

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ
VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND SUBSIDIARIES
ENDING MARCH 31, 2025
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
AND NOTES**

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FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2025, AND DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

		Unaudited	Audited
		31 March	31 December
	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	5	46,270,519	116,717,690
Trade receivables		327,886,862	664,805,664
- <i>Trade receivables from third parties</i>	8	327,886,862	664,805,664
Other receivables		10,058,223	10,605,165
- <i>Other receivables from related parties</i>	4	6,953,476	7,653,188
- <i>Other receivables from third parties</i>	9	3,104,747	2,951,977
Inventories	11	244,412,331	123,226,234
Prepaid expenses	13	42,649,036	44,042,639
Current income tax assets		16,514	17,237
Other current assets	12	35,200,299	18,004,825
Total current assets		706,493,784	977,419,454
Non-current assets			
Other receivables		492,441	568,313
- <i>Other receivables from third parties</i>	9	492,441	568,313
Financial investments	6	13,183,528	13,183,528
Right of use assets	14	18,892,611	8,644,194
Investment properties	15	59,937,431	59,937,431
Property, plant and equipment	16	119,232,710	125,860,598
Intangible assets	17	387,182,998	354,122,187
Prepaid expenses	13	-	500,235
Total non-current assets		598,921,719	562,816,486
Total assets		1,305,415,503	1,540,235,940

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2025, AND DECEMBER 31, 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

		Unaudited	Audited
		31 March	31 December
	Notes	2025	2024
Liabilitied			
Short term liabilities			
Short-term borrowings	7	55,188,653	593,333
Short-term portion of long-term borrowings	7	65,633,823	89,650,428
Trade payables		267,826,083	507,240,502
- <i>Trade payables to third parties</i>	8	267,826,083	507,240,502
Employee benefit obligations	10	8,393,043	14,890,418
Other payables		7,813,353	4,815,744
- <i>Other payables to third parties</i>	9	7,813,353	4,815,744
Deferred income	13	3,425,614	4,897,592
Current income tax liability		4,529,242	4,679,672
Short-term provisions		10,387,644	9,109,935
- <i>Provisions for employee benefits</i>	21	9,219,084	7,464,805
- <i>Other short term provisions</i>	20	1,168,560	1,645,130
Total short-term liabilities		423,197,455	635,877,624
Long term liabilities			
Long-term borrowings	7	39,883,436	32,696,033
Long-term provisions		17,400,858	22,248,008
- <i>Provisions for employee benefits</i>	21	5,221,060	5,100,961
- <i>Other long term provisions</i>	20	12,179,798	17,147,047
Deferred tax liabilities	30	9,202,809	228,659
Total long term liabilities		66,487,103	55,172,701
Equity		811,184,060	842,520,640
Paid-in capital	22	67,000,000	67,000,000
Adjustment to share capital	22	230,542,560	230,542,560
Share premiums/discounts		508,416,550	508,416,550
Other comprehensive income or expenses not to be reclassified to profit or loss		(606,976)	(142,212)
- <i>Gains/(losses) on remeasurement of defined benefit plans</i>		(606,976)	(142,212)
Other comprehensive income or expenses to be reclassified to profit or loss		2,462,450	(528,753)
- <i>Foreign currency translation differences</i>		2,462,450	(528,753)
Restricted reserves	22	16,336,054	16,336,054
Retained earnings/(losses)		20,896,441	111,166,720
Net profit/(loss) for the period		(33,863,019)	(90,270,279)
Non-controlling interests		4,546,885	6,664,975
Total equity		815,730,945	849,185,615
Total Liabilities and Shareholders' Equity		1,305,415,503	1,540,235,940

