

**NETAŞ TELEKOMÜNİKASYON A.Ş.
AND ITS' SUBSIDIARIES**

As at and for the period ended 31 December 2025
Consolidated financial statements and
The independent Auditors' report

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

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES**AUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS OF 31 DECEMBER 2025**

(Unless otherwise stated the amounts are in TL)

	Notes	Audited 31 December 2025	Audited 31 December 2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	6.764.322.354 357.021.206	5.468.448.938 481.554.076
Trade Receivables		4.338.819.338	3.416.994.189
<i>Due from related parties</i>	28	133.520.724	70.667.551
<i>Trade receivables, third parties</i>	7	4.205.298.614	3.346.326.638
Other Receivables		3.166.115	6.895.316
<i>Other receivables, third parties</i>	8	3.166.115	6.895.316
Inventories	9	720.365.786	560.791.255
Contract Assets related to Goods and Services Provided		1.024.254.153	770.556.988
<i>Contract Assets related to Goods and Services Provided</i>	11	1.024.254.153	770.556.988
Prepaid Expenses	10	133.872.921	110.080.835
Current Income Tax Assets	26	75.841.825	64.729.663
Other Current Assets	19	110.981.010	56.846.616
Non-Current Assets		2.603.525.803	2.215.771.973
Property, Plant and Equipment	12	156.762.860	142.310.684
Right of Use Assets	14	415.657.898	368.211.287
Financial Investments	3	57.898.044	47.674.804
Intangible Assets		920.864.405	785.301.937
<i>Goodwill</i>	13	785.280.617	646.621.149
<i>Other intangible assets</i>	13	135.583.788	138.680.788
Prepaid Expenses	10	2.179.002	1.178.336
Deferred Tax Assets	26	1.050.163.594	871.094.925
TOTAL ASSETS		9.367.848.157	7.684.220.911

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 2025**

(Unless otherwise stated the amounts are in TL)

	Notes	Audited 31 December 2025	Audited 31 December 2024
LIABILITIES			
Short Term Liabilities			
8.615.472.059			
7.182.294.744			
Short Term Borrowings		1.928.968.028	1.792.933.939
<i>Short Term Bank Loans</i>	6	1.928.968.028	1.792.933.939
Short-Term Portion of Long-Term Borrowings		170.578.203	146.960.238
<i>Short-Term Portion of Long-Term Lease Liabilities</i>	6	170.578.203	146.960.238
Trade Payables		5.122.623.976	3.714.412.475
<i>Due to related parties</i>	28	3.760.046.419	1.718.973.834
<i>Trade payables, third parties</i>	7	1.362.577.557	1.995.438.641
Other Payables		178.788.001	130.290.278
<i>Other payables, third parties</i>	8	178.788.001	130.290.278
Employee Benefit Obligations	18	120.535.619	148.873.959
Contract Liabilities		936.531.316	1.120.482.468
<i>Contract Liabilities</i>	11	936.531.316	1.120.482.468
Provisions		142.518.938	124.022.546
<i>Provisions for Employee Benefits</i>	18	108.302.684	84.127.839
<i>Other Short Term Provisions</i>	16	34.216.254	39.894.707
Current Income Tax Liabilities	26	14.927.978	4.318.841
Long Term Liabilities			
1.030.687.093			
484.760.957			
Long Term Borrowings		862.270.889	327.650.596
<i>Bank Loans</i>	6	556.111.565	76.365.925
<i>Lease Liabilities</i>	6	306.159.324	251.284.671
Provisions		168.416.204	157.110.361
<i>Provisions for Employee Benefits</i>	18	168.416.204	157.110.361
SHAREHOLDERS' EQUITY			
Equity Attributable to Equity Holders of the Parent			
(301.318.150)			
3.548.927			
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		272.309.380	160.383.276
<i>Currency Translation Differences</i>		272.309.380	160.383.276
Other comprehensive income not to be reclassified in profit and loss		491.633.134	558.483.922
<i>Remeasurement gain/ (loss) on defined benefit plans</i>		(79.896.831)	(72.545.402)
<i>Currency Translation Differences</i>		571.529.965	631.029.324
Restricted Reserves	20	34.897.360	34.897.360
Accumulated Losses		(856.692.591)	(576.150.759)
Net Loss for the Period		(349.942.393)	(280.541.832)
Non-controlling interests		23.007.155	13.616.283
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9.367.848.157	7.684.220.911

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 2025

(Unless otherwise stated the amounts are in TL)

	Notes	Current Period 1 January- 31 December 2025	Previous Period 1 January- 31 December 2024
INCOME OR LOSS FROM OPERATIONS			
Revenue	21	12.030.341.104	9.175.387.066
Cost of Sales (-)	21	(11.218.918.198)	(8.525.676.718)
GROSS PROFIT		811.422.906	649.710.348
Sales, Marketing and Distribution Expenses (-)	22	(363.445.819)	(366.852.738)
General Administrative Expenses (-)	22	(339.993.334)	(286.302.869)
Research and Development Expenses (-)	22	-	(22.777.655)
Other Income from Operating Activities	23	16.039.253	26.545.963
Other Expenses from Operating Activities (-)	23	(70.262.164)	(28.299.921)
OPERATING PROFIT / (LOSS)		53.760.842	(27.976.872)
Income from Investment Activities	24	3.059.956	1.457.966
Expenses from Investment Activities (-)	24	(600.099)	(330.643)
OPERATING PROFIT / (LOSS) BEFORE FINANCE INCOME AND EXPENSES		56.220.699	(26.849.549)
Financial Income	25	33.887.583	53.039.492
Financial Expenses (-)	25	(344.455.305)	(328.334.767)
Monetary Gain / (Losses)	31	(47.168.075)	12.234.498
LOSS BEFORE TAX		(301.515.098)	(289.910.326)
Tax (Expenses) / Income		(39.036.423)	17.914.863
Current Tax Expenses	26	(28.093.632)	(7.789.468)
Deferred Tax Income	26	(10.942.791)	25.704.331
NET LOSS FOR THE YEAR		(340.551.521)	(271.995.463)
Attributable to:			
Non-controlling Interest		9.390.872	8.546.369
Equity Holders of the Parent		(349.942.393)	(280.541.832)
Earn/(Loss) per share	27	(5,3950)	(4,3250)
OTHER COMPREHENSIVE EXPENSES			
Other comprehensive expenses that will not be reclassified subsequently to profit of loss		(66.850.788)	(6.607.470)
Currency translation differences		(59.499.359)	6.384.374
Remeasurement loss on defined benefit plans	18	(9.801.906)	(17.322.459)
Remeasurement loss on defined benefit plans, deferred tax	26	2.450.477	4.330.615
Other comprehensive income or expenses that will be reclassified subsequently to profit of loss		111.926.104	73.005.046
Currency translation differences other than the translation of businesses abroad		(59.499.359)	6.384.374
Currency translation differences arising from businesses abroad		171.425.463	66.620.672
OTHER COMPREHENSIVE INCOME		45.075.316	66.397.576
TOTAL COMPREHENSIVE LOSS		(295.476.205)	(205.597.887)
Attributable to:			
Non-controlling Interest		9.390.872	8.546.369
Equity Holders of the Parent		(304.867.077)	(214.144.256)

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2025
(Unless otherwise stated the amounts are in TL)

	Other comprehensive income or expenses will be reclassified subsequently to profit or loss			Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss			Retained Earnings			Non-controlling Interest	TOTAL
	Share Capital	Share Capital Adjustments	Currency Translation Differences	Currency Translation Differences	Remeasurement loss on defined benefit plans	Restricted Reserves	Retained Earnings	Net (Loss) for the Period	Equity Holders of the Parent		
Balance as of 1 January 2024	64.864.800	41.612.160	87.378.230	624.644.950	(59.553.558)	34.897.360	(675.821.374)	99.670.615	217.693.183	5.069.914	222.763.097
Transfers	-	-	-	-	-	-	99.670.615	(99.670.615)	-	-	-
Total comprehensive income	-	-	73.005.046	6.384.374	(12.991.844)	-	-	(280.541.832)	(214.144.256)	8.546.369	(205.597.887)
Net Loss for Period	-	-	-	-	-	-	-	(280.541.832)	(280.541.832)	8.546.369	(271.995.463)
Other Comprehensive Income	-	-	73.005.046	6.384.374	(12.991.844)	-	-	-	66.397.576	-	66.397.576
Balance as of 31 December 2024	64.864.800	41.612.160	160.383.276	631.029.324	(72.545.402)	34.897.360	(576.150.759)	(280.541.832)	3.548.927	13.616.283	17.165.210

	Other comprehensive income or expenses will be reclassified subsequently to profit or loss			Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss			Retained Earnings			Non-controlling Interest	TOTAL
	Share Capital	Share Capital Adjustments	Currency Translation Differences	Currency Translation Differences	Remeasurement loss on defined benefit plans	Restricted Reserves	Retained Earnings	Net Profit / (Loss) for the Period	Equity Holders of the Parent		
Balance as of 1 January 2025	64.864.800	41.612.160	160.383.276	631.029.324	(72.545.402)	34.897.360	(576.150.759)	(280.541.832)	3.548.927	13.616.283	17.165.210
Transfers	-	-	-	-	-	-	(280.541.832)	280.541.832	-	-	-
Total comprehensive income	-	-	111.926.104	(59.499.359)	(7.351.429)	-	-	(349.942.393)	(304.867.077)	9.390.872	(295.476.205)
Net Loss for Period	-	-	-	-	-	-	-	(349.942.393)	(349.942.393)	9.390.872	(340.551.521)
Other Comprehensive Income	-	-	111.926.104	(59.499.359)	(7.351.429)	-	-	-	45.075.316	-	45.075.316
Balance as of 31 December 2025	64.864.800	41.612.160	272.309.380	571.529.965	(79.896.831)	34.897.360	(856.692.591)	(349.942.393)	(301.318.150)	23.007.155	(278.310.995)

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENT OF
CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025
(Unless otherwise stated the amounts are in TL.)

