will be subject to inflation correction in a way that will not affect the corporate tax base.

According to the "General Communiqué on Tax Procedure Law No. 555" published in the Official Gazette dated 30 December 2023 and numbered 32415 and the repeated article 298 of the Tax Procedure Law No. 213, it is essential that the financial statements of the enterprises operating in Turkey for the 2023 accounting period are subject to inflation adjustment. The inflation adjusted financial statements will constitute an opening balance sheet base in the tax returns to be prepared as of 1 January 2024 and the effects of inflation will not be taken into consideration in the calculation of the period tax for 2023.

In accordance with the provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of 31 December 2023 are included in the deferred tax calculation as of 31 December 2023.

Corporate tax rate in Malta is 35% (31 December 2022: 35%). Corporate tax rate in Kazakhstan is 20% (31 December 2022: 20%). Corporate tax rate in Algeria is 26% (31 December 2022: 26%).

**Withholding tax**

In addition to corporate taxes, companies should also calculate withholding taxes surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15 % with the code numbered 5520 article 15 commencing from 23 July 2006. Transfer from retained earnings to share capital is not subject to withholding taxes.

**Deferred Taxes**

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements prepared in accordance with TFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and are set out below.

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Turkey cannot declare consolidated tax returns.

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**26 TAX ASSETS AND LIABILITIES (Cont'd)**

**Deferred Taxes (Cont'd)**

<b>Deferred tax assets/(liabilities)</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Trade receivables	(16.188.180)	(28.412.906)
Tangible and intangible assets	(62.444.832)	(51.994.926)
Trade payables and cost provisions	35.352.725	24.282.550
Carryforward tax losses and unused R&D tax exemption	692.055.272	350.850.912
Provision for unused vacation	5.702.006	2.377.074
Inventory and contract assets	(53.594.127)	(50.554.743)
Provisions for employee premiums	20.615.882	8.369.401
Contract liabilities	35.410.298	27.473.281
Legal provision	3.993.322	1.801.488
Severance indemnity and retirement provisions	42.715.603	21.010.220
Other	(2.901.435)	856.04
	<b>700.716.534</b>	<b>306.058.392</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
Deferred Tax Assets	700.716.534	306.058.392
Deferred Tax Liabilities	-	-
<b>Amount</b>	<b>700.716.534</b>	<b>306.058.392</b>

The movement of deferred tax assets/ (liabilities) is as follows:

<b>Movement for deferred taxes is as follows:</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Balance as of January, 1</b>	<b>306.058.392</b>	<b>154.617.696</b>
Current charge deferred tax income	176.817.852	76.882.119
Accounting under equity	6.131.740	5.973.878
Translation difference	211.708.550	68.584.699
Closing	<b>700.716.534</b>	<b>306.058.392</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
Corporate tax	17.692.911	18.024.354
Prepaid taxes	(61.615.803)	(52.754.382)
<b>Current tax liabilities/ (Current income tax assets )</b>	<b>(43.922.892)</b>	<b>(34.730.028)</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
Tax reconciliation		
(Loss) before tax	(58.674.354)	(83.620.259)
Tax rate	25%	23%
Computed tax expense	14.668.589	19.232.660

<b>Tax effects of:</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Non-deductible expenses	(74.858.119)	(49.317.207)
Effect of legal tax rate change on deferred tax balance	3.536.357	2.306.464
Affiliate sale exception	-	5.256.065
Tax effect calculated from unused R&D tax exemption and carryforward tax losses	113.781.775	90.805.002
Tax income resulting from indexing legal records according to inflation	96.530.898	-
Functional currency difference and other adjustments	5.465.441	(9.425.219)
<b>Total tax (loss)/ income</b>	<b>159.124.941</b>	<b>58.857.765</b>

The Group has a total accumulated financial loss of TL 834.275.439 that can be offset against future years' profits, and a deferred tax asset of TL 208.568.860 has been recognized over this amount. In addition, the Group calculated a deferred tax asset of TL 483.486.412 based on the corporate tax deduction arising from the R&D incentive it did not use (Note 15).