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

		Unaudited 1 January – 31 March 2025	Unaudited 1 January – 31 March 2024
	Notes		
Revenue	23	245,705,985	269,086,393
Cost of sales (-)	23	(183,039,127)	(227,645,293)
Gross Profit		62,666,858	41,441,100
General administrative expenses (-)	24	(21,374,183)	(17,682,080)
Marketing, selling and distribution expenses (-)	25	(9,458,939)	(7,859,450)
Research and development expenses (-)	26	(9,445,023)	(2,075,507)
Other income from operating activities	27	48,568,264	57,475,927
Other operating expenses (-)	27	(65,157,912)	(70,321,061)
Operating Profit		5,799,065	978,929
Income from investing activities	28	13,872,602	6,430,283
Operating Profit before Finance Expenses		19,671,667	7,409,212
Finance income	29	24,121,003	50,442,134
Finance expenses (-)	29	(26,172,431)	(14,485,140)
Monetary gain/loss (-)	31	(35,945,484)	(81,717,555)
Loss for the Period from Continuing Operations before Tax		(18,325,245)	(38,351,349)
Tax Income/(Expense)			
- Current tax expense	30	(8,526,790)	(7,027,662)
- Deferred tax expense	30	(9,129,074)	(3,653,482)
Period Loss		(35,981,109)	(49,032,493)
Distribution of Profit/(Loss) for the Period			
Non-controlling interests		(2,118,090)	(423,852)
Parent company shares		(33,863,019)	(48,608,641)
Earnings per share		(0,54)	(0,73)
OTHER COMPREHENSIVE INCOME			
Items not to be reclassified to profit or loss			
Gains/(losses) on remeasurement of defined benefit plans		(142,212)	122,332
Taxes on other comprehensive income not to be reclassified to profit or loss		(464,764)	(28,239)
- <i>Deferred tax income</i>		(464,764)	(28,239)
Items to be reclassified to profit or loss			
Foreign currency translation differences		2,991,203	(92,773)
Total Other Comprehensive Income		2,384,227	1,320
Total Comprehensive Income		(33,596,882)	(49,031,173)
Breakdown of Total Comprehensive Income/(Expenses)			
Non-controlling interests		(2,118,090)	(423,852)
Parent company shares		(31,478,792)	(48,607,321)

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

				Other comprehensive income not to be reclassified under profit and loss		Other comprehensive income to be reclassified under profit and loss	Retained earnings			Non controlling interest	Total equity
	Paid-in capital	Adjustment to share capital	Premiums related to shares	Gain/(loss) arising from defined benefit plans	Restricted reserves	Currency translation differences	Retained earnings	Net profit/(loss) for the period	Equity holders of the parent		
Balance at January 1, 2024	67,000,000	230,542,560	508,416,550	(216,557)	16,336,054	(281,071)	107,071,624	13,419,732	942,288,890	-	942,288,890
Transfer	-	-	-	-	-	-	13,419,732	(13,419,732)	-	-	-
Business combination effect	-	-	-	-	-	-	-	-	-	7,487,154	7,487,154
Total comprehensive income/(loss)	-	-	-	93,802	-	(92,773)	-	(48,608,350)	(48,607,321)	(423,852)	(49,031,173)
- Profit/(loss) for the period	-	-	-	-	-	-	-	(48,608,350)	(48,608,350)	(424,143)	(49,032,493)
- Other comprehensive income/(expense)	-	-	-	93,802	-	(92,773)	-	-	1,029	291	1,320
Balances as of March 31, 2024	67,000,000	230,542,560	508,416,550	(122,755)	16,336,054	(373,844)	120,491,356	(48,608,350)	893,681,569	7,063,302	900,744,871
Balance at January 1, 2025	67,000,000	230,542,560	508,416,550	(142,212)	16,336,054	(528,753)	111,166,720	(90,270,279)	842,520,640	6,664,975	849,185,615
Transfer	-	-	-	-	-	-	(90,270,279)	90,270,279	-	-	-
Business combination effect	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	(464,764)	-	2,991,203	-	(33,863,019)	(31,336,580)	(2,118,090)	(33,454,670)
- Profit/(loss) for the period	-	-	-	-	-	-	-	(33,863,019)	(33,863,019)	-	(33,863,019)
- Other comprehensive income/(expense)	-	-	-	(464,764)	-	2,991,203	-	-	2,526,439	(2,118,090)	408,349
Balances as of March 31, 2025	67,000,000	230,542,560	508,416,550	(606,976)	16,336,054	2,462,450	20,896,441	(33,863,019)	811,184,060	4,546,885	815,730,945