	Notes	Audited	
		Current Period 1 January- 31 December 2025	Previous Period 1 January- 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss for the Period		(340.551.521)	(271.995.463)
<i>Loss from Continuing Operations</i>		<i>(340.551.521)</i>	<i>(271.995.463)</i>
Adjustments to Reconcile Profit/Loss		700.282.131	461.644.999
Adjustments for Depreciation and Amortisation Expenses	12-13-14	189.163.450	145.467.172
Adjustments for (Reversal of) Impairment Loss Recognised in Profit or Loss		15.397.743	19.400.322
<i>Adjustments for (Reversal of) Provision of Receivables</i>	7	<i>5.920.707</i>	<i>(1.250.013)</i>
<i>Adjustment for Reversal of Provision of Inventory</i>	9	<i>9.477.036</i>	<i>20.650.335</i>
Adjustments For Provisions		205.684.655	77.924.818
<i>Adjustments for Provisions Related with Employee Benefits</i>		<i>210.454.972</i>	<i>158.940.292</i>
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		<i>7.185.537</i>	<i>7.055.685</i>
<i>Adjustments for (Reversal of) Other Provisions</i>		<i>(11.955.854)</i>	<i>(88.071.159)</i>
Adjustments for Interest (Income) and Expenses		253.372.460	244.197.488
<i>Adjustments for Interest Income</i>	25	<i>(33.887.583)</i>	<i>(46.182.886)</i>
<i>Adjustments for Interest Expense</i>	25	<i>287.260.043</i>	<i>290.380.374</i>
Adjustments For Unrealised Foreign Exchange Losses (Gains)	25	-	(6.856.606)
Adjustments for Losses Tax Expense	26	39.036.423	(17.914.863)
Adjustments for (Gains)/Losses disposal of non-current assets		(2.372.600)	(573.332)
<i>Adjustments for (Gains)/Losses Arising From Sale of Property, Plant and Equipment</i>		<i>(2.372.600)</i>	<i>(573.332)</i>
Changes in Working Capital		(222.169.282)	531.197.823
Adjustments for Decrease / (Increase) in Trade Receivables		(195.016.037)	1.110.739.794
<i>Decrease (Increase) in Trade Receivables from Related Parties</i>		<i>(47.699.439)</i>	<i>(55.417.947)</i>
<i>Decrease (Increase) in Trade Receivables from Third Parties</i>		<i>(147.316.598)</i>	<i>1.166.157.741</i>
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(36.736.567)	56.305.282
<i>Adjustments for Decrease (Increase) in Other Receivables Related with Operations from Third Parties</i>		<i>(36.736.567)</i>	<i>56.305.282</i>
Adjustments for Decrease / (Increase) in Inventories		(48.797.200)	23.686.099
Decrease / (Increase) in Prepaid Expenses		(934.674)	2.427.921
Adjustments for (Decrease) in Trade Payables		611.704.211	(466.504.180)
Increase (Decrease) in Trade Payables to Related Parties		1.672.461.075	(400.381.379)
(Decrease)/Increase in Trade Payables to Third Parties		(1.060.756.864)	(66.122.801)
Increase (Decrease) in Payables due to Employee Benefits		(60.262.418)	(48.733.095)
(Decrease)/Increase in Contract Assets		(88.461.273)	(136.063.939)
Adjustments for Decrease in Other Operating Payables		20.558.673	(110.527.871)
<i>(Decrease) in Other Operating Payables to Unrelated Parties</i>		<i>20.558.673</i>	<i>(110.527.871)</i>
(Decrease)/ Increase in Contract Liabilities		(424.223.997)	99.867.812
Cash Flows (Used in) Generated From Operations		137.561.328	720.847.359
Payments Related with Provisions for Employee Benefits	18	(184.929.132)	(144.771.168)
Income Taxes Paid		(28.596.657)	(24.277.398)
Payments Related with Lawsuits	16	(8.077.343)	(7.156.960)
		(84.041.804)	544.641.833

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENT OF
CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025
(Unless otherwise stated the amounts are in TL.)

	Notes	Audited	
		Current Period 1 January- 31 December 2025	Previous Period 1 January- 31 December 2024
B.CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		2.988.859	2.489.332
<i>Proceeds from Sales of Property, Plant, Equipment</i>		<i>2.988.859</i>	<i>2.489.332</i>
Purchase of Property, Plant, Equipment and Intangible Assets		(12.163.375)	(28.111.653)
<i>Purchase of Property, Plant, Equipment</i>	12	<i>(9.195.137)</i>	<i>(21.130.581)</i>
<i>Purchase of Intangible Assets</i>	13	<i>(2.968.238)</i>	<i>(6.981.072)</i>
Other Outflows of Cash		(10.223.240)	(8.336.091)
		(19.397.756)	(33.958.412)
C.CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Inflows from Borrowings	6	2.322.399.995	2.163.599.382
Outflows from Borrowings	6	(2.324.616.579)	(2.238.793.070)
Interest Paid	6	(224.589.756)	(251.264.538)
Interest Received	25	33.887.583	46.182.886
Payments of lease liabilities	6	(175.505.147)	(114.956.920)
		(368.423.904)	(395.232.260)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(471.863.464)	115.451.161
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		347.330.594	275.990.048
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(124.532.870)	391.441.209
E.CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		481.554.076	90.112.867
CASH AND CASH EQUIVALENTS AT END OF YEAR (A+B+C+D+E)		357.021.206	481.554.076

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NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2025

(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 Hizmetler A.Ş., Turkcell İletişim Hizmetleri A.Ş, service providers, corporate and governmental institutions in Turkey, to provide communications solutions and the infrastructure needed for modern communication systems. The Company is also engaged in research and development and provided design and development services to the foreign customers as well as to local customers.

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

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

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

It was established in Malta through the establishment of a capital of 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.

NETAŞ TELEKOMÜNİKASYON A.Ş. AND ITS SUBSIDIARIES
NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2025

(Unless otherwise stated the amounts are in TL)

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

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

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

As of 31 December 2025, the Group has no blue-collar employees (31 December 2024: None). The average number of white-collar personnel employed in the Group as of 31 December 2025 is 1.357 (31 December 2024: 1.486).

Approval of Consolidated Financial Statements

The financial statements were approved by the Board of Directors on 10 March 2026. 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.

b) Basis of presentation of consolidated financial statements

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

31 December 2025	Place and establishment of operation	Group's shares in capital and voting rights	Main operating activities
Netaş Bilişim Teknolojileri A.Ş.	Turkey	%100	Consultancy of project installments and network solutions
BDH Bilişim Destek Hizmetleri Sanayi ve Ticaret A.Ş.	Turkey	%100	Technical supports and maintenance services
Netaş Telecom Limited Liability Partnership	Republic of Kazakhstan	%100	Consultancy of project installment, design and technical support services
Netaş Telecommunications Malta Ltd	Malta	%100	Supply of 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.

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

2.2 Basis of Presentation(Cont'd)

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

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 2025, the Group has no associates. (31 December 2024: 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.

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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 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.

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

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

2.1 Basis of Presentation(Cont'd)

c) Functional Currency and Reporting Currency(Cont'd)

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 USD 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 2025 1 USD: 42,8457 TL (31 December 2024: 1 USD: 35,2803 TL)
- Statements of profit or loss and statements of cash flows have been translated to TL by using yearly average exchange rate (1 USD: 39,5062 TL) for the period ended 31 December 2025 (for the period ended 31 December 2024 1 USD: 32,8021 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 Netaş 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 Netaş 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.

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:

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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(Cont'd)

Date	Index	Conversion Factor
31 December 2025	3.513,87	1,00000
31 December 2024	2.684,55	1,30892

In this context, inflation adjustment was made in accordance with TAS 29 while preparing the consolidated financial statements dated December 31, 2025, December 31, 2024, and 2023.

The financial statements and related figures for previous periods were restated for changes in the general purchasing power of the functional currency, and as a result, the financial statements and related figures for previous periods were expressed in the measurement unit valid at the end of the reporting period in accordance with the TAS 29 Financial Reporting in Hyperinflationary Economies standard.

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 TAS 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 TAS 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.

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

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.

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.

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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)

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.

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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)

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.

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.

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

2.4 Summary of Significant Accounting Policies(Cont'd)

2.4.2 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.

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 düşüldükten 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).

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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

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.

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(Cont'd)

Classification and Measurement(Cont'd)

(b) Financial assets carried at fair value(Cont'd)

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.

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.

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

2.4 Summary of Significant Accounting Policies(Cont'd)

2.4.8 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 2025 (1 USD = 42,8457 TL, 1 EUR = 50,2859 TL, 1 CAD = 31,2200 TL, 1 GBP = 57,5123 TL, 1 BDT = 0,35066 TL, 1 AZN=25,0621 and 1 DZD=0,3309).

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)

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.

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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(Cont'd)

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 4 segments to determine resource allocation. The segments of the Group are telecom, system integration, technology 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 from 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.

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

2.4 Summary of Significant Accounting Policies(Cont'd)

2.4.15 Taxes Calculated on Corporation Earnings(Cont'd)

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. .

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.

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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)

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 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).

When applying the cost model, Group measures the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) 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.

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)

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:

- a) fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) 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:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made, and
- c) 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.

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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)

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.

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 lives 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.

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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 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. As a result of the evaluation, as of 31 December 2025, there is an R&D incentive amounting to TL 6.429.811.377 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 1.393.094.887. A deferred tax asset was recognized over the R&D incentive and carryforward tax loss of TL 4.476.446.915. The Group has calculated a deferred tax asset over the corporate tax deduction arising from the R&D incentives that it has not used. 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, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 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.

TFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements that IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. POA issued the standard "TFRS 18 Presentation and Disclosure in Financial Statements" on 8 May 2025, announcing that with its effective date, the currently applied "TAS 1 Presentation of Financial Statements" will be superseded. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

TFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Early adoption is permitted.

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

2.6 The New Standards, Amendments, and Interpretations

i) Standards issued but not yet effective and not early adopted(Cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for Management-defined performance measures. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

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

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset's classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

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

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

i) Standards issued but not yet effective and not early adopted(Cont'd)

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Cont't)

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The Company is assessing the potential impact on its consolidated financial statements resulting from the application of the Amendments to TFRS 9 and TFRS 7.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of companies using TFRS Accounting Standards can substantially reduce their disclosures and focus more on users' needs following the release of TFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under TFRS Accounting Standards.

A subsidiary applying TFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with TFRS Accounting Standards that TFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 19.

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to:

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued "Annual Improvements to IFRS Accounting Standards—Volume 11" to make minor amendments to 5 standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments): The term "transaction price" used in IFRS 9, with a meaning that is not necessarily consistent with the definition in IFRS 15, has been updated to "the amount determined by applying IFRS 15" for consistency.

Lessee derecognition of lease liabilities (Amendments to IFRS 9: Financial Instruments): If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The IASB's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

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

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

i) Standards issued but not yet effective and not early adopted (Cont't)

Annual Improvements to IFRS Accounting Standards- Volume 11 – Amendments to:

Hedge Accounting by a First-time Adopter (Amedments to TFRS 1 First-time Adoption of International Financial Reporting Standards)

TFRS 1 is amended:

- to improve their consistency with the requirements in TFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to TFRS 9 in TFRS 1 “Exception to the retrospective application of other IFRSs” is added.

Gain or Loss on Derecognition (Amedments to TFRS 7 Financial Instruments: Disclosures): With this amendment, a statement is added clarifying that the guidance in IFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase “inputs that were not based on observable market data” is adjusted to “unobservable inputs” to align with IFRS 13 terminology

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amedments to TFRS 7 Financial Instruments: Disclosures): The statement that was not amended after the publication of TFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with TFRS 9.)

Credit Risk Disclosures(Amedments to TFRS 7 Financial Instruments: Disclosures): The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of TFRS 7 are necessarily illustrated.

Determination of a ‘De Facto Agent’ (Amendments to TFRS 10 Consolidated Financial Statements)

When determining an investor whether another party is acting on its behalf, TFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor’s behalf, judgement is required to determine whether a party is acting as a de facto agent.

Cost Method (Amendments to TAS 7): Following the removal of the term "cost method" in previous amendments, the statement in TAS 7 is adjusted from "cost method" to “accounted at cost”.

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

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

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA (Cont't)

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

In December 2024, The International Accounting Standards Board (IASB) has now amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (“PPAs”). The amendments include guidance on:

- the ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures and IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

Own-use Exemption for PPAs

If the own-use exemption does not apply under IFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often long-term agreements.

To apply the own-use exemption to a PPA, IFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company’s expected purchase or usage requirements – e.g. the company expects to consume the purchased electricity. Due to electricity’s unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short-term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.

These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

Hedge accounting requirements for PPAs

Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in IFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e. the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 9 and TFRS 7.

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

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

ii) The new standards, amendments and interpretations that are issued by the IASB but not issued by POA

IAS 21 – Translation to a Hyperinflationary Presentation Currency

The IASB has issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to provide a consistent and straightforward translation method and to address issues related to the ever-growing foreign currency translation balances. The amendments clarify the following regarding the translation of a company's financial statements from the currency of a non-hyperinflationary economy into a hyperinflationary presentation currency:

- The company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all financial statement amounts (including comparatives) into its presentation currency; and
- When translating all amounts (except comparative amounts) of a foreign operation with a non-hyperinflationary functional currency, the company uses the closing rate at the latest reporting date, while comparative amounts shall be restated using the general price index.