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**26 TAX ASSETS AND LIABILITIES (Cont'd)**

**Deferred Taxes (Cont'd)**

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

<b>Year occurred</b>	<b>Year can be used</b>	<b>31 December 2023</b>
2019	2024	77.148.938
2021	2026	290.896.416
2022	2027	249.849.723
2023	2028	216.380.362
		<b>834.275.439</b>

Movement for deferred taxes as of 31 December 2023 and 2022 are as follows;

	<b>1 January 2023</b>	<b>Charge to Period</b>	<b>Charge to Equity</b>	<b>Translation Difference</b>	<b>31 December 2023</b>
Tangible and intangible assets	(51.994.926)	12.752.142	-	(23.202.048)	(62.444.832)
Trade receivables	(28.412.906)	23.121.245	-	(10.896.520)	(16.188.181)
Trade payables and cost provisions	24.282.550	(2.080.075)	-	13.150.250	35.352.725
Inventory and contract assets	(50.554.744)	23.506.579	-	(26.545.962)	(53.594.127)
Provisions for employee bonuses	8.369.401	6.342.433	-	5.904.048	20.615.882
Provision for unused vacation	2.377.074	1.656.038	-	1.668.894	5.702.006
Severance indemnity and retirement provisions	21.010.220	6.551.243	6.131.740	9.022.398	42.715.601
Contract liabilities	27.473.281	(6.336.015)	-	14.273.032	35.410.298
Carryforward tax losses and unused R&D tax exemption (Note 15)	350.850.911	113.781.775	-	227.422.585	692.055.271
Legal Provision	1.801.487	934.154	-	1.257.679	3.993.320
Other	856.044	(3.411.667)	-	(345.806)	(2.901.429)
	<b>306.058.392</b>	<b>176.817.852</b>	<b>6.131.740</b>	<b>211.708.550</b>	<b>700.716.534</b>

	<b>1 January 2022</b>	<b>Charge to Period</b>	<b>Charge to Equity</b>	<b>Translation Difference</b>	<b>31 December 2022</b>
Tangible and intangible assets	(43.352.596)	6.865.200	-	(15.507.530)	(51.994.926)
Trade receivables	(88.452.339)	84.776.159	-	(24.736.726)	(28.412.906)
Trade payables and cost provisions	58.310.103	(50.795.003)	-	16.767.450	24.282.550
Inventory and contract assets	5.303.215	(49.792.655)	-	(6.065.304)	(50.554.744)
Deferred revenue	438.431	(544.899)	-	106.468	-
Provisions for employee bonuses	4.463.247	1.796.741	-	2.109.413	8.369.401
Provision for unused vacation	1.488.037	167.883	-	721.154	2.377.074
Severance indemnity and retirement provisions	8.918.415	3.635.313	5.973.878	2.482.614	21.010.220
Contract liabilities	28.002.883	(10.463.059)	-	9.933.457	27.473.281
Carryforward tax losses and unused R&D tax exemption (Note 15)	177.666.653	90.805.002	-	82.379.256	350.850.911
Legal Provision	2.539.641	(1.560.333)	-	822.179	1.801.487
Other	(707.994)	1.991.770	-	(427.732)	856.044
	<b>154.617.696</b>	<b>76.882.119</b>	<b>5.973.878</b>	<b>68.584.699</b>	<b>306.058.392</b>

**Tax Advantages Obtained Within the Scope of Investment Incentive System**

As of 31 December 2023, the Group has calculated a deferred tax asset of TL 483.486.412 based on the corporate tax deduction amount arising from the R&D incentive that it did not use.