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

	Unaudited	Unaudited
	1 January –	1 January –
	31 March	31 March
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period	(35,981,109)	(49,032,493)
Adjustments to reconcile net profit/(loss) for the period:	19,504,284	53,207,857
Adjustments related to depreciation and amortization expense	17,817,322	6,534,616
Adjustments related to impairment of receivables	3,492,665	(2,016)
Adjustments related to impairment of inventories	-	(19,376)
Adjustments related to provisions for employee benefits	(2,131,316)	249,768
Adjustments related to provisions	3,725,697	(2,382,295)
Adjustments related to tax (income)/expense	9,129,072	3,653,482
Interest expense	3,675,734	(7,870,304)
Interest income	(1,759,452)	(13,635,889)
Monetary (loss)/gain	(14,445,438)	66,679,871
Adjustments related to (increase)/decrease in trade receivables	(46,207,813)	202,335,760
Increase/(decrease) in financial investments	282,809,880	168,473,305
Decrease/(increase) in inventories	(121,186,097)	(8,018,511)
Adjustments related to increase in trade payables	(197,703,285)	85,862,381
Increase/(decrease) in employee benefit obligations	5,260,087	9,061,332
Increase/(decrease) in prepaid expenses	1,893,838	(34,059,568)
Increase/(decrease) in deferred income	(1,048,952)	(671,701)
(Increase)/decrease in other operating assets	(19,754,259)	(18,062,174)
Increase/(decrease) in other operating liabilities	3,520,975	(249,304)
Cash Flows from operating activities	(62,684,638)	206,511,124
Tax payments/(refunds)	(284,998)	-
Net cash flows from operating activities	(62,969,636)	206,511,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from sale of property, plant and equipment and intangible assets	29,038,544	1,231,285
Cash outflows from sale of property, plant and equipment and intangible assets	(55,386,605)	(65,707,300)
Cash used in investing activities	(26,348,061)	(64,476,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from borrowings	56,357,259	143,445,281
Cash outflows from borrowings	(14,096,212)	(179,234,480)
Effects of business combination	-	(2,142,989)
Interest received	1,759,452	25,772,297
Interest paid	(14,244,889)	(12,136,408)
Other cash outflows/inflows	(2,106,998)	-
Cash from financing activities	27,668,612	(24,296,299)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES	(61,649,085)	117,738,810
EFFECT OF CURRENCY TRANSLATION DIFFERENCES	2,991,203	(92,773)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(58,657,882)	117,646,037
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	116,717,690	370,490,971
Effects of inflation on cash	(11,789,289)	(63,643,354)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	46,270,519	424,493,654

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi and its subsidiaries will be referred to as the “Group” in the notes to the consolidated financial statements. Information regarding the operations of the companies included in the consolidation is as follows;

Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi (“Parent Company” or the “Company”)

Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi was established on May 03, 2006 in Ankara/Turkey with the title “Forte Bilgi ve İletişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi” and changed its title on September 24, 2021. The main field of activity of the Company is to purchase and sell all kinds of electronic data processing and communication machines and to provide technical support for related products; also to produce and develop application software, database, operating system software, productivity enhancing software, to carry out R&D activities related to these, and to provide installation and technical support for them. The Company carries out its R&D activities at its branch office located at Hacettepe University Teknokent.

The shares of Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi started to be traded on Borsa Istanbul Main Market with the code “FORTE” and continuous trading method as of June 14, 2023.

The Group's software projects as of March 31, 2025 are as follows;

- Factory Production Management System Project
- Integrated Logistics Support System
- SMarch Project Portfolio Management and Analysis Systems
- Interactive Technical Documentation System Viewer
- Interactive Technical Documentation System Editor
- Unmanned Aerial Vehicle Management Information System
- Azerbaijan Personnel and Logistics Management Information System
- Artificial Intelligence Assistant
- Crowdfunding Platform System

As of March 31, 2025, the Company's average number of personnel is 181 (December 31, 2024: 159).

The capital structure of the Company as of March 31, 2025 and December 31, 2024 is presented in Note 22.

As of the report date, the Company's head office address is as follows,

Mustafa Kemal Mahallesi, 2123 Caddesi, Cepa Sitesi Alışveriş Merkezi No: 2/501, Çankaya/Ankara.

As of the date of this report, the Company has 7 branches in Hacettepe Teknokent, Erzurum, Adana, Denizli, Gaziantep, İstanbul and Trabzon.

ELD Bilişim Sanayi Ticaret Anonim Şirketi (“ELD Bilişim” or the “Company”)

ELD Bilişim Sanayi Ticaret Anonim Şirketi was established on April 5, 2018 in Ankara / Turkey and its main field of activity is to provide services to public institutions and defense industry in the fields of system integration and software development.

ELD Bilişim's software projects as of March 31, 2025 are as follows;

- Material Coding and Integrated Logistics Information System
- Electronic Documentation Software (Eldok Project)
- Customer Relationship Management Software (Crm Project)
- Network Management System (FornetPlan)
- Organization Information System
- Integrated Logistics Support Artificial Intelligence Assistant

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (CONTINUED)

ELD Bilişim Sanayi Ticaret Anonim Şirketi (“ELD Bilişim” or the “Company”) (Continued)

As at March 31, 2025, the average number of personnel of ELD Bilişim is 38 (December 31, 2024: 30).