The amendments apply retrospectively from annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IAS 21

2.7 Going Concern

The consolidated financial statements of the Group as at 31 December 2025 have been prepared on a going concern basis, which assumes that the Group will realize its assets and discharge its liabilities in the normal course of business and in the foreseeable future.

As of 31 December 2025, the Group's total equity is in deficit amounting to TL 301.318.150. For the year then ended, the Group incurred a net loss of TL 349.942.393. In addition, as of the same date, the Group's current liabilities amount to TL 8.615.472.059 and exceed its current assets by TL 1.851.149.705.

In accordance with Article 376 of the Turkish Commercial Code ("TCC") and the latest version of the Communiqué on the Procedures and Principles Regarding the Implementation of Article 376 of the TCC No. 6102, dated 15 September 2018, including the amendments introduced by the Amendment Communiqué dated 26 December 2020, foreign exchange losses arising from unrealized foreign currency denominated liabilities as well as half of the total of lease-related expenses, depreciation and personnel expenses accrued in 2020 and 2021 may be excluded from the evaluation. Within this scope, based on the assessment made in accordance with the Communiqué, the cumulative foreign exchange losses arising from unrealized foreign currency denominated liabilities amount to TL 359.103.695, while half of the total of lease-related expenses, depreciation and personnel expenses accrued amounts to TL 567.801.489. Accordingly, as of 31 December 2025, the Group is not considered to be technically insolvent or to have capital impairment under the TCC.

The Group's management has assessed the appropriateness of the going concern assumption by considering the financial indicators mentioned above. As part of this assessment, management has taken into account that a significant portion of the Group's short-term liquidity requirements arises from trade payables to related parties, the maturity structure and manageability of such payables, the trend of cash flows generated from operations, and the Group's ability to access financing resources.

During 2025, the Group implemented various measures to improve its operational profitability and reduce its financial expenses. Within this framework, the Group focused on new technology products and solutions with higher profit margins, prioritized domestic research and development solutions in strategic sectors such as Defense, Telecommunications and Transportation, and avoided projects requiring high financing needs and exposing the Group to significant foreign exchange risk. These practices are planned to continue in 2026. In addition, significant actions aimed at strengthening the financial structure are aimed in the five-year business plan prepared by the Group's management.

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

2.7 Going Concern

At the Board of Directors meeting held on 4 March 2026, the Group's current financial position was evaluated and it was resolved to develop a capital increase plan and initiate the related process in order to strengthen the financial structure of the Group in accordance with the relevant provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board ("CMB"). Upon the completion of the planned capital increase, it is aimed to reduce the Group's level of indebtedness, decrease the interest obligations arising from loan agreements and, accordingly, reduce financing expenses.

Furthermore, revenues expected to be generated in 2026 from projects related to 5G technologies as well as from the sales of end-user devices associated with this technology (5G enabled modems and mobile phones) are anticipated to contribute positively to the Group's cash flows and profitability.

In addition, within the scope of the written commitment submitted by the Group's main shareholder, ZTE Cooperatief U.A., on 9 March 2026, it has been stated that active support will be provided for the capital increase plan disclosed in Note 32 and that, if necessary, the required support will be extended to enable the Company to fulfill its financial obligations.

Based on the evaluation performed by the management, considering the matters explained above collectively, it has been concluded that the Group has sufficient resources to continue its operations for at least twelve months following the reporting period and in the foreseeable future, and that there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

3 FINANCIAL INVESTMENTS AND INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Private Investment Capital Fund	57.898.044	47.674.804
TOTAL	57.898.044	47.674.804

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 2025 and 31 December 2024 is as follows:

	<u>2025</u>	<u>2024</u>
As of 1 January	47.674.804	39.338.713
Additions	-	492.032
Foreign currency conversion differences	10.223.240	7.844.059
As of 31 December	57.898.044	47.674.804

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3 SEGMENT REPORTING

Within the framework of the strategy of providing an integrated information and technology service and products, the Group divides its main business segments into four operating segments, namely "Telecom", "System Integration", "Technology" and "BDH", in order to ensure economic integrity. Activities are segmented so that Group Management can evaluate performance and decide on resource allocation, and each section is reviewed regularly. The decisionmaking authority regarding the activities of the Group is the Board of Directors.

The main activities of the Telecom segment are proving services and selling product to mobile operator companies.

The line of business followed in the system integration segment is system integration services to public and private sector organizations. In addition to these services, software licenses and hardware that the Group distributes are sold.

In the activities of the technology segment, services are provided for technological development and improvements for digital transformation of corporate and public institutions.

In the BDH segment, it provides consultancy, strategic outsourcing, hardware and support services to small-scale companies, large corporations and publicinstitutions in the field of information technologies.

There are six business segments containing information that Group Management evaluates performance and uses to decide on resource allocation. Thefollowing table shows the information about each segment. The operational profit and breakdowns below are regularly considered in evaluating theperformance of segments. To reach the operating profit/ loss amount used to evaluate the performance of the segment, other income and expenses fromoperating activities are deducted from the consolidated operating profit/ loss amount presented in the consolidated financial statements. Operating profit/loss is not a measure of financial performance defined in TFRS and may not be comparable to similar indicators defined by other companies. Since the company management does not monitor the company's performance according to geographical segments, reporting is not given according to geographical segments.

For the period ended	System					Total
31 December 2025	Telecom	Integration	Technology	BDH	Unallocated	
Revenue	5.434.676.651	5.419.404.754	-	1.176.259.699	-	12.030.341.104
Cost of sales (-)	(5.105.019.536)	(5.045.241.168)	-	(1.068.657.494)	-	(11.218.918.198)
Gross margin	329.657.115	374.163.586	-	107.602.205	-	811.422.906
Sales,marketing and distribution expenses (-)	(72.777.833)	(194.771.722)	-	(95.896.264)	-	(363.445.819)
General administrative expenses (-)	-	-	-	-	(339.993.334)	(339.993.334)
Research and development expenses (-)	-	-	-	-	-	-
Operating profit / (loss) of segment	256.879.282	179.391.864	-	11.705.941	(339.993.334)	107.983.753

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4 SEGMENT REPORTING(Cont'd)

For the period ended 31 December 2024	Telecom	System Integration	Technology	BDH	Unallocated	Total
Revenue	3.339.946.765	4.793.323.142	-	1.042.117.159	-	9.175.387.066
Cost of sales (-)	(3.087.531.660)	(4.472.832.040)	-	(965.313.018)	-	(8.525.676.718)
Gross margin	252.415.105	320.491.102	-	76.804.141	-	649.710.348
Sales,marketing and distribution expenses (-)	(69.824.804)	(204.073.165)	-	(92.954.769)	-	(366.852.738)
General administrative expenses (-)	-	-	-	-	(286.302.869)	(286.302.869)
Research and development expenses (-)	-	-	(22.777.655)	-	-	(22.777.655)
Operating profit / (loss) of segment	182.590.301	116.417.937	(22.777.655)	(16.150.628)	(286.302.869)	(26.222.914)

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4 SEGMENT REPORTING(Cont'd)

31 December 2025	System				Total
	Telecom	Integration	BDH	Unallocated (*)	
Trade receivables	2.813.163.553	1.263.245.222	127.372.491	1.517.348	4.205.298.614
Due from related parties	133.520.724	-	-	-	133.520.724
Inventories	345.789.236	341.201.215	33.375.335	-	720.365.786
Contract assets	444.775.177	545.553.587	33.923.653	1.736	1.024.254.153
Segments assets	3.737.248.690	2.150.000.024	194.671.479	1.519.084	6.083.439.277
Trade payables (*)	310.720.341	846.313.624	163.991.481	41.552.111	1.362.577.557
Due to related parties	3.760.046.419	-	-	-	3.760.046.419
Contract liabilities	717.964.705	218.548.911	17.700	-	936.531.316
Other short term provision	-	2.333.906	-	31.882.348	34.216.254
Segment liabilities	4.788.731.465	1.067.196.441	164.009.181	73.434.459	6.093.371.546

31 December 2024	System				Total
	Telecom	Integration	BDH	Unallocated (*)	
Trade receivables	1.983.773.302	1.228.476.955	132.961.515	1.114.866	3.346.326.638
Due from related parties	70.667.551	-	-	-	70.667.551
Inventories	230.209.841	291.215.610	39.365.804	-	560.791.255
Contract assets	276.107.477	475.541.635	18.907.876	-	770.556.988
Segments assets	2.560.758.171	1.995.234.200	191.235.195	1.114.866	4.748.342.432
Trade payables (*)	214.862.795	1.576.761.865	167.130.183	36.683.798	1.995.438.641
Due to related parties	1.718.973.834	-	-	-	1.718.973.834
Contract liabilities	943.936.701	176.528.067	17.700	-	1.120.482.468
Other short term provision	-	12.599.232	-	27.295.475	39.894.707
Segment liabilities	2.877.773.330	1.765.889.164	167.147.883	63.979.273	4.874.789.650

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

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4 SEGMENT REPORTING(Cont'd)

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

	For the period ended 31 December 2025	For the period ended 31 December 2024
Operating (loss) of segment	107.983.753	(26.222.914)
Other (expenses)/income from operating activities (net)	(54.222.911)	(1.753.958)
Other (expenses)/income from investments (net)	2.459.857	1.127.323
Finance (expenses)/income (net)	(357.735.797)	(263.060.777)
(Loss) before tax	(301.515.098)	(289.910.326)

Assets	31 December 2025	31 December 2024
Segment assets	6.083.439.277	4.748.342.432
Other assets (*)	3.284.408.880	2.935.878.479
Total assets	9.367.848.157	7.684.220.911

Liabilities	31 December 2025	31 December 2024
Segment liabilities	6.093.371.546	4.874.789.650
Other liabilities (*)	3.552.787.606	2.792.266.051
Total liabilities	9.646.159.152	7.667.055.701

(*) Other assets consist of items such as unallocated cash, tax assets and prepaid expenses, as well as items such as tangible and intangible assets, right-of-use assets and goodwill that are benefited equally by all segments. Other liabilities consist of items such as unallocated bank loans, tax liabilities, payables from lease transactions, personnel payables and provisions.

5 CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Bank- demand deposits	354.821.109	255.852.092
Bank- time deposits	2.200.097	225.701.984
	357.021.206	481.554.076

Currency	Original Currency	Interest Rate %	Maturity	31 December 2025
TL	2.200.097	30,00 - 38,00	January 2026	2.200.097
				2.200.097

Currency	Original Currency	Interest Rate %	Maturity	31 December 2024
TL	225.701.984	32,00 - 43,50	January 2025	225.701.984
				225.701.984

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

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6 BORROWINGS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short term financial liabilities		
Short term unsecured loans	1.928.968.028	1.792.933.939
	<u>1.928.968.028</u>	<u>1.792.933.939</u>

As of 31 December 2025, effective interest rate for USD loans is 9,12% and effective interest rate for KZT loans is 21%. (As of 31 December 2024, effective effective interest rate for USD loans is 8,77%)

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

Original Currency				
Currency	Amount	Interest Rate(%) (*)	Maturity	31 December 2025
USD	44.138.409	7,50-10,46	January 2026-December 2026	1.891.141.030
KZT	450.000.000	21,00	March 2026-May 2026	37.826.998
				<u>1.928.968.028</u>

Original Currency				
Currency	Amount	Interest Rate(%) (*)	Maturity	31 December 2024
USD	50.819.691	6,25-9,50	February 2025-December 2025	1.792.933.939
				<u>1.792.933.939</u>

(*) Presents the lower and upper rates.