The periods in which deferred tax assets arising from investment incentives are expected to be used and the amounts expected to be recovered in these periods are explained below:

	<b>31 December 2023</b>
2026	151.751.526
2027	205.389.399
2028	126.345.487

The important judgments and assumptions used by the Group in reflecting deferred tax assets arising from investment incentives in the financial statements and the sensitivity analyzes related to these assumptions are explained below:

Significant judgments and assumptions used by the Group in reflecting deferred tax assets arising from investment incentives in the financial statements and the sensitivity analyzes related to these assumptions are explained below:

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**26 TAX ASSETS AND LIABILITIES (Cont'd)**

**Tax Advantages Obtained Within the Scope of Investment Incentive System (Cont'd)**

**Significant judgments and assumptions**

The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit projections and expiration dates of other tax assets and tax planning strategies that can be used when necessary were taken into consideration. The following assumptions were used when calculating the recoverable value of deferred tax assets as of 31 December 2023:

- R&D incentives that are entitled but have not yet been used have an unlimited lifespan.
- Made based on tax profit projections prepared by the management.

As a result of the evaluations made according to the current analysis, it has been concluded that the deferred tax asset calculated within the scope of the R&D incentive is recoverable. It is anticipated that these deferred tax assets will be recovered within 5 years starting from 2024.

**Sensitivity analyzes**

If the assumptions used in the projection period are 0.5% higher or lower, it causes an increase of 828 thousand TL and a decrease of 827 thousand TL, respectively, in the deferred tax asset calculation as of 31 December

**27 LOSS PER SHARE**

Earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
Number of shares	64.864.800	64.864.800
Net profit/ (loss) for the period	99.670.615	(30.567.570)
(Loss) per share (kurus)	1,5366	(0,4713)

**28 RELATED PARTY DISCLOSURES**

Due from related parties as of 31 December 2023 and 31 December 2022 are as follows:

<b>Due from Related Parties</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
ZTE İstanbul Telekomünikasyon A.Ş. (1)	9.686.111	69.276.530
ZTE Corporation(2)	-	851.513
	<b>9.686.111</b>	<b>70.128.043</b>

<b>Due to Related Parties</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
ZTE İstanbul Telekomünikasyon A.Ş. (1)	1.132.047.133	538.866.535
ZTE Corporation(2)	214.106.490	218.367.185
	<b>1.346.153.623</b>	<b>757.233.720</b>

According to "IAS 24 Related Party Disclosures", providers of finance, trade unions, public utilities, departments, and agencies of a government that does not control, jointly control or significantly influence the reporting entity, and a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence are not evaluated as related parties. The Group has a significant business relation with Aselsan Elektronik Sanayi ve Ticaret A.Ş. ("Aselsan") and evaluated in that context.

- (1) The company which controlled by main partner  
(2) Main partner  
(3) Associate

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**28 RELATED PARTY DISCLOSURES(Cont'd)**

Main transactions with related parties are as follows for the period ended 31 December 2023 and 2022.

<b>Sales</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
ZTE İstanbul Telekomünikasyon A.Ş. (1)	60.942.508	108.635.089
ZTE Corporation(2)	12.076.102	24.273.263
	<b>73.018.610</b>	<b>132.908.352</b>

As part of the normal activities of the Group, products are purchased from ZTE Corporation and products and services are sold to ZTE İstanbul Telecommunications. Due to the transactions, debts and receivables are unsecured and the average day maturity varies according to the projects.

<b>Purchases</b>	<b>1 January- 31 December 2023</b>	<b>1 January- 31 December 2022</b>
ZTE İstanbul Telekomünikasyon A.Ş. (1)	1.454.012.033	512.228.174
ZTE Corporation(2)	-	3.995.948
Kron Telekomünikasyon A.Ş.(3)(*)	-	824.104
	<b>1.454.012.033</b>	<b>517.048.226</b>

(\*) As explained in note 2, the transfer of the shares owned in Kron Telekomünikasyon Hizmetleri A.Ş. was carried out on 29 April 2022. Kron Telecommunication Services Inc. as of 31 December 2022, it is not a related party. However, the trade payable to Kron Telekomünikasyon Hizmetleri A.Ş. may also include the balances from the transactions realized before the share transfer dated 29 April 2022.

- (1) The company which controlled by ultimate parent  
(2) Main partner  
(3) Associate

**Benefits to Top Management:**

Top management of the Group comprised of, the members of the management and executive committee, General Managers and Deputy General Managers. For the period ended 31 December 2023, total remuneration for the directors and management board of the Group is TL 38.732.695 (31 December 2022: TL 21.770.541). As of 31 December 2023, and 31 December 2022 there is no credit granted to the Group's Management.