The shareholding structure of ELD Bilişim as of March 31, 2025 and December 31, 2024 is as follows;

	31 March 2025		31 December 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	10,000,000	100.00	10,000,000
Total	100.00	10,000,000	100.00	10,000,000

The head office address of ELD Bilişim is Üniversiteler Mahallesi, 1596. Cadde, Hacettepe Teknokent Sitesi, 5th R&D B Blok No:8 B/9 Çankaya/Ankara.

Forte Kitle Fonlama Platformu Anonim Şirketi (“Forte Kitle Fonlama” or “Company”)

Forte Crowdfunding Platform Incorporated Company will be incorporated on April 3, 2023, following the receipt of the Company's incorporation permit, as published in the Capital Markets Board's weekly bulletin dated February 23, 2023 and numbered 2023/12. It was established in Ankara/Turkey and its main activity is to act as an intermediary in equity-based crowdfunding activities and to operate a crowdfunding platform in accordance with Article 5, paragraph 1, subparagraph d of the “Communiqué on Crowdfunding” published by the Capital Markets Board in the Official Gazette dated October 27, 2021 and numbered 31641.

As of March 31, 2025, Forte Crowdfunding's average number of personnel is 3 (December 31, 2024: 4).

The shareholding structure of Forte Kitle Fonlama as of March 31, 2025 and December 31, 2024 is as follows;

	31 March 2025		31 December 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	15,000,000	100.00	15,000,000
Total	100.00	15,000,000	100.00	15,000,000

Forte Crowdfunding's headquarters address is Mustafa Kemal Mahallesi, 2123 Caddesi, Cepa Sitesi Shopping Center No: 2/501, Çankaya/Ankara.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (CONTINUED)

Forips B.V. (“Forips B.V.” or “Company”)

Forips B.V. (“the Company”) was established on September 6, 2023 in Eindhoven/Netherlands under the name “Forips B.V.”.

Forips B.V.'s field of activity is to carry out the marketing, promotion and sales activities of technology and software products that have already been produced in the European market and whose research and development processes are ongoing.

As of March 31, 2025 and December 31, 2024, the Company has no personnel.

The shareholding structure of Forips B.V. as of March 31, 2025 and December 31, 2024 is as follows;

	31 March 2025		31 December 2024	
	Share Ratio (%)	Share Amount (EUR)	Share Ratio (%)	Share Amount (EUR)
Shareholders				
ELD Bilişim Sanayi Ticaret Anonim Şirketi	100.00	100	100.00	100
Total	100.00	100	100.00	100

The registered address of the Company is Kastanjelaan 400, 5616 LZ, Eindhoven/Netherlands.

Cetwell Bilgi Teknolojileri ve Ziraî Sistemler Danışmanlık Hizmetleri İthalat İhracat Sanayi Ticaret Limited Şirketi (“Cetwell” or “Company”)

Cetwell Bilgi Teknolojileri ve Ziraî Sistemler Danışmanlık Hizmetleri İthalat İhracat Sanayi Ticaret Limited Şirketi (“the Company”) was established on March 7, 2018.

The Company's field of activity is the software, development, production, marketing, export and import of all kinds of agricultural systems and agricultural technologies.

As of March 31, 2025, the average number of personnel of the Company is 15 (December 31, 2024: 6).

The shareholding structure of Cetwell as of March 31, 2025 and December 31, 2024 is as follows;

	31 March 2025		31 December 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	51.00	765,000	51.00	765,000
Orhan Baldır	49.00	735,000	49.00	735,000
Total	100.00	1,500,000	100.00	1,500,000

The registered address of the Company is Acıdere OSB Mahallesi, Gürgen Sokak, No:5/1, Sarıçam/Adana.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2025, AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (CONTINUED)

Techfor Bilişim Teknolojileri ve Üretim İmalat Sanayi Anonim Şirketi (“Techfor” or “Company”)

Techfor (“the Company”) was established on November 8, 2024 in Çankaya/Ankara with the title “Techfor Bilişim Teknolojileri Anonim Şirketi” and changed its title on February 6, 2025.

The Company's field of activity is to purchase, sell and market all kinds of electronic data processing and communication machines and related devices and parts and to operate in the field of informatics.

As of March 31, 2025, the Company has no personnel. (December 31, 2024: None.)

The shareholding structure of Techfor as of March 31, 2025 and December 31, 2024 is as follows;

	31 March 2025		31 December 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	1,000,000	100.00	1,000,000
Total	100.00	1,000,000	100.00	1,000,000

The registered address of the Company is Acidere OSB Mahallesi, Gürgen Sokak, No:5/1, Sarıçam/Adana.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The condensed interim consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on July 3, 2024 by POA and the format and mandatory information recommended by CMB. The Group prepared its condensed consolidated interim financial statements for the three months period ended March 31, 2025, in accordance with TAS 34 “Interim Reporting” standard. Interim condensed consolidated financial statements do not include all the information required for the annual financial statements and therefore they should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

Foreign subsidiaries have prepared their statutory financial statements in accordance with the related local laws and regulations. Consolidated financial statements have been prepared under the historical cost convention except for the derivative instruments and available for sale financial assets presented at fair values.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy

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

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of March 31, 2024, and December 31, 2024 on the purchasing power basis as of March 31, 2025.