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-Term Portion of Long-Term Financial Liabilities		
Short-Term Portion of Long-Term Lease Liabilities	170.578.203	146.960.238
	<u>170.578.203</u>	<u>146.960.238</u>

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6 BORROWINGS (cont'd)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Long term financial liabilities		
Long term lease liabilities	306.159.324	251.284.671
Long term unsecured loans	556.111.565	76.365.925
	<u>862.270.889</u>	<u>327.650.596</u>

The details of long-term unsecured loans of the Group are given below:

Currency	Original Currency		Maturity	31 December 2025
	Amount	Interest Rate(%) (*)		
USD	12.979.402	9,43-10,24	January 2027-July 2027	556.111.565
				<u>556.111.565</u>

Currency	Original Currency		Maturity	31 December 2024
	Amount	Interest Rate(%) (*)		
TL	76.365.925	8,45	Haziran 2026	76.365.925
				<u>76.365.925</u>

(*) Presents the lower and upper rates.

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.

	<u>2025</u>	<u>2024</u>
Opening-1 January	1.869.299.864	1.297.908.289
Cash inflow under within borrowings received	2.322.399.995	2.163.599.382
Cash pouflow under within borrowings received	(2.100.026.823)	(1.987.528.532)
Interest accruals changes	365.079.241	249.671.196
Interest paid	(224.589.756)	(251.264.538)
Currency translations changes	252.917.072	396.914.067
Closing-31 December	<u>2.485.079.593</u>	<u>1.869.299.864</u>

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

	<u>2025</u>	<u>2024</u>
Opening-1 January	398.244.909	284.566.414
Additions	143.202.466	157.005.385
Interest expenses and foreign exchange loss on lease liabilities	62.670.287	39.115.836
Lease payments	(175.505.147)	(114.956.920)
Foreign Currency Translation Difference	48.125.012	32.514.194
Closing-31 December	<u>476.737.527</u>	<u>398.244.909</u>

As of 31 December 2025, liabilities arising from leasing transactions are in TL and consist of liabilities accounted with fixed rate borrowing interest rates, which vary between 14,81% and 31%. The maturity structure of debts arising from leasing transactions and the exchange rate risk carried over are presented in Note 29.

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7 TRADE RECEIVABLES AND PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade Receivables from Third Parties		
Trade receivables	4.695.659.854	3.755.311.303
Discount on trade receivables (*)	(46.739.158)	(51.238.406)
Allowances for doubtful receivables (-)	(443.622.082)	(357.746.259)
	<u>4.205.298.614</u>	<u>3.346.326.638</u>

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

	<u>2025</u>	<u>2024</u>
Movement of Allowance for Doubtful Receivables		
Reported as of 1 January	(357.746.259)	(298.823.538)
Charge for the period	(6.237.656)	(274.487)
Provision no longer required	316.949	1.524.500
Currency translation differences	(79.955.116)	(60.172.734)
As of 31 December	(443.622.082)	(357.746.259)

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. (Note 29)

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade Payables to Third Parties		
Trade payables	1.362.577.557	1.995.438.641
	<u>1.362.577.557</u>	<u>1.995.438.641</u>

8 OTHER RECEIVABLES AND PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Other Receivables		
Receivable of tax return	399.076	5.041.345
Deposits and guarantees given	1.320.143	793.060
Other	1.446.896	1.060.911
	<u>3.166.115</u>	<u>6.895.316</u>

	<u>31 December 2025</u>	<u>31 December 2024</u>
Short Term Other Payables		
Taxes and duties payables	177.419.601	128.538.397
Other	1.368.400	1.751.881
	<u>178.788.001</u>	<u>130.290.278</u>

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9 INVENTORIES

Inventories are stated at their cost values and allocated the provision for impairment on inventories.

	31 December 2025	31 December 2024
Raw materials	204.452.052	174.387.217
Finished goods	113.213.359	74.275.442
Trade goods	410.293.438	321.224.783
Allowance for inventory impairment (-)	(7.593.063)	(9.096.187)
	720.365.786	560.791.255

Movement table of provision for inventory impairment is as follows:

	2025	2024
<u>Movement for allowance:</u>		
Opening balance	(9.096.187)	(650.066)
Released for the year	12.661.530	12.917.442
Provision	(9.477.036)	(20.650.335)
Foreign currency translation difference	(1.681.370)	(713.228)
Closing balance	(7.593.063)	(9.096.187)

10 PREPAID EXPENSES

	31 December 2025	31 December 2024
Short term prepaid expenses		
Short term prepaid expenses (*)	60.860.462	63.348.024
Advances given for inventories	73.012.459	46.732.811
	133.872.921	110.080.835
	31 December 2025	31 December 2024
Long term prepaid expenses		
Long term prepaid expenses (*)	2.179.002	1.178.336
	2.179.002	1.178.336

(*) It consists of prepaid rent and insurance expenses.

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11 CONTRACT ASSETS AND LIABILITIES

Details of the contract assets are given below;

Customer	31 December 2025		31 December 2024	
	Short Term	Total	Short Term	Total
Telecom	444.775.177	444.775.177	276.107.477	276.107.477
System Integration	545.553.587	545.553.587	475.541.635	475.541.635
Technology	-	-	-	-
BDH	33.923.653	33.923.653	18.907.876	18.907.876
Other	1.736	1.736	-	-
	1.024.254.153	1.024.254.153	770.556.988	770.556.988

Details of the contract liabilities are given below;

Customer	31 December 2025		31 December 2024	
	Short Term	Total	Short Term	Total
Telecom	717.964.705	717.964.705	943.936.701	943.936.701
System Integration	218.548.911	218.548.911	176.528.067	176.528.067
Technology	-	-	-	-
BDH	17.700	17.700	17.700	17.700
Other	-	-	-	-
	936.531.316	936.531.316	1.120.482.468	1.120.482.468

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 2025, impairment in the amount of 23.151.845 TL was recognized (31 December 2024: 20.889.889 TL).

Contractual obligations represent the Group's obligation to deliver goods and services in return for the price collected from its customers.

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12 PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment	Vehicles	Furniture and fixtures	Leasehold Improvements	Total
<u>Cost</u>					
1 January 2025	1.058.158.046	1.299.156	104.661.542	371.831.943	1.535.950.687
Translation difference	238.991.999	372.424	25.718.200	87.480.559	352.563.182
Additions	7.805.214	-	1.389.923	-	9.195.137
Disposals	(4.429.716)	-	(273.972)	-	(4.703.688)
31 December 2025	1.300.525.543	1.671.580	131.495.693	459.312.502	1.893.005.318
<u>Accumulated Depreciation</u>					
1 January 2025	(964.342.459)	(1.299.156)	(93.100.982)	(334.897.406)	(1.393.640.003)
Translation difference	(213.248.404)	(372.424)	(22.371.347)	(76.006.381)	(311.998.556)
Period charge	(20.894.403)	-	(3.089.483)	(10.707.442)	(34.691.328)
Disposals	3.873.665	-	213.764	-	4.087.429
31 December 2025	(1.194.611.601)	(1.671.580)	(118.348.048)	(421.611.229)	(1.736.242.458)
Net book value at 31 December 2025	105.913.942	-	13.147.645	37.701.273	156.762.860

As of 31 December 2025, depreciation charge is TL 34.691.328. TL 15.538.308 is accounted in cost of sales, TL 18.386.837 in general administrative expenses, TL 766.183 in sales, marketing, and distribution expenses.

As of 31 December 2025, the total insurance amount of the Group's asset values is TL 782.142.932.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2024.

As of 31 December 2025, 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
Cost					
1 January 2024	904.979.105	943.217	90.126.637	298.817.717	1.294.866.676
Translation difference	190.546.138	355.939	23.968.582	70.979.049	285.849.708
Additions	18.185.711	-	909.693	2.035.177	21.130.581
Disposals	(55.552.908)	-	(10.343.370)	-	(65.896.278)
31 December 2024	1.058.158.046	1.299.156	104.661.542	371.831.943	1.535.950.687
Accumulated Depreciation					
1 January 2024	(818.348.215)	(863.011)	(79.431.579)	(268.539.507)	(1.167.182.312)
Translation difference	(176.512.827)	(320.344)	(20.541.873)	(58.755.338)	(256.130.382)
Period charge	(23.128.034)	(115.801)	(3.461.191)	(7.602.561)	(34.307.587)
Disposals	53.646.617	-	10.333.661	-	63.980.278
31 December 2024	(964.342.459)	(1.299.156)	(93.100.982)	(334.897.406)	(1.393.640.003)
Net book value at 31 December 2024	93.815.587	-	11.560.560	36.934.537	142.310.684

As of 31 December 2024, depreciation charge is TL 34.307.587. TL 13.465.683 is accounted in cost of sales, TL 18.941.646 in general administrative expenses, TL 1.900.258 in sales, marketing, and distribution expenses.

As of 31 December 2024, the total insurance amount of the Group's asset values is TL 729.772.048.

Group Management has concluded that there is no indication of impairment in the amount of property, plant and equipment as of 31 December 2024.

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

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12 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Tangible fixed assets are depreciated principally on a straight-line basis using the following rates:

	<u>Useful Lives</u>
Machinery and Equipment	3-10
Vehicles	5-10
Leasehold Improvements	5-10
Furniture and fixtures	5-15

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	2025	2024
Opening Balance	646.621.149	539.546.509
Translation difference	138.659.468	107.074.640
Closing Balance	785.280.617	646.621.149

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 2025 and 31 December 2028, 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 2025. The valuation report has been prepared by an independent valuation company. Income approach has been applied in the valuation study of related segments. The present value of cash flows expected to be generated by the Company in the future is calculated by discounting cash flows today using a discount rate appropriate to the Company's risk profile.

The result of income approach and sensitivity analysis indicates that, the firm value of related segments is between USD 36,6 million and USD 42,8 million. Considering the Company's adjusted net debt level of USD 6,9 million as of the valuation date, the share value is estimated to be between USD 29,7 million and USD 35,8 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 2025.

Significant assumptions used in discounted cash flow projections

The significant assumptions used in the calculation of recoverable amounts are discount rates and final growth rates. The after-tax discount rate was used in the valuation studies. The Weighted Average Cost of Capital rate used in the study is variable and 13,4% (31 December 2024: 13,5%) over the years since the tax rate will be changed during the projection period. In the WACC calculation, 0,83 (31 December 2024: 0,85) was used as asset beta. Throughout the projection period, the company's debt / capital ratio is predicted to be 21,6% (31 December 2024: 19,3%) and a business risk premium of 1% (31 December 2024: 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 (13,4% or 13,9% instead of 12,9%) (31 December 2024: 13,5% or 14% instead of 13%), as of 31 December 2025 in the fair value calculation. It causes an increase of TL 85,7 million (31 December 2024: TL 95,3 million) and a decrease of TL 81,4 million (31 December 2024: TL 88,2 million) respectively. As a result of the impairment sensitivity test, it was determined that there was no impairment in the cash generating unit values.

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13 INTANGIBLE ASSETS(Cont'd)

Other Intangible Assets

	1 January- 31 December 2025			Total
	Customer Relations (*)	Other Intangible Assets (**)	Construction in Progress	
Cost				
Opening balance	344.409.092	870.124.421	5.853.217	1.220.386.730
Translation difference	30.372.911	193.045.750	962.693	224.381.354
Additions	-	1.691.624	1.276.614	2.968.238
Disposals	-	-	-	-
Closing balance	374.782.003	1.064.861.795	8.092.524	1.447.736.322
Accumulated amortization				
Opening balance	(344.409.092)	(737.296.850)	-	(1.081.705.942)
Translation difference	(30.372.911)	(165.951.057)	-	(196.323.968)
Period charge	-	(34.122.624)	-	(34.122.624)
Disposals	-	-	-	-
Closing balance	(374.782.003)	(937.370.531)	-	(1.312.152.534)
Net book value	-	127.491.264	8.092.524	135.583.788

(*) 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 2025, amortization charge is TL 34.122.624. TL 12.256.982 is accounted in cost of sales, TL 21.856.872 in general administrative expenses and TL 8.770 in sales, marketing and distribution expenses.