**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

As of 31 December 2023, and 31 December 2022 the Group's net debt / total equity ratios are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Short-term and long-term borrowings (*)	1.297.908.289	1.192.728.664
Cash and cash equivalents	(90.112.867)	(220.130.315)
Net financial debt	1.207.795.422	972.598.349
Equity	217.693.183	13.401.817
<b>Net financial debt/ Equity Ratio</b>	<b>%555</b>	<b>%7.257</b>

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

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**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

The Group's financial risk management policies are as follows:

**Credit risk**

Carrying values of the financial assets represents their maximum exposed credit risk. As of the date of balance sheet maximum credit risks are as follows:

31 December 2023	Trade Receivables		Contract Assets related to Goods and Services Provided	Other Receivables	Deposits at Banks
	Related Parties	Other	Other	Other	
<b>Maximum credit risks as of balance sheet date (A+B+C+D)</b>	<b>9.686.111</b>	<b>2.865.406.633</b>	<b>403.011.780</b>	<b>4.944.536</b>	<b>90.112.867</b>
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	9.686.111	2.443.784.538	403.011.780	4.944.536	90.112.867
(B) Net book value of overdue but not impaired financial assets	-	421.622.095	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	298.823.538	-	-	-
Impairment (-)	-	(298.823.538)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

31 December 2022	Trade Receivables		Contract Assets related to Goods and Services Provided	Other Receivables	Deposits at Banks
	Related Parties	Other	Other	Other	
<b>Maximum credit risks as of balance sheet date (A+B+C+D)</b>	<b>70.128.043</b>	<b>1.880.825.837</b>	<b>440.623.216</b>	<b>3.125.482</b>	<b>220.130.315</b>
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	70.128.043	1.540.812.796	440.623.216	3.125.482	220.130.315
(B) Net book value of overdue but not impaired financial assets	-	340.013.041	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	200.752.390	-	-	-
Impairment (-)	-	(200.752.390)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

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**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(Cont'd)**

**Credit risk (Cont'd)**

The Group has applied the simplified approach stated in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected loan loss provision for all commercial receivables. In order to measure the expected credit loss, the Group first classifies its trade receivables by taking into account the characteristics of credit risk and credit risk. Expected credit loss ratios for each class of commercial receivables grouped using past credit loss experience and forward macroeconomic indicators were calculated and the expected credit loss provision was calculated by multiplying the determined ratio by the trade receivable totals.

As of the date of balance sheet aging of overdue and undue but not impaired financial assets are as follows:

31 December 2023	Undue	1-30 days overdue	1-3 months overdue	3-6 months overdue	6-12 months overdue	1-5 years overdue	TOTAL
Credit loss ratio (%)	0,0%	1,8%	2,8%	4,8%	8,8%	21,4%	
As of period	2.862.361.701	232.909.290	22.021.806	1.894.853	665.979	164.130.167	<b>3.283.983.796</b>
Expected credit loss	-	1.304.046	337.613	126.424	15.015	13.782.285	<b>15.565.383</b>

31 December 2022	Undue	1-30 days overdue	1-3 months overdue	3-6 months overdue	6-12 months overdue	1-5 years overdue	TOTAL
Credit loss ratio (%)	0,0%	1,8%	2,8%	4,8%	8,8%	21,4%	
As of period	1.981.436.012	72.854.149	76.497.522	36.248.459	39.794.323	126.160.425	<b>2.332.990.890</b>
Expected credit loss	-	232.428	1.191.030	2.591.373	917.865	6.609.141	<b>11.541.837</b>

**Liquidity risk**

The Group manages its liquidity risk by having sufficient cash and similar resources to fulfill its current and potential obligations on time. The table showing the liquidity risk of the Group as of 31 December 2023 and 31 December 2022 is presented:

31 December 2023	Carrying amount	Cash outflows due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
<b>Maturities due to agreements</b>						
<b>Non- derivative financial liabilities</b>	<b>4.391.033.783</b>	<b>4.562.389.036</b>	<b>3.133.748.667</b>	<b>1.204.352.337</b>	<b>221.443.731</b>	<b>2.844.301</b>
Financial liabilities	1.297.908.289	1.396.251.816	284.627.834	1.111.623.982	-	-
Lease Liabilities	284.566.414	357.578.140	40.561.753	92.728.355	221.443.731	2.844.301
Due to related parties	1.346.153.623	1.346.153.623	1.346.153.623	-	-	-
Other trade payables to third parties	1.309.444.678	1.309.444.678	1.309.444.678	-	-	-
Other payables to third parties	152.960.779	152.960.779	152.960.779	-	-	-

31 December 2022	Carrying amount	Cash outflows due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
<b>Maturities due to agreements</b>						
<b>Non- derivative financial liabilities</b>	<b>3.428.151.773</b>	<b>3.502.996.849</b>	<b>2.621.398.558</b>	<b>768.675.638</b>	<b>108.227.740</b>	<b>4.694.913</b>
Financial liabilities	1.192.728.664	1.248.511.461	525.029.647	723.481.814	-	-
Lease Liabilities	161.503.737	180.566.016	22.449.539	45.193.824	108.227.740	4.694.913
Due to related parties	757.233.720	757.233.720	757.233.720	-	-	-
Other trade payables to third parties	1.223.289.342	1.223.289.342	1.223.289.342	-	-	-
Other payables to third parties	93.396.310	93.396.310	93.396.310	-	-	-

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**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

**Interest rate risk**

Interest rate sensitive financial assets are placed in short term financial instruments to avoid any possible interest rate fluctuations. The Group has the following interest sensitive liability as of the balance sheet date.

	31 December 2023	31 December 2022
<b>Fixed interest rate financial instruments</b>	<b>2.876.851.169</b>	<b>2.030.379.362</b>
Cash and Cash Equivalents (*)	6.500.000	76.300.000
Trade Receivables	2.865.406.633	1.950.953.880
Other Receivables	4.944.536	3.125.482
<b>Fixed interest rate financial liabilities</b>	<b>4.391.033.783</b>	<b>3.428.151.773</b>
Short and Long Term Unsecured Loans	1.297.908.289	1.192.728.664
Lease Liabilities	284.566.414	161.503.737
Trade Payables	2.655.598.301	1.980.523.062
Other Payables	152.960.779	93.396.310
<b>Variable interest rate financial instruments</b>	<b>-</b>	<b>-</b>
Short and Long Term Unsecured Loans Interest-free financial liabilities	-	-
<b>Non interest bearing unsecured spot loans</b>	<b>-</b>	<b>-</b>
Faizsiz teminatsız spot krediler	-	-

(\*) As of 31 December 2023 and 31 December 2022, it includes bank time deposits.

**Foreign currency risk**

The functional currency of the Company is US Dollars. Currency risk generally arises from the change in the value of the US Dollar against TL and other currencies. In order not to be affected by the appreciation or depreciation of the US Dollar against other currencies, the Group evaluates its assets in line with its liabilities to the extent possible and loads its contractual expenses in the contract currency to the extent possible.

As of 31 December 2023 and 31 December 2022 the Group's foreign currency position table is given below:

31 December 2023	Original Currency				
	TL Equivalent (*)	TL	Euro	USD	Other
<b>Current Assets</b>	<b>988.947.538</b>	<b>470.994.232</b>	<b>2.249.473</b>	<b>1.768.283</b>	<b>101.048.400</b>
Cash and cash equivalents	25.108.122	16.917.756	210.312	-	6.104.102
Trade receivables, third parties	958.894.880	449.131.940	2.039.161	1.768.283	94.944.298
Other receivables, third parties	4.944.536	4.944.536	-	-	-
<b>TOTAL ASSETS (A)</b>	<b>988.947.538</b>	<b>470.994.232</b>	<b>2.249.473</b>	<b>1.768.283</b>	<b>101.048.400</b>
<b>Short Term Liabilities</b>	<b>1.773.347.154</b>	<b>1.713.234.857</b>	<b>1.357.247</b>	<b>527.353</b>	<b>1.720.667</b>
Financial liabilities	578.199.850	578.199.850	-	-	-
Lease liabilities	128.271.232	128.271.232	-	-	-
Trade payables, third parties	913.915.293	853.802.996	1.357.247	527.353	1.720.667
Other payables, third parties	152.960.779	152.960.779	-	-	-
<b>Long Term Liabilities</b>	<b>156.295.182</b>	<b>156.295.182</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lease liabilities	156.295.182	156.295.182	-	-	-
<b>TOTAL LIABILITIES (B)</b>	<b>1.929.642.336</b>	<b>1.869.530.039</b>	<b>1.357.247</b>	<b>527.353</b>	<b>1.720.6</b>
<b>Net Foreign Currency Asset / (Liability) Position (A-B)</b>	<b>(940.694.798)</b>	<b>(1.398.535.807)</b>	<b>892.226</b>	<b>1.240.930</b>	<b>99.327.733</b>

(\*) The functional currency of the Company is USD. The USD risk of those whose functional currency is other than USD is explained in the relevant column. In the table above, foreign currencies are shown with their original currency amounts, and their TL equivalents are calculated using period-end exchange rates.

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**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

**Foreign currency risk (Cont'd)**

31 December 2022	TL Equivalent (*)	TL	Original Currency		
			Euro	USD	Other
<b>Current Assets</b>	<b>701.859.080</b>	<b>453.370.239</b>	<b>1.722.267</b>	<b>2.737.785</b>	<b>154.586.570</b>
Cash and cash equivalents	98.961.560	93.988.991	38.466	-	7.925.202
Trade receivables, third parties	599.772.038	356.255.766	1.683.802	2.737.785	146.661.368
Other receivables, third parties	3.125.482	3.125.482	-	-	-
<b>TOTAL ASSETS (A)</b>	<b>701.859.080</b>	<b>453.370.239</b>	<b>1.722.267</b>	<b>2.737.785</b>	<b>154.586.570</b>
<b>Short Term Liabilities</b>	<b>1.573.116.071</b>	<b>1.476.023.372</b>	<b>1.710.277</b>	<b>1.064.576</b>	<b>33.286.629</b>
Financial liabilities	714.304.123	714.304.123	-	-	-
Lease liabilities	96.094.322	96.094.322	-	-	-
Trade payables, third parties	669.321.316	572.228.617	1.710.277	1.064.576	33.286.629
Other payables, third parties	93.396.310	93.396.310	-	-	-
<b>Long Term Liabilities</b>	<b>65.409.415</b>	<b>65.409.415</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lease liabilities	65.409.415	65.409.415	-	-	-
<b>TOTAL LIABILITIES (B)</b>	<b>1.638.525.486</b>	<b>1.541.432.787</b>	<b>1.710.277</b>	<b>1.064.576</b>	<b>33.286.629</b>
<b>Net Foreign Currency Asset / (Liability) Position (A-B)</b>	<b>(936.666.406)</b>	<b>(1.088.062.548)</b>	<b>11.990</b>	<b>1.673.209</b>	<b>121.299.941</b>

(\*) The functional currency of the Company is USD. The USD risk of those whose functional currency is other than USD is explained in the relevant column. In the table above, foreign currencies are shown with their original currency amounts, and their TL equivalents are calculated using period-end exchange rates.