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

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK).

As of March 31, 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

	Index	Conversion Factor	Three-year Inflation Rate
31 March 2025	2,954.69	1.00000	%250
31 December 2024	2,684.55	1.10063	%291
31 March 2024	2.139,47	1.38104	%309

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

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation (Continued)

Currency and rounding of amounts presented in the financial statements

The functional and reporting currency of the Parent Company and its subsidiary in Turkey is TRY, compared to previous periods. The functional currency of the subsidiary abroad is EURO and the reporting unit is TRY.

Financial information given in TRY is shown by rounding to the nearest full TRY value.

Consolidation principles

Companies in which the Parent Company directly or indirectly owns 50% or more of the shares or has more than 50% of the voting rights or has control over their operations are subject to the “full consolidation method”. Control is in question if the Parent Company has the right to determine financial and administrative policies for its own benefit. Companies in which the Parent Company has a continuous connection and/or direct or indirect capital and management relationship in terms of participating in the management and determination of business policies or in which the Parent Company has a twenty percent or more or less than fifty percent share in the capital or the right to participate in the management at this rate are subject to the “equity method”.

Full consolidation method

The principles applied in the full consolidation method are as follows:

- The accounting policies applied by the companies included in the consolidation have been brought into line with the accounting policies of the Parent Company.
- The acquisition cost of the shares owned by the Parent Company in the equity of its subsidiaries within the scope of consolidation has been offset from the value represented by these shares in the equity of the subsidiaries' balance sheets brought into line with the accounting policies of the Parent Company.
- The balance sheet items other than the paid-in capital and equity capital of the Parent Company and subsidiaries on the date of acquisition have been added up and in the total transaction, the receivables and payables of the partnerships subject to the consolidation method from each other have been mutually deducted.
- The amounts corresponding to the shares other than the parent company and subsidiaries from all equity account group items including the paid-in/issued capital of the subsidiaries within the scope of consolidation have been deducted and shown in the "Non-Controlling Interests" account in the consolidated balance sheet.
- The shares of the Parent Company owned by the subsidiaries within the scope of consolidation have been mutually discounted with the capital of the Parent Company.
- The profit or loss statement items of the Parent Company and the subsidiaries have been collected separately and the income and expense items arising from their transactions with each other have been mutually offset with the relevant accounts. In the collection of the profit or loss statement items for the subsidiaries acquired during the accounting period, the events that occurred after the date the subsidiaries were acquired have been taken into account (excluding business combinations subject to joint control).
- The portion of the net profit or loss of the subsidiaries within the scope of consolidation that corresponds to the shares other than the partnerships subject to the consolidation method has been shown in the “Non-Controlling Interests” account.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2.1 Basis of presentation (Continued)****Full consolidation method (Continued)**

As of March 31, 2025, the companies in which the Parent Company directly or indirectly owns 50% or more of the shares or has more than 50% of the voting rights or has control over their activities and which are subject to the "full consolidation method" are as follows;

	Parent Company's Share Ratio in Subsidiary		Non-Parent Equity
	(Direct)	(Direct + Indirect)	Share
ELD Bilişim Sanayi Ticaret Anonim Şirketi	%100.00	%100.00	%0.00
Forte Kitle Fonlama Platformu Anonim Şirketi	%100.00	%100.00	%0.00
Forips B.V.	-	%100.00	%0.00
Cetwell	%51.00	%51.00	%49.00
Techfor	%100.00	%100.00	%0.00

As of 31 December 2024, the companies in which the Parent Company directly or indirectly owns 50% or more of the shares or has more than 50% of the voting rights or has control over their activities and which are subject to the "full consolidation method" are as follows;

	Parent Company's Share Ratio in Subsidiary		Non-Parent Equity
	(Direct)	(Direct + Indirect)	Share
ELD Bilişim Sanayi Ticaret Anonim Şirketi	%100.00	%100.00	%0.00
Forte Kitle Fonlama Platformu Anonim Şirketi	%100.00	%100.00	%0.00
Forips B.V.	-	%100.00	%0.00
Cetwell	%51.00	%51.00	%49.00
Techfor	%100.00	%100.00	%0.00

Going Concern

The accompanying consolidated financial statements have been prepared on the basis of going concern, assuming that the Group will benefit from its assets and fulfil its liabilities in the next year and in the natural course of its activities.