	1 January- 31 December 2024			Total
	Customer Relations (*)	Other Intangible Assets(**)	Construction in Progress	
Cost				
Opening balance	314.036.181	717.393.163	174.644	1.031.603.988
Translation difference	30.372.911	151.144.352	284.407	181.801.670
Additions	-	1.586.906	5.394.166	6.981.072
Disposals	-	-	-	-
Transfers	-	-	-	-
Closing balance	344.409.092	870.124.421	5.853.217	1.220.386.730
Accumulated amortization				
Opening balance	(314.036.181)	(573.801.188)	-	(887.837.369)
Translation difference	(30.372.911)	(125.459.080)	-	(155.831.991)
Period charge	-	(38.036.582)	-	(38.036.582)
Disposals	-	-	-	-
Closing balance	(344.409.092)	(737.296.850)	-	(1.081.705.942)
Net book value	-	132.827.571	5.853.217	138.680.788

(*)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 2024, amortization charge is TL 38.036.582. TL 20.205.880 is accounted in cost of sales, TL 17.812.103 in general administrative expenses and TL 18.599 in sales, marketing and distribution expenses.

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13 INTANGIBLE ASSETS(Cont'd)

Other Intangible Assets(Cont'd)

Intangible fixed assets are amortized principally on a straight-line basis using the following rates, which amortize the assets over their expected useful lives:

	<u>Amortization Ratio (%)</u>
Softwares	20
Customer Portfolio	10
Licenses	3-15
Rights	20

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

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>			
1 January 2025	517.724.225	363.783.598	881.507.823
Translation difference	65.479.772	31.624.190	97.103.962
Additions	58.305.348	84.897.118	143.202.466
31 December 2025	641.509.345	480.304.906	1.121.814.251
<u>Accumulated Amortization</u>			
1 January 2025	(267.515.106)	(245.781.430)	(513.296.536)
Translation difference	(45.441.263)	(27.069.056)	(72.510.319)
Additions	(58.214.812)	(62.134.686)	(120.349.498)
31 December 2025	(371.171.181)	(334.985.172)	(706.156.353)
Net book value at 31 December 2025	270.338.164	145.319.734	415.657.898
	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>			
1 January 2024	318.903.180	243.137.090	562.040.270
Translation difference	94.366.834	68.095.334	162.462.168
Additions	104.454.211	52.551.174	157.005.385
31 December 2024	517.724.225	363.783.598	881.507.823
<u>Accumulated Amortization</u>			
1 January 2024	(190.418.509)	(158.198.635)	(348.617.144)
Translation difference	(45.072.718)	(46.483.671)	(91.556.389)
Additions	(32.023.879)	(41.099.124)	(73.123.003)
31 December 2024	(267.515.106)	(245.781.430)	(513.296.536)
Net book value at 31 December 2024	250.209.119	118.002.168	368.211.287

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15 GOVERNMENT GRANTS

For the period ended 31 December 2024 the Group has received approved, well deserved and accrued incentive from TÜBİTAK TL 3.176.925 (31 December 2024: TL 6.991.445)

The Group is qualified for the incentives and exemptions provided by Support of Research and Development Act, numbered 5746 effective from 24 November 2008.

As of 31 December 2025, the Group has a corporate tax benefit of TL 6.429.811.377 due to research and development disbursement and this amount has been transferred (As of 31 December 2024, the Group has a corporate tax benefit of TL 4.946.024.871 due to research and development disbursement and amount is not utilized by the year end). The Group has booked deferred tax assets amounting to TL 773.020.495 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 2024, the amount of income tax incentive within the scope of Act numbered 5746 is TL 47.736.426 (31 December 2024: TL 34.040.683) and the total amount of social premium incentive within the scope of Act numbered 5746 and Social Security and General Health Insurance Act numbered 5510 is TL 39.365.031 (31 December 2024: TL 105.583.162). The related incentive income is accounted for by netting it off with the personnel expenses incurred.

16 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions	31 December	
	2025	2024
Onerous Contracts (*)	2.331.239	12.596.565
Provision for legal cases	31.885.015	27.298.142
	34.216.254	39.894.707

(*) The compulsory reasons created by the pandemic caused the Group's basic assumptions about the projects taken in the past to change. These changes, on the other hand, necessitated the expense of additional costs and similar provisions in previous projects. It has been evaluated within the scope of TAS 37 and a provision has been made for possible expenses.

For the year ended 31 December 2024, the Group has cash outflows of TL 8.077.343 for legal cases during the year (31 December 2024: TL 7.156.960).

	Onerous Contracts (*)	Provision for Legal Cases	Total
1 January 2025	12.596.565	27.298.142	39.894.707
Provision booked and released	(11.955.854)	7.185.537	(4.770.317)
Payments	-	(8.077.343)	(8.077.343)
Currency translations	1.690.528	5.478.679	7.169.207
31 December 2025	2.331.239	31.885.015	34.216.254

	Onerous Contracts (*)	Provision for returns	Provision for Legal Cases	Total
1 January 2024	62.246.925	27.303.104	22.682.320	112.232.349
Provision booked and released	(57.648.132)	(30.423.027)	7.055.685	(81.015.474)
Payments	-	-	(7.156.960)	(7.156.960)
Currency translations	7.997.772	3.119.923	4.717.097	15.834.792
31 December 2024	12.596.565	-	27.298.142	39.894.707

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17 COMMITMENTS

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

Guarantee Letters Given

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

Commitments, Pledges, Mortgages, Sureties ("CPMS") are given by the Company	31 December 2025	31 December 2024
A. Total amount of CPMS is given on behalf of own legal personality	-	-
B. Total amount of CPMS is given in favor of subsidiaries which are fully consolidated	-	-
C. Total amount of CPMS is given for assurance of third party's debts in order to conduct of usual business activities	-	-
D. Total Amount of other CPMS	-	-
i. Total amount of CPMS is given in favor of parent company	-	-
ii. Total amount of CPMS is given in favor of other group companies, which B and C doesn't include	-	-
iii. The amount of CPMS is given in favor of third party which C doesn't include	-	-
	<u>-</u>	<u>-</u>

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17 COMMITMENTS(Cont'd)

Guarantee Letters Received

	TL Equivalent	Original Currency		
		TL	USD	EURO
31 December 2025	45.054.854	4.608.513	944.000	-

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

Guarantees Given

According to the System Integration Agreement signed between fully consolidated subsidiary, Netaş Bilişim, and Cisco System International B.V., the Company agrees that all financial obligations will be jointly performed by the Company and Netaş Bilişim.

According to the contract between the Company and İGA Havalimanları İnşaatı Adi Ortaklığı Ticari İşletmesi, fully consolidated subsidiary and subcontracter named BDH, and its whole commitments are guaranteed by Netaş.

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18 EMPLOYEE BENEFITS

Employee Benefit Obligations:

	31 December 2025	31 December 2024
Social security payables	118.796.570	86.480.983
Payables to employees	1.739.049	62.392.976
	120.535.619	148.873.959

Short Term and Long Term Provisions for Employee Benefits:

	31 December 2025	31 December 2024
Short Term		
Provision for employee premiums	108.302.684	84.127.839
	108.302.684	84.127.839
Long Term		
Unused vacation provision	43.982.889	39.802.761
Provision for severance indemnity	123.567.145	116.594.372
Provision for retirement benefits	866.170	713.228
	168.416.204	157.110.361
Total		
Provision for employee premiums	108.302.684	84.127.839
Unused vacation provision	43.982.889	39.802.761
Provision for severance indemnity	123.567.145	116.594.372
Provision for retirement benefits	866.170	713.228
	276.718.888	241.238.200

An actuarial valuation was performed by an independent and authorized company for the Company's total liability for severance indemnity and retirement benefit as of 31 December 2025. Expected interest and service charges for 2026 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 53.919,68 per year as of 31 December 2025. (31 December 2024: TL 41.828,42). 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 2025	31 December 2024
Present value of severance indemnity provision	123.567.145	116.594.372
Net liability in balance sheet	123.567.145	116.594.372
Current service cost	12.143.984	10.071.163
Interest cost	20.854.771	14.368.647
Extra payment or loss / (gain)	13.995.295	8.063.457
Period charge at 31 December	46.994.050	32.503.267

Movement for severance indemnity provision:	2025	2024
1 January	116.594.372	93.936.851
Period charge	46.994.050	32.503.267
Severance indemnity paid	(49.823.183)	(27.168.205)
Actuarial (gain)/ loss	9.801.906	17.322.459
31 December	123.567.145	116.594.372

The assumption calculated to determine present value of severance indemnity and retirement benefit provision as of 31 December 2025 and 2024 are as follows:

Assumptions	31 December 2025	31 December 2024
Annual inflation rate	25,52%	23,35%
Annual discount rate	30,74%	28,48%
Net discount rate	4,16%	4,16%

Provision for Employee Bonus and Unused Vacation

The movement for employee bonus provision is as follows:

Movement for employee bonus provision:	2025	2024
1 January	84.127.839	88.422.594
Period charge	159.280.794	113.308.208
Payments	(135.105.949)	(117.602.963)
31 December	108.302.684	84.127.839

Movement for unused vacation provision:	2025	2024
1 January	39.802.761	26.673.944
Period charge	13.431.443	23.059.655
Payments	(9.251.315)	(9.930.838)
31 December	43.982.889	39.802.761

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19 OTHER ASSETS

Other Current Assets	31 December 2025	31 December 2024
VAT receivable	109.446.932	54.568.986
Personnel and business advances	1.346.243	962.561
Other	187.835	1.315.069
	110.981.010	56.846.616

20 SHAREHOLDERS' EQUITY

Paid in Capital

Shareholding structure of Company as of 31 December 2025 and 31 December 2024 are as follows:

Name	Share Class	Capital Nominal Value (TL)	Capital Amount (Number)	Shareholding Ratio (%)
ZTE Cooperatief U.A.	A	23.351.328	23.351.328	36,00%
ZTE Cooperatief U.A.	B	7.817.023	7.817.023	12,05%
ZTE Cooperatief U.A. (Total)		31.168.351	31.168.351	48,05%
Türk Silahlı Kuvvetlerini Güçlendirme Vakfı	A	9.729.720	9.729.720	15,00%
Public	B	23.966.729	23.966.729	36,95%
Total		64.864.800	64.864.800	100%

The capital of the company is TL 64.864.800 which is divided into 64.864.800 shares with a nominal value of TL 1 each. The share capital of the Company is fully paid.

The Company's share in actual circulation in Borsa Istanbul is 36.95%. (31 December 2024: 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.

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20 SHAREHOLDERS' EQUITY(Cont'd)

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.

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Primary legal reserves	11.997.507	11.997.507
Secondary legal reserves	22.899.853	22.899.853
Total	<u>34.897.360</u>	<u>34.897.360</u>

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 2024, 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.