	31 December 2023			
	Profit / (Loss)		Equity	
	Appreciation	Devaluation	Appreciation	Devaluation
<i>Effect of 10 % appreciation/devaluation in TL -USD exchange rate :</i>				
Net asset / (liability) in TL	(139.853.581)	139.853.581	(139.853.581)	139.853.581
Hedged portion from TL risk (-)	-	-	-	-
<b>(1) Net effect of TL</b>	<b>(139.853.581)</b>	<b>139.853.581</b>	<b>(139.853.581)</b>	<b>139.853.581</b>
<i>Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :</i>				
Net asset / (liability) in EUR	2.906.328	(2.906.328)	2.906.328	(2.906.328)
Hedged portion from EUR risk (-)	-	-	-	-
<b>(2) Net effect of EUR</b>	<b>2.906.328</b>	<b>(2.906.328)</b>	<b>2.906.328</b>	<b>(2.906.328)</b>
<i>Effect of 10 % appreciation/devaluation in USD – TL exchange rate :</i>				
Net asset / (liability) in USD	124.093	(124.093)	124.093	(124.093)
Hedged portion from USD risk (-)	-	-	-	-
<b>(3) Net effect of USD</b>	<b>124.093</b>	<b>(124.093)</b>	<b>124.093</b>	<b>(124.093)</b>
<i>Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:</i>				
Net asset / (liability) in other currencies	7.008.771	(7.008.771)	7.008.771	(7.008.771)
Hedged portion from other currencies risk (-)	-	-	-	-
<b>(4) Net effect of other currencies</b>	<b>7.008.771</b>	<b>(7.008.771)</b>	<b>7.008.771</b>	<b>(7.008.771)</b>
<b>TOTAL (1+2+3+4)</b>	<b>(129.814.389)</b>	<b>129.814.389</b>	<b>(129.814.389)</b>	<b>129.814.389</b>

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**29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)**

**Foreign currency risk (Cont'd)**

	<b>31 December 2022</b>			
	<b>Profit / (Loss)</b>		<b>Equity</b>	
	<b>Appreciation</b>	<b>Devaluation</b>	<b>Appreciation</b>	<b>Devaluation</b>
<i>Effect of 10 % appreciation/devaluation in TL -USD exchange rate :</i>				
Net asset / (liability) in TL	(108.806.255)	(108.806.255)	(108.806.255)	(108.806.255)
Hedged portion from TL risk (-)	-	-	-	-
<b>(1) Net effect of TL</b>	<b>(108.806.255)</b>	<b>108.806.255</b>	<b>(108.806.255)</b>	<b>108.806.255</b>
<i>Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :</i>				
Net asset / (liability) in EUR	23.902	(23.902)	23.902	(23.902)
Hedged portion from EUR risk (-)	-	-	-	-
<b>(2) Net effect of EUR</b>	<b>23.902</b>	<b>(23.902)</b>	<b>23.902</b>	<b>(23.902)</b>
<i>Effect of 10 % appreciation/devaluation in USD – TL exchange rate :</i>				
Net asset / (liability) in USD	167.321	(167.321)	167.321	(167.321)
Hedged portion from USD risk (-)	-	-	-	-
<b>(3) Net effect of USD</b>	<b>2.941.228</b>	<b>(167.321)</b>	<b>2.941.228</b>	<b>(167.321)</b>
<i>Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:</i>				
Net asset / (liability) in other currencies	2.941.228	(2.941.228)	2.941.228	(2.941.228)
Hedged portion from other currencies risk (-)	-	-	-	-
<b>(4) Net effect of other currencies</b>	<b>2.941.228</b>	<b>(2.941.228)</b>	<b>2.941.228</b>	<b>(2.941.228)</b>
<b>TOTAL (1+2+3+4)</b>	<b>(105.673.804)</b>	<b>105.673.804</b>	<b>(105.673.804)</b>	<b>105.673.804</b>

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**30 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price to be obtained from the sale of an asset or to be paid in the transfer of a debt in the usual transaction between market participants on the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are required in the interpretation of market data to determine fair value. Accordingly, the estimations presented here may not show the amounts that the Group can obtain in a current market transaction.

The following methods and assumptions are used to estimate the fair value of financial instruments and these valuations are considered level 1

**Financial Assets:**

It is anticipated that the recorded values of financial assets, which are shown at cost including cash and cash equivalents and short term financial investments, are equal to their fair values because they are short term.

It is foreseen that the registered values of trade receivables reflect the fair value together with the relevant impairment provisions.

**Financial Liabilities:**

The fair values of fixed interest and short-term bank loans and other monetary debts are expected to be close to their book values.