Netting/Offsetting

Financial assets and liabilities are shown net when there is a necessary legal right, when there is an intention to evaluate the assets and liabilities in question netly, or when the acquisition of assets and the fulfillment of liabilities occur simultaneously.

Comparative information and adjustment of prior period financial statements

In order to enable the determination of consolidated financial position and performance evaluations, the Group's consolidated financial statements are prepared comparatively with previous periods. The Group has prepared the consolidated financial position statement dated 31 March 2025 in comparison with the consolidated financial position statement dated 31 December 2024, and the consolidated profit or loss, consolidated other comprehensive income statement, consolidated cash flow statement and consolidated equity change statement for the period 1 January - 31 March 2025 in comparison with the period 1 January - 31 March 2024. In order to ensure consistency with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are explained.

The Group has made a reclassification of TRY 10,220,023 whereby the training and consultancy expenses, which were previously recorded under cost of sales in the prior period, have been reclassified as operating expenses in the current period. Other than this reclass, there are any adjustments to its consolidated financial statements as of 31 March 2025, except for the adjustments made due to the application of the TAS 29 standard, the details of which are explained in the "Adjustment of Consolidated Financial Statements in Hyperinflationary Periods" section.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2 Changes and Errors in Accounting Policies and Estimates

Accounting policy changes resulting from the first application of a new standard are applied retrospectively or prospectively in accordance with the transition provisions, if any. Changes that do not include any transition provisions, optional significant changes in accounting policies or identified accounting errors are applied retrospectively and the financial statements of the previous period are restated. Changes in accounting estimates, if they are related to only one period, are applied in the current period in which the change is made, and if they are related to future periods, they are applied both in the period in which the change is made and prospectively.

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 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.

a) The new standards, amendments and interpretations which are effective as of January 1, 2025 are as follows:

- Amendments to TAS 21 - Lack of exchangeability

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

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

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

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

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

- TFRS 17 - The new Standard for insurance contracts

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

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

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
- IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

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

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The mentioned standard is not applicable to the Group.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.3 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended March 31, 2025, have been prepared in accordance with IAS 34, Interim Financial Reporting. The significant accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those disclosed in detail in the consolidated financial statements as at December 31, 2024. Consequently, the interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024.

NOTE 3 – SEGMENT REPORTING

The Group operates in the same geographical region in the “Commercial Activities” (“Hardware”), “Software Activities”, “Crowdfunding Activities” and “Agricultural (Service Sector) Activities” sectors during the accounting period ending on 31 March 2025 (1 January - 31 December 2024: “Commercial Activities” (“Hardware”), “Software Activities” and “Crowdfunding Activities”). For this reason, segment reporting is based on these sectors. The Group’s service revenues that are not included in the scope of software and crowdfunding activities are reported in the “Commercial Activities” section.

As of March 31, 2025, the consolidated statement of financial position by segments is as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Trade receivables	301,111,560	27,745,000	-	4,160,302	(5,130,000)	327,886,862
Inventories	237,189,060	-	-	7,223,271	-	244,412,331
Tangible fixed assets	105,740,685	523,943	-	12,950,118	-	119,214,746
Intangible fixed assets	241,097,947	145,142,912	1,171,477	5,274,783	-	392,687,119
Financial investments	104,529,505	1,636,251	-	-	(9,819,172)	96,346,584
Prepaid expenses	39,043,113	2,864,204	21,000	720,718	-	42,649,035
Other assets	145,621,011	21,413,428	8,862,113	21,489,601	(115,167,327)	82,218,826
Total Assets	1,174,332,881	199,325,738	10,054,590	51,818,793	(130,116,499)	1,305,415,503
Financial liabilities	148,677,799	11,474,999	-	553,113	-	160,705,911
Trade payables	262,843,940	33,992	622	4,947,529	-	267,826,083
Deferred revenues	3,367,995	56,658	-	960	-	3,425,613
Other debts and liabilities	54,856,889	87,261,090	553,113	35,082,511	(120,026,652)	57,726,951
Total Liabilities	469,746,623	98,826,739	553,735	40,584,113	(120,026,652)	489,684,558
Paid-in capital	297,542,561	14,221,740	24,103,474	4,812,727	(43,137,941)	297,542,561
Other equity	495,567,565	88,245,224	(14,602,619)	(14,602,618)	(36,419,168)	518,188,384
Total Equity	793,110,126	102,466,964	9,500,855	(9,789,891)	(79,557,109)	815,730,945
Total Liabilities	1,262,856,749	201,293,703	10,054,590	30,794,222	(199,583,761)	1,305,415,503