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21 REVENUE AND COST OF SALES

The details of the Group's sales by geographies are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Net domestic sales	10.972.140.171	8.797.185.738
Net export	1.058.200.933	378.201.328
<i>Asia</i>	<i>931.938.054</i>	<i>335.521.165</i>
<i>Europe</i>	<i>85.857.161</i>	<i>14.257.785</i>
<i>United States</i>	<i>33.417.836</i>	<i>27.906.614</i>
<i>Africa</i>	<i>6.987.882</i>	<i>515.764</i>
Total net sales	12.030.341.104	9.175.387.066

The details of the Group's cost of sales are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Equipment expenses	7.162.166.802	5.960.957.609
Personnel expenses	2.473.162.905	1.456.099.400
Service/Support expenses	1.244.435.037	833.473.544
Transportation expenses	116.657.538	62.652.954
Depreciation and amortization expenses	105.021.159	79.181.758
Impairment of provision in inventory	9.477.036	20.650.335
Other	107.997.721	112.661.118
	11.218.918.198	8.525.676.718

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:

Performance Obligations:	1 January-31 December 2025				
	Telecom	System Integration	Technology	BDH	Total
Hardware performance obligation	5.145.590.258	711.335.620	-	-	5.856.925.878
Licence performance obligation	-	3.011.798.372	-	-	3.011.798.372
Maintenance performance obligation	80.471.869	700.780.349	-	1.176.259.699	1.957.511.917
Design performance obligation	18.057.138	245.766.263	-	-	263.823.401
Installation performance obligation	156.548.317	134.923.537	-	-	291.471.854
Other performance obligations	34.009.069	614.800.613	-	-	648.809.682
	5.434.676.651	5.419.404.754	-	1.176.259.699	12.030.341.104
Satisfaction of Performance Obligations:					
At a point in time	5.361.623.088	5.186.304.299	-	1.176.259.699	11.724.187.086
Overtime	73.053.563	233.100.455	-	-	306.154.018
	5.434.676.651	5.419.404.754	-	1.176.259.699	12.030.341.104

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21 REVENUE AND COST OF SALES

Performance Obligations:	1 January-31 December 2024				
	Telecom	System Integration	Technology	BDH	Total
Hardware performance obligation	3.141.225.843	1.271.467.945	-	-	4.412.693.788
Licence performance obligation	-	2.309.298.750	-	-	2.309.298.750
Maintenance performance obligation	68.750.601	532.539.695	-	1.042.117.159	1.643.407.455
Design performance obligation	22.532.259	115.567.743	-	-	138.100.002
Installation performance obligation	83.853.797	120.694.492	-	-	204.548.289
Other performance obligations	23.584.265	443.754.517	-	-	467.338.782
	3.339.946.765	4.793.323.142	-	1.042.117.159	9.175.387.066
Satisfaction of Performance Obligations:					
At a point in time	3.276.161.889	3.627.100.146	-	1.042.117.159	7.945.379.194
Overtime	63.784.876	1.166.222.996	-	-	1.230.007.872
	3.339.946.765	4.793.323.142	-	1.042.117.159	9.175.387.066

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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 2025	1 January- 31 December 2024
Sales, marketing and distribution expenses	363.445.819	366.852.738
General administrative expenses	339.993.334	286.302.869
Research and development expenses	-	22.777.655
	703.439.153	675.933.262
Personnel expenses	403.738.112	434.451.097
Depreciation and amortization expenses	84.142.291	66.285.414
Software expenses	50.239.279	36.967.888
Consultancy, audit and legal expenses	46.581.140	39.146.208
Outsourced service expenses	28.034.575	21.363.745
Severance indemnity and pension provision expenses	13.350.958	9.995.409
Electricity, water and gas expenses	11.512.958	9.540.601
Communication expenses	11.045.944	10.143.639
Personnel transportation expenses	10.236.043	7.769.704
Travel and meeting expenses	9.265.778	8.376.765
Private health insurance expenses	8.054.473	8.520.741
Cafeteria expenses	6.676.995	5.204.732
Other insures expenses	6.183.014	4.864.874
Fair and advertising expenses	5.168.732	2.630.827
Maintenance expenses	4.577.048	3.769.076
Consumable material expenses	1.194.932	1.425.555
Training expenses	583.409	2.538.467
Other	2.853.472	2.938.520
	703.439.153	675.933.262

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 2025	1 January- 31 December 2024
Personnel expenses:		
Cost of sales	2.473.162.905	1.456.099.400
Sales, marketing and distribution expenses	227.183.551	227.987.312
General administrative expenses	176.554.561	183.686.130
Research and development expenses	-	22.777.655
	2.876.901.017	1.890.550.497

	1 January- 31 December 2025	1 January- 31 December 2024
Depreciation and amortization expenses:		
Cost of sales	105.021.159	79.181.758
General administrative expenses	68.490.844	53.010.109
Sales, marketing and distribution expenses	15.651.447	13.275.305
	189.163.450	145.467.172

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23 INCOME AND EXPENSES FROM OTHER OPERATING ACTIVITIES

	1 January- 31 December 2025	1 January- 31 December 2024
Income from Other Operating Activities		
Discount income, net (*)	15.722.304	17.609.440
Reversal for doubtful receivables expenses	316.949	1.524.500
Foreign exchange income, net	-	7.412.023
	<u>16.039.253</u>	<u>26.545.963</u>

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

	1 January- 31 December 2025	1 January- 31 December 2024
Expenses from Other Operating Activities		
Other tax expenses	26.180.100	15.968.878
Foreign exchange expenses, net	19.478.055	-
Expenses for doubtful receivables provision	6.237.656	274.487
Legal case expenses	5.974.431	3.235.928
Other expenses and losses	12.391.922	8.820.628
	<u>70.262.164</u>	<u>28.299.921</u>

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:

	1 January- 31 December 2025	1 January- 31 December 2024
Income from Investing Activities		
Income from sales of property, plant and equipment	2.972.699	903.975
Income from scrap sales	87.257	553.991
	<u>3.059.956</u>	<u>1.457.966</u>

	1 January- 31 December 2025	1 January- 31 December 2024
Expenses from Investing Activities		
Loss from sales of tangible assets	600.099	330.643
	<u>600.099</u>	<u>330.643</u>

25 FINANCE INCOME / EXPENSES

	1 January- 31 December 2025	1 January- 31 December 2024
Financial Income		
Interest income	33.887.583	46.182.886
Foreign exchange gains, net (*)	-	6.856.606
	<u>33.887.583</u>	<u>53.039.492</u>

(*) Foreign exchange gains and losses related to cash and cash equivalents, borrowings, and other financial liabilities and currency translation difference.

	1 January- 31 December 2025	1 January- 31 December 2024
Financial Expenses		
Bank interest expenses	224.589.756	251.264.538
Interest and foreign exchange loss on leases	62.670.287	39.115.836
Guarantee letter commissions	28.995.052	27.038.162
Foreign exchange expenses, net (*)	19.059.498	-
Bank loan commissions and expenses	6.188.437	6.475.308
Other financial expenses	2.952.275	4.440.923
	<u>344.455.305</u>	<u>328.334.767</u>

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26 TAX ASSETS AND LIABILITIES

Corporate Tax

The Company and its subsidiaries incorporated in Turkey are subject to the tax legislation and practices in force in Turkey. Corporate tax returns are required to be filed by the evening of the last day of the fourth month following the end of the relevant fiscal year and are payable in a single installment by the end of the same month.

Corporations are required to calculate advance corporate tax on their quarterly taxable profits at the prevailing tax rate and declare such tax by the 17th day of the second month following the relevant quarter and pay it by the evening of the same day. Advance taxes paid during the year are offset against the corporate tax liability calculated in the annual corporate tax return for that year. If the amount of advance tax paid exceeds the calculated corporate tax liability, the excess amount may be refunded in cash or offset against other tax liabilities.

In Turkey, taxable profit for corporate tax purposes is determined by adjusting the statutory accounting profit for non-deductible expenses and tax-exempt income and deductions in accordance with the tax legislation. The general corporate tax rate applied to the tax base is 25% for profits earned in the 2023 fiscal year and subsequent taxation periods. Accordingly, the Company and its subsidiaries incorporated in Turkey have applied a tax rate of 25% in the calculation of current period tax and deferred tax as of 2025 (31 December 2024: 25%).

In addition, pursuant to Article 32/C added to the Corporate Tax Law, the corporate tax calculated in accordance with Articles 32 and 32/A of the Corporate Tax Law for profits earned in the 2025 fiscal year and subsequent taxation periods cannot be less than 10% of the corporate earnings before deductions and exemptions. The effects of this regulation are considered in the assessment of the current period tax expense and the recoverability of deferred tax assets.

Pursuant to the General Communiqué on Tax Procedure Law No. 555 published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd repeated), in accordance with Article 298 of the Tax Procedure Law No. 213, businesses operating in Turkey were required to apply inflation adjustment to their financial statements prepared under the tax legislation for the 2023 fiscal year. The inflation-adjusted financial statements were taken as the opening balance sheet for tax purposes starting from 1 January 2024. Accordingly, the Company's financial statements prepared for tax purposes have been subject to inflation adjustment as of the 2023 fiscal year.

However, pursuant to Provisional Article 37 added to the Tax Procedure Law and published in the Official Gazette dated 25 December 2025 and numbered 33118, financial statements prepared under the tax legislation will not be subject to inflation adjustment for the 2025 fiscal year and for the 2026 and 2027 fiscal years, including the related advance tax periods, regardless of whether the conditions for inflation adjustment are met. During these periods, in accordance with Article 298 (Ç) of the Tax Procedure Law, depreciable assets included in the financial statements prepared under the tax legislation and the accumulated depreciation related thereto recorded in the liabilities of such financial statements may be subject to tax revaluation. If the revaluation increase amounts arising from such revaluation are transferred to another account other than capital or withdrawn from the business, such amounts shall be subject to income or corporate tax in the period in which the transaction occurs, regardless of their relation to the profit of that period. The Company has not utilized the relevant revaluation option in its financial statements as of 31 December 2025.

The corporate tax rate in Malta is 35% (31 December 2024: 35%). The corporate tax rate in Kazakhstan is 20% (31 December 2024: 20%). The corporate tax rate in Algeria is 26% (31 December 2024: 26%).

The tax legislation in Turkey does not allow the Company and its subsidiaries to file consolidated tax returns. Therefore, the tax provision reflected in the financial statements has been calculated separately for each entity.

According to the Corporate Tax Law, tax losses reported on the corporate tax return can be deducted from the corporate tax base for up to five years. In Turkey, there is no procedure for reaching a tax settlement with the tax authorities regarding taxes payable. Tax authorities may examine tax returns and the underlying accounting records within five years following the end of the relevant fiscal year and may reassess tax liabilities as a result of such examinations.

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26 TAX ASSETS AND LIABILITIES (Cont'd)

Corporate Tax (Cont'd)

Dividend payments made by resident joint-stock companies in Turkey to individuals, non-resident entities and entities not subject to corporate or income tax, except for those exempt from such taxes, are subject to withholding tax at a rate of 15%. Dividend distributions are subject to withholding tax, which is declared in the period when the dividend is paid in cash or accounted for.

Dividend payments made by resident joint-stock companies in Turkey to other resident joint-stock companies in Türkiye are not subject to withholding tax. In addition, if the profit is not distributed or is added to capital, no withholding tax is calculated.

In the application of withholding tax rates on profit distributions made to non-resident entities and individuals, the withholding tax rates stipulated in the relevant Double Taxation Avoidance Agreements are also taken into consideration.

Dividend income derived by corporations from participation in the capital of another fully taxable corporation is exempt from corporate tax. In addition, 50% of the gains arising from the sale of participation shares held for at least two full years, as well as founder's shares, usufruct shares, pre-emptive rights and participation units of investment funds that fall within the scope of tax exemptions under the Corporate Tax Law, are exempt from corporate tax.

Previously, 50% of the gains arising from the sale of real estate (immovable property) held by corporations for at least two full years was exempt from corporate tax. However, with the amendment effective as of 15 July 2023, the 50% tax exemption for gains from the sale of immovable properties stipulated in the Corporate Tax Law has been abolished. Nevertheless, for immovable properties that were recorded in the assets of enterprises before 15 July 2023, the exemption will continue to be applied at a rate of 25%.