**The Fair Value Measurement Hierarchy**

The fair values of financial assets and financial liabilities are determined and grouped as follows:.

Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices

Level 2: The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

Level 3: The fair value of the financial assets and financial liabilities where there is no observable market data.

In accordance with fair value hierarchy, while cash and cash equivalent are categorized as of Level 1, other financial asset and liabilities are categorized as Level 2.

**31 SUBSEQUENT EVENTS**

In accordance with the Competition Board's decisions dated 21.04.2022 and numbered 22-18/301-M, dated 23.11.2022 and numbered 22-52/791-M, dated 02.03.2023 and numbered 23-12/203-M(1) As a result of the investigation carried out against the Company on the grounds that Article 4 of the Law No. 4054 on the Protection of Competition was violated by being a party to anti-competitive agreements, the Competition Board announced a decision to impose an administrative fine of amounting to TL 5.243.243,58 TL on the Company.

The administrative fine imposed by the Competition Board will be paid by the Company within the legal period after the notification of the reasoned Board decision as amounting to TL 3.932.43,69 TL, benefiting from the 25% early payment discount. Regarding this penalty, an objection is open to the Administrative Court and the Company may take all legal remedies against this decision.

**32 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENTAUDITOR'S**

The Group's explanation regarding the fees for services provided by independent audit firms, prepared pursuant to the POA's Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the POA letter dated 19 August 2021, is as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Independent audit fee for the reporting period	3.267.614	1.190.000
Fees for tax advisory services	734.400	659.000
Fee for other assurance services	640.000	395.000
Other services other than independent audit	404.957	230.000
	<b>5.046.971</b>	<b>2.474.000</b>

ANNUAL REPORT OF THE BOARD OF DIRECTORS  
FOR THE FISCAL PERIOD OF JANUARY 1 – DECEMBER 31, 2023  
PREPARED IN ACCORDANCE WITH THE COMMUNIQUÉ ON PRINCIPLES OF  
FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

This report is in compliance with the provisions of the Capital Markets Board of Turkey's "Communiqué on Principles of Financial Reporting in the Capital Markets", no. II-14.1 and it has been prepared in accordance with the terms and conditions of the "Regulation on Determining the Minimum Content of the Annual Report of the Companies" published by the Ministry of Customs and Trade in the Official Gazette dated August 28, 2012, with issue number 28395; and it has been signed and approved by the members of the Board of Directors of the Company, whose names are written below.

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**AIGUANG PENG**  
Chairman of the Board

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**ŞUAY ALPAY**  
Vice Chairman of the Board

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**HONGGUANG ZHOU**  
Board Member

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**MING LI**  
Board Member

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**BOWEN MEI**  
Board Member

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**ALİ ZÜLFÜ TİGREL**  
Board Member

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**ÖZER KARABULUT**  
Board Member

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## Netaş Telekomünikasyon A.Ş.

**Company Name:** Netaş Telekomünikasyon A.Ş.  
**Trade Registration Number:** 94955/40304  
**Mersis No:** 0632000106100010

**Head Office Address:**  
Yenişehir Mahallesi, Osmanlı Bulvarı, No: 11,  
34912 Kurtköy/Pendik, İstanbul  
Phone: +90 (216) 522 20 00  
Fax: +90 (216) 522 22 22

**Ankara Contact Address:**  
Üniversiteler Mahallesi, İhsan Doğramacı Bulvarı, No: 33, B Blok,  
ZT-6 ODTÜ Teknokent, 06531, Ankara  
Phone: +90 (312) 210 18 08  
Fax: +90 (312) 210 18 05

**Website:** [www.netas.com.tr/?lang=en](http://www.netas.com.tr/?lang=en)  
**Facebook:** <https://facebook.com/NetasTR>  
**Twitter:** <https://twitter.com/netastr>  
**Youtube:** [www.youtube.com/user/NetasTR](http://www.youtube.com/user/NetasTR)  
**Linkedin:** <https://www.linkedin.com/company/netas>  
**E-mail:** [webmaster@netas.com.tr](mailto:webmaster@netas.com.tr)