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NOTE 3 – SEGMENT REPORTING

As of 31 December 2024, the consolidated financial position statement by segments is as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Trade receivables	517,639,836	72,491,896	-	80,221,095	(5,547,163)	664,805,664
Inventories	107,440,706	14,163,903	-	1,621,625	-	123,226,234
Tangible fixed assets	109,466,866	582,564	-	15,793,205	17,963	125,860,598
Intangible fixed assets	747,096	352,253,522	1,213,303	5,412,386	(5,504,121)	354,122,186
Financial investments	108,271,912	1,800,903	-	-	(96,889,287)	13,183,528
Prepaid expenses	43,452,070	357,281	-	733,522	-	44,542,873
Other assets	333,767,823	11,694,863	10,784,619	20,460,183	(162,212,631)	214,494,857
Total Assets	1,220,786,309	453,344,932	11,997,922	124,242,016	(270,135,239)	1,540,235,940
Financial liabilities	121,887,296	50,294	-	1,002,204	-	122,939,794
Trade payables	502,140,838	72,201	892	10,573,734	(5,547,163)	507,240,502
Deferred revenues	3,023,009	56,658	-	1,817,926	-	4,897,593
Other debts and liabilities	52,917,892	66,938,629	537,878	97,246,179	(161,668,142)	55,972,436
Total Liabilities	679,969,035	67,117,782	538,770	110,640,043	(167,215,305)	691,050,325
Paid-in capital	298,657,666	13,106,923	24,103,475	4,812,728	(266,938,738)	73,742,054
Other equity	242,159,608	373,120,228	(12,644,322)	8,789,247	164,018,800	775,443,561
Total Equity	540,817,274	386,227,151	11,459,153	13,601,975	(102,919,938)	849,185,615
Total Liabilities	1,220,786,309	453,344,933	11,997,923	124,242,018	(270,135,243)	1,540,235,940

The consolidated profit or loss statement for the accounting period ending on 31 March 2025 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Revenue	221,737,521	24,508,790	32,224	1,824,450	(2,397,000)	245,705,985
Cost of sales	(177,709,967)	(773,392)	-	(4,930,768)	375,000	(183,039,127)
General administrative expenses	(10,203,938)	(8,446,271)	(1,088,386)	(3,657,588)	2,022,000	(21,374,183)
Marketing expenses	(7,759,589)	(1,699,350)			-	(9,458,939)
Research and development expenses	(7,956,580)	(1,488,443)			-	(9,445,023)
Other income/(expenses) from operating activities, net	(22,178,904)	(150,836)	(1,925)	6,324,972	(582,955)	(16,589,648)
Income/(expenses) from investing activities, net	12,928,297	180,675			763,630	13,872,602
Financing income/(expenses), net	(210,518)	(1,475,680)	63,661	(248,216)	(180,675)	(2,051,428)
Monetary gain/(loss), net	(63,596,589)	27,028,342	(946,794)	1,569,557		(35,945,484)
Current tax expense	(4,356,470)	(1,538,528)	-	(2,631,792)	-	(8,526,790)
Deferred tax (expense)/income, net	(7,919,071)	1,370,932	(7,698)	(2,573,237)	-	(9,129,074)
Profit / (loss) for the period, net	(67,225,808)	37,516,239	(1,948,918)	(4,322,622)	-	(35,981,109)

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND SUBSIDIARIES

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING (CONTINUED)

The depreciation and amortization shares by departments for the accounting period ending on 31 March 2025 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Total
Tangible fixed asset depreciation	3,328,154	58,621	-	861,877	4,248,652
Intangible fixed asset amortization	8,776,406	1,488,443	41,827	137,603	10,444,279
Right of use assets	1,601,821	413,362	-	82,888	2,098,071
Total	13,706,381	1,960,426	41,827	1,082,368	16,791,002