In order to benefit from this exemption, the relevant gain must be kept in a special reserve account in the liabilities of the financial statements prepared under the tax legislation and must not be withdrawn from the business for a period of five years. The gain may be added to capital within this period. In addition, the sales proceeds must be collected by the end of the second calendar year following the year in which the sale takes place.

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. With the Presidential Decree No. 4936, dated 31 December 2021, published in the Official Gazette dated 22 December 2021, the dividend withholding tax rate was reduced from 15% to 10%. With the Presidential Decree No. 9286, dated 21 December 2024, published in the Official Gazette dated 22 December 2024, the dividend withholding tax rate was increased from 10% to 15%. Transfer from retained earnings to share capital is not subject to withholding taxes.

Deferred Taxes

The Company calculates deferred tax assets and liabilities for temporary differences arising between the statutory financial statements prepared in accordance with tax legislation and the financial statements prepared in accordance with Turkish Financial Reporting Standards ("TFRS"). These differences generally arise from the recognition of certain income and expense items in different periods for tax purposes and for financial reporting purposes, as well as from differences between the carrying amounts of non-monetary assets and their tax bases due to differences in the functional currencies used. These differences are explained below. The Group calculates deferred tax on temporary differences using the tax rates that are expected to be applicable in the periods in which the temporary differences are expected to reverse. As consolidated tax returns are not permitted under the tax legislation in Turkey, subsidiaries with deferred tax assets are not offset against subsidiaries with deferred tax liabilities and are presented separately.

Global Minimum Corporate Tax (Pillar Two)

The Group has conducted the necessary research and analyses regarding the "Global Minimum Corporate Tax (Pillar Two)" framework, which has started to be implemented globally. Based on the analyses performed, the Group does not have any additional tax liability as of 31 December 2025 (31 December 2024: None).

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26 TAX ASSETS AND LIABILITIES(Cont'd)

Deferred Taxes(Cont'd)

Deferred tax assets/(liabilities)

	31 December 2025	31 December 2024
Trade receivables	(103.291.945)	(70.047.742)
Tangible and intangible assets	(117.609.514)	(95.983.394)
Trade payables and cost provisions	38.540.021	60.539.878
Carryforward tax losses	348.273.715	151.525.713
Carryforward tax losses and unused R&D tax exemption	773.020.495	744.029.072
Provision for unused vacation	10.096.985	9.013.711
Inventory and contract assets	(33.061.713)	(25.240.303)
Provisions for employee premiums	25.426.912	19.383.228
Contract liabilities	50.785.051	24.405.959
Legal provision	6.052.927	5.269.455
Severance indemnity and retirement provisions	52.015.008	48.969.753
Other	(84.348)	(770.405)
	1.050.163.594	871.094.925
	31 December 2025	31 December 2024
Deferred Tax Assets	1.050.163.594	871.094.925
Net Amount	1.050.163.594	871.094.925

The movement of deferred tax assets/ (liabilities) is as follows:

Movement for deferred taxes is as follows:

	31 December 2025	31 December 2024
Balance as of January, 1	871.094.925	700.716.534
Current charge deferred tax income	(10.942.791)	25.704.331
Accounting under equity	2.450.477	4.330.615
Translation difference	187.560.983	140.343.445
Closing	1.050.163.594	871.094.925

	31 December 2025	31 December 2024
Corporate tax	28.093.632	7.789.468
Prepaid taxes	(89.007.479)	(68.200.290)
Current tax liabilities/ (Current income tax assets)	(60.913.847)	(60.410.822)

	31 December 2025	31 December 2024
<u>Tax reconciliation</u>		
-		
(Loss) before tax	(301.515.098)	(289.910.326)
Tax rate	25%	25%
Computed tax expense	75.378.775	72.477.582
<u>Tax effects of:</u>		
-		
Non-deductible expenses	(63.998.365)	(47.886.106)
Effect of change in R&D incentives	(119.948.527)	61.914.521
Effect of change in prior year tax losses recognized as deferred tax assets	-	(93.149.361)
Translation effect	65.483.155	13.397.856
Other adjustments	4.048.539	11.160.371
Total tax (loss)/ income	(39.036.423)	17.914.863

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26 TAX ASSETS AND LIABILITIES(Cont'd)

Deferred Taxes(Cont'd)

The Group has a total accumulated financial loss of TL 1.393.094.887 (31 December 2024: TL 903.246.200) that can be offset against future years' profits, and a deferred tax asset of TL 348.273.715 (31 December 2024: TL 151.525.713) has been recognized over this amount. In addition, the Group calculated a deferred tax asset of TL 773.020.495 (31 December 2024: TL 744.029.072) based on the corporate tax deduction arising from the R&D incentive it did not use (Note 15).

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

<u>Year occurred</u>	<u>Year can be used</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
2021	2026	290.345.926	290.896.416
2022	2027	249.717.088	249.849.723
2023	2028	217.667.546	218.075.161
2024	2029	144.318.361	144.424.900
2025	2030	491.045.966	-
		1.393.094.887	903.246.200

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

	<u>1 January 2025</u>	<u>Charge to Period</u>	<u>Charge to Equity</u>	<u>Translation Difference</u>	<u>31 December 2025</u>
Tangible and intangible assets	(95.983.394)	(8.517.528)	-	(13.108.592)	(117.609.514)
Trade receivables	(70.047.742)	(16.611.544)	-	(16.632.659)	(103.291.945)
Trade payables and cost provisions	60.539.878	(31.804.512)	-	9.804.655	38.540.021
Inventory and contract assets	(25.240.303)	263.477	-	(8.084.887)	(33.061.713)
Provisions for employee bonuses	19.383.228	2.458.850	-	3.584.834	25.426.912
Provision for unused vacation	9.013.711	(616.149)	-	1.699.423	10.096.985
Severance indemnity and retirement provisions	48.969.753	(7.865.131)	2.450.477	8.459.909	52.015.008
Contract liabilities	24.405.959	19.491.723	-	6.887.369	50.785.051
Carryforward tax losses	151.525.713	151.452.825	-	45.295.177	348.273.715
Unused R&D tax exemption	744.029.072	(119.948.527)	-	148.939.950	773.020.495
Legal Provision	5.269.455	(319.487)	-	1.102.959	6.052.927
Other	(770.405)	1.073.212	-	(387.155)	(84.348)
	871.094.925	(10.942.791)	2.450.477	187.560.983	1.050.163.594

	<u>1 January 2024</u>	<u>Charge to Period</u>	<u>Charge to Equity</u>	<u>Translation Difference</u>	<u>31 December 2024</u>
Tangible and intangible assets	(62.444.832)	(23.940.106)	-	(9.598.456)	(95.983.394)
Trade receivables	(16.188.180)	(46.997.127)	-	(6.862.435)	(70.047.742)
Trade payables and cost provisions	35.352.725	17.184.638	-	8.002.515	60.539.878
Inventory and contract assets	(53.594.127)	38.038.767	-	(9.684.943)	(25.240.303)
Provisions for employee bonuses	20.615.882	(4.517.301)	-	3.284.647	19.383.228
Provision for unused vacation	5.702.006	2.150.243	-	1.161.462	9.013.711
Severance indemnity and retirement provisions	42.715.603	(4.309.848)	4.330.615	6.233.383	48.969.753
Contract liabilities	35.410.298	(16.769.493)	-	5.765.154	24.405.959
Carryforward tax losses and unused R&D tax exemption (Note 15 and Note 26)	208.568.860	(91.519.926)	-	34.476.779	151.525.713
Carryforward tax losses	483.486.412	153.434.447	-	107.108.213	744.029.072
Legal Provision	3.993.322	449.674	-	826.459	5.269.455
Other	(2.901.435)	2.500.363	-	(369.333)	(770.405)
	700.716.534	25.704.331	4.330.615	140.343.445	871.094.925

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26 TAX ASSETS AND LIABILITIES(Cont'd)

Tax Advantages Obtained Within the Scope of Investment Incentive System

As of 31 December 2024, the Group has calculated a deferred tax asset of TL 773.020.495 (31 December 2024: TL 744.029.072) 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:

	<u>31 December 2025</u>	<u>31 December 2024</u>
In 2025	-	21.572.255
In 2026	-	52.713.571
In 2027	-	156.727.118
In 2028	151.513.120	307.686.459
In 2029	287.216.451	205.329.669
In 2030	334.290.924	-

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:

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 2025:

- 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 3 years starting from 2028.

Sensitivity analyzes

If the assumptions used in the projection period are 0,5% higher or lower, it causes an increase of 156 thousand TL and a decrease of 156 thousand TL, respectively, in the deferred tax asset calculation as of 31 December 2025.

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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.

	1 January- 31 December 2025	1 January- 31 December 2024
Number of shares	64.864.800	64.864.800
Net profit/ (loss) for the period	(349.942.393)	(280.541.832)
(Loss) per share (kurus)	(5,3950)	(4,3250)

28 RELATED PARTY DISCLOSURES

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

Due from Related Parties	31 December 2025	31 December 2024
ZTE İstanbul Telekomünikasyon A.Ş. (1)	133.520.724	70.648.264
ZTE Belgium (1)	-	19.287
	133.520.724	70.667.551

Due to Related Parties	31 December 2025	31 December 2024
ZTE İstanbul Telekomünikasyon A.Ş. (1)	3.216.505.081	1.503.610.880
ZTE Corporation(2)	543.541.338	215.362.954
	3.760.046.419	1.718.973.834

According to ‘‘TAS 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

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28 RELATED PARTY DISCLOSURES(Cont'd)

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

Sales	1 January- 31 December 2025	1 January- 31 December 2024
ZTE İstanbul Telekomünikasyon A.Ş. (1)	112.771.285	54.867.280
ZTE Corporation(2)	-	42.642
	112.771.285	54.909.922

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.

Purchases	1 January- 31 December 2025	1 January- 31 December 2024
ZTE İstanbul Telekomünikasyon A.Ş. (1)	3.203.614.163	2.425.268.478
	3.203.614.163	2.425.268.478

(1) The company which controlled by ultimate parent

(2) Main partner

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 2025, total remuneration for the directors and management board of the Group is TL 81.051.077 (31 December 2024: TL 81.759.489). As of 31 December 2025, and 31 December 2024 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 2025, and 31 December 2024 the Group's net debt / total equity ratios are as follows:

	31 December 2025	31 December 2024
Short-term and long-term borrowings (*)	2.485.079.593	1.869.299.864
Cash and cash equivalents	(357.021.206)	(481.554.076)
Net financial debt	2.128.058.387	1.387.745.788
Equity	(301.318.150)	3.548.927
Net financial debt/ Equity Ratio	(%706)	%39.103

(*) 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:

<u>31 December 2025</u>	<u>Trade Receivables</u>		<u>Contract Assets related to</u>	<u>Other Receivables</u>	<u>Deposits at Banks</u>
	<u>Related Parties</u>	<u>Other</u>	<u>Goods and Services Provided</u>	<u>Other</u>	
Maximum credit risks as of balance sheet date (A+B+C+D)	133.520.724	4.205.298.614	1.024.254.153	3.166.115	357.021.206
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	133.520.724	3.744.778.250	1.024.254.153	3.166.115	357.021.206
(B) Net book value of overdue but not impaired financial assets	-	460.520.364	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	443.622.082	-	-	-
Impairment (-)	-	(443.622.082)	-	-	-
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)

<u>31 December 2024</u>	<u>Trade Receivables</u>		<u>Contract Assets related to</u>	<u>Other Receivables</u>	<u>Deposits at Banks</u>
	<u>Related Parties</u>	<u>Other</u>	<u>Goods and Services Provided</u>	<u>Other</u>	
Maximum credit risks as of balance sheet date (A+B+C+D)	70.667.551	3.346.326.638	770.556.988	6.895.316	481.554.076
Maximum risk guaranteed by collateral	-	-	-	-	-
(A) Net book value of unexpired or not impaired financial assets	70.667.551	2.804.520.461	770.556.988	6.895.316	481.554.076
(B) Net book value of overdue but not impaired financial assets	-	541.806.177	-	-	-
Guaranteed by collateral	-	-	-	-	-
(C) Net book value of impaired assets	-	-	-	-	-
Overdue (gross book value)	-	357.746.259	-	-	-
Impairment (-)	-	(357.746.259)	-	-	-
Guaranteed by collateral	-	-	-	-	-
Unexpired (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed by collateral	-	-	-	-	-
(D) Off balance sheet risks	-	-	-	-	-

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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 2025	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%	0,8%	7,8%	22,6%	35,0%	11,2%	
As of period	4.804.486.492	175.697.365	57.537.021	6.641.530	13.784.924	206.859.525	5.265.006.857
Expected credit loss	-	1.493.392	4.482.444	1.502.298	4.830.470	23.145.486	35.454.090

31 December 2024	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%	1,1%	6,1%	7,6%	11,9%	17,8%	
As of period	3.619.455.273	126.000.676	143.104.439	59.508.510	35.417.780	177.774.773	4.161.261.451
Expected credit loss	-	1.340.463	8.237.163	4.200.564	3.780.181	26.819.454	44.377.825

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29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT(Cont'd)

Liquidity risk

The Group manages its liquidity risk by having sufficient cash and similar resources to fulfill its current and potential obligations on time. The table showing the liquidity risk of the Group as of 31 December 2025 and 31 December 2024 is presented:

31 December 2025

<u>Maturities due to agreements</u>	Carrying amount	Cash outflows				
		due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
<u>Non- derivative financial liabilities</u>	8.263.229.097	8.431.069.587	5.817.170.994	1.819.720.248	794.178.345	-
Financial liabilities	2.485.079.593	2.599.006.402	433.474.036	1.705.904.551	459.627.815	-
Lease Liabilities	476.737.527	530.651.208	82.284.981	113.815.697	334.550.530	-
Due to related parties	3.760.046.419	3.760.046.419	3.760.046.419	-	-	-
Other trade payables to third parties	1.362.577.557	1.362.577.557	1.362.577.557	-	-	-
Other payables to third parties	178.788.001	178.788.001	178.788.001	-	-	-

31 December 2024

<u>Maturities due to agreements</u>	Carrying amount	Cash outflows				
		due to agreements	Up to 3 months	3-12 months	1-5 years	More than 5 years
<u>Non- derivative financial liabilities</u>	6.112.247.526	6.218.143.092	4.272.672.307	1.627.392.868	318.077.917	-
Financial liabilities	1.869.299.864	1.936.677.989	364.320.320	1.486.437.836	85.919.833	-
Lease Liabilities	398.244.909	436.762.350	63.649.234	140.955.032	232.158.084	-
Due to related parties	1.718.973.834	1.718.973.834	1.718.973.834	-	-	-
Other trade payables to third parties	1.995.438.641	1.995.438.641	1.995.438.641	-	-	-
Other payables to third parties	130.290.278	130.290.278	130.290.278	-	-	-

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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 2025	31 December 2024
Fixed interest rate financial instruments	4.210.664.826	3.578.923.938
Cash and Cash Equivalents (*)	2.200.097	225.701.984
Trade Receivables	4.205.298.614	3.346.326.638
Other Receivables	3.166.115	6.895.316
Fixed interest rate financial liabilities	8.263.229.097	6.112.247.526
Short and Long Term Unsecured Loans	2.485.079.593	1.869.299.864
Lease Liabilities	476.737.527	398.244.909
Trade Payables	5.122.623.976	3.714.412.475
Other Payables	178.788.001	130.290.278
Variable interest rate financial instruments	-	-
Short and Long Term Unsecured Loans	-	-
Interest-free financial liabilities	-	-
Non Interest bearing unsecured spot loans	-	-

(*) As of 31 December 2025 and 31 December 2024, 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.

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29 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Cont'd)

Foreign currency risk(Cont'd)

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

31 December 2025	TL Equivalent (*)	Original Currency			
		TL	Euro	USD	Other
Current Assets	1.097.751.536	615.964.956	878.067	1.276.974	64.551.570
Cash and cash equivalents	16.617.033	7.960.604	159.655	-	1.819.159
Trade receivables, third parties	1.077.968.388	604.838.237	718.412	1.276.974	62.732.411
Other receivables, third parties	3.166.115	3.166.115	-	-	-
TOTAL ASSETS (A)	1.097.751.536	615.964.956	878.067	1.276.974	64.551.570
Short Term Liabilities	738.072.481	610.302.353	1.303.088	1.451.398	49.869
Financial liabilities	-	-	-	-	-
Lease liabilities	170.578.203	170.578.203	-	-	-
Trade payables, third parties	388.706.277	260.936.149	1.303.088	1.451.398	49.869
Other payables, third parties	178.788.001	178.788.001	-	-	-
Long Term Liabilities	306.159.324	306.159.324	-	-	-
Lease liabilities	306.159.324	306.159.324	-	-	-
TOTAL LIABILITIES (B)	1.044.231.805	916.461.677	1.303.088	1.451.398	49.869
Net Foreign Currency Asset / (Liability) Position (A-B)	53.519.731	(300.496.721)	(425.021)	(174.424)	64.501.701

(*) 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 2024	TL Equivalent (*)	TL	Original Currency		
			Euro	USD	Other
Current Assets	1.059.601.416	900.183.733	1.209.568	2.675.732	7.868.289
Cash and cash equivalents	297.977.043	293.035.524	107.313	-	3.793.868
Trade receivables, third parties	754.729.057	600.252.893	1.102.255	2.675.732	4.074.421
Other receivables, third parties	6.895.316	6.895.316	-	-	-
TOTAL ASSETS (A)	1.059.601.416	900.183.733	1.209.568	2.675.732	7.868.289
Short Term Liabilities	704.075.918	594.652.490	2.238.586	770.290	496
Financial liabilities	-	-	-	-	-
Lease liabilities	146.960.238	146.960.238	-	-	-
Trade payables, third parties	426.825.402	317.401.974	2.238.586	770.290	496
Other payables, third parties	130.290.278	130.290.278	-	-	-
Long Term Liabilities	251.284.671	251.284.671	-	-	-
Lease liabilities	251.284.671	251.284.671	-	-	-
TOTAL LIABILITIES (B)	955.360.589	845.937.161	2.238.586	770.290	496
Net Foreign Currency Asset / (Liability) Position (A-B)	104.240.827	54.246.572	(1.029.018)	1.905.442	7.867.793

(*) The functional currency of the 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 2025			
	Profit / (Loss)		Equity	
	<u>Appreciation</u>	<u>Devaluation</u>	<u>Appreciation</u>	<u>Devaluation</u>
<i>Effect of 10 % appreciation/devaluation in TL -USD exchange rate :</i>				
Net asset / (liability) in TL	(30.049.672)	30.049.672	(30.049.672)	30.049.672
Hedged portion from TL risk (-)	-	-	-	-
(1) Net effect of TL	(30.049.672)	30.049.672	(30.049.672)	30.049.672
<i>Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :</i>				
Net asset / (liability) in EUR	(2.137.256)	2.137.256	(2.137.256)	2.137.256
Hedged portion from EUR risk (-)	-	-	-	-
(2) Net effect of EUR	(2.137.256)	2.137.256	(2.137.256)	2.137.256
<i>Effect of 10 % appreciation/devaluation in USD – TL exchange rate :</i>				
Net asset / (liability) in USD	(17.442)	17.442	(17.442)	17.442
Hedged portion from USD risk (-)	-	-	-	-
(3) Net effect of USD	(17.442)	17.442	(17.442)	17.442
<i>Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:</i>				
Net asset / (liability) in other currencies	70.587.914	(70.587.914)	70.587.914	(70.587.914)
Hedged portion from other currencies risk (-)	-	-	-	-
(4) Net effect of other currencies	70.587.914	(70.587.914)	70.587.914	(70.587.914)
TOTAL (1+2+3+4)	38.383.544	(38.383.544)	38.383.544	(38.383.544)

	31 December 2024			
	Profit / (Loss)		Equity	
	<u>Appreciation</u>	<u>Devaluation</u>	<u>Appreciation</u>	<u>Devaluation</u>
<i>Effect of 10 % appreciation/devaluation in TL -USD exchange rate :</i>				
Net asset / (liability) in TL	5.424.657	(5.424.657)	5.424.657	(5.424.657)
Hedged portion from TL risk (-)	-	-	-	-
(1) Net effect of TL	5.424.657	(5.424.657)	5.424.657	(5.424.657)
<i>Effect of 10 % appreciation/devaluation in EURO – USD exchange rate :</i>				
Net asset / (liability) in EUR	(3.780.221)	3.780.221	(3.780.221)	3.780.221
Hedged portion from EUR risk (-)	-	-	-	-
(2) Net effect of EUR	(3.780.221)	3.780.221	(3.780.221)	3.780.221
<i>Effect of 10 % appreciation/devaluation in USD – TL exchange rate :</i>				
Net asset / (liability) in USD	190.544	(190.544)	190.544	(190.544)
Hedged portion from USD risk (-)	-	-	-	-
(3) Net effect of USD	190.544	(190.544)	190.544	(190.544)
<i>Effect of 10 % appreciation/devaluation in exchange rate of other foreign currencies:</i>				
Net asset / (liability) in other currencies	62.588.070	(62.588.070)	62.588.070	(62.588.070)
Hedged portion from other currencies risk (-)	-	-	-	-
(4) Net effect of other currencies	62.588.070	(62.588.070)	62.588.070	(62.588.070)
TOTAL (1+2+3+4)	64.423.050	(64.423.050)	64.423.050	(64.423.050)

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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 NET MONETARY POSITION GAINS / (LOSSES) DISCLOSURES

The amounts related to net monetary position gains and (losses) of the Group's Subsidiary ("BDH") before consolidation and elimination adjustments are as follows;

Non-Monetary Items	31 December 2025	31 December 2024
Statement of Financial Position Items		
Property, Plant and Equipment	25.871.270	25.757.108
Intangible Assets	634.497	283.466
Right of Use Assets	-	55.447.751
Share Capital	(55.388.244)	(55.111.076)
Accumulated Losses	(14.011.701)	(13.941.586)
Statement of Profit and Loss Items		
Revenue	(191.357.930)	(209.508.153)
Cost of Sales (-)	176.799.179	199.582.571
Sales, Marketing and Distribution Expenses (-)	7.266.575	9.822.980
Other Income from Operating Activities	(10.750)	(766.199)
Other Expenses from Operating Activities (-)	(437.533)	(2.189.750)
Income from Investment Activities	(11.355)	(135.673)
Financial Income	(6.452)	(65.326)
Financial Expenses (-)	3.484.369	3.058.385
NET MONETARY POSITION LOSSES	(47.168.075)	12.234.498

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32 SUBSEQUENT EVENTS

At the Board of Directors meeting held on 4 March 2026, in relation to the Company's current financial position, it was unanimously resolved to authorize the General Manager to urgently initiate communication with the relevant public authorities, law firms and intermediary institutions in order to develop a feasible capital increase plan aimed at strengthening the Company's financial structure in accordance with the relevant provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board ("CMB").

33 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR / INDEPENDENT AUDITOR'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:

	31 December 2025	31 December 2024
Independent audit fee for the reporting period	7.111.116	5.796.131
Fees for tax advisory services	1.981.860	1.290.100
Sustainability audit fee for the reporting period	899.760	820.053
Fee for other assurance services	102.716	345.000
Other services other than independent audit	756.688	574.232
	10.852.140	8.825.516