The consolidated profit or loss statement for the accounting period ending on 31 March 2024 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Revenue	247,584,297	14,551,229	28,605	6,943,716	(21,454)	269,086,393
Cost of sales	(214,226,449)	(8,207,459)	-	(5,211,385)	-	(227,645,293)
General administrative expenses	(13,378,164)	(848,369)	(1,732,021)	(1,744,980)	21,454	(17,682,080)
Marketing expenses	(6,688,740)	(1,147,825)	(22,885)	-	-	(7,859,450)
Research and development expenses	-	(2,075,507)	-	-	-	(2,075,507)
Other income/(expenses) from operating activities, net	(12,629,352)	40,181	(74,124)	(181,839)	-	(12,845,134)
Income/(expenses) from investing activities, net	3,929,008	77,585	(4)	590,487	1,833,207	6,430,283
Financing income/(expenses), net	35,931,968	320,580	62	(300,792)	5,176	35,956,994
Monetary gain/(loss), net	(69,564,754)	(10,668,075)	(696,728)	(787,998)	-	(81,717,555)
Current tax expense	(6,990,799)	-	-	(36,863)	-	(7,027,662)
Deferred tax (expense)/income, net	(3,530,333)	2,839	9,960	(135,948)	-	(3,653,482)
Profit / (loss) for the period, net	(39,563,318)	(7,954,821)	(2,487,135)	(865,602)	1,838,383	(49,032,493)

The depreciation and amortization shares by departments for the accounting period ending on 31 March 2024 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Total
Tangible fixed asset depreciation	1,651,980	49,168	-	254,592	1,955,740
Intangible fixed asset amortization	78,342	1,785,408	10,363	-	1,874,113
Right of use assets	901,816	-	-	-	901,816
Total	2,632,138	1,834,576	10,363	254,592	4,731,669

NOTE 4 – RELATED PARTIES DISCLOSURES

i) Receivables and payables from related parties:

Details of short-term receivables from related parties classified under other receivables are as follows (Not 9):

	31 March 2025	31 December 2024
Orhan Baldır	6,953,476	7,653,188
Total	6,953,476	7,653,188

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NOTE 4 – RELATED PARTIES DISCLOSURES (CONTINUED)

ii) Sales, purchases and transactions with related parties:

The details of interest income from non-commercial receivables from related parties classified under income from investment activities are as follows (Not 28):

	1 January – 31 March 2025	1 January – 31 March 2024
Orhan Baldır	-	590,491
Total	-	590,491

c) The details of the compensation and similar benefits provided to senior executives are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Benefits provided to senior executives	11,532,806	8,510,698
Total	11,532,806	8,510,698

The Group has defined senior executives as the Members of the Board of Directors, along with the Directors of General Management, Finance, Software, Sales, Marketing, and Technical Services.

NOTE 5 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Cash on hand	18,122	30,509
Cash on bank	44,532,582	115,584,130
- Term deposits with a maturity of less than three months	25,217,746	57,160,654
- Non-term deposits	19,314,836	58,423,476
Other liquid assets (*)	1,719,815	1,103,051
Total	46,270,519	116,717,690

As of 31 March 2025, the Group has no blocked deposits. (31 December 2024: None.)

(*) Other liquid assets include liquid funds.

As of 31 March 2025, the details of the Group's time deposits, maturity dates and interest rates are as follows:

Currency Type	Interest Rate	Maturity Range	Original Balance	TRY Equivalent
USD	1%	4 months	70,000	2,645,384
TRY	41% - 42%	1 - 5 days	22,572,362	22,572,362

As of 31 December 2024, the details of the Group's time deposits, maturity dates and interest rates are as follows:

Currency Type	Interest Rate	Maturity Range	Original Balance	TRY Equivalent
TRY	45% - 46%	1 - 5 days	53,081,962	53,081,962

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NOTE 6 – FINANCIAL INVESTMENTS

The details of financial investments as of 31 March 2025 and 31 December 2024 are as follows:

Long-term financial investments

	31 March 2025	31 December 2024
Venture capital investment funds (*)	9,463,163	9,463,163
Financial investments (**)	3,720,365	3,720,365
Total	13,183,528	13,183,528

(*) The relevant investment fund consists of shares purchased from the FONTR venture capital investment fund.

(**) Long-term financial investments arise from the long-term fund purchases acquired by the Group within the scope of the “Regulation on Amendments to the Implementation and Supervision Regulation on Supporting Research, Development and Design Activities No. 5746”.

NOTE 7 – BORROWINGS

The details of short-term financial debts as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Short-term bank loans	55,082,694	-
Other financial debts (credit cards)	105,959	593,333
Debts arising from leases	1,372,118	5,251,984
Short-term financial lease debts	730,403	474,103
Short-term portions of long-term loans	63,531,303	83,924,341
Total	120,822,477	90,243,761

The details of long-term financial debts as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Long-term bank loans	25,984,837	32,412,322
Long-term financial lease debts	1,650,850	283,711
Debts arising from leases	12,247,749	-
Total	39,883,436	32,696,033

The maturity analysis of financial debts as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025	31 December 2024
Payables due within 0 – 1 year	120,822,477	90,243,761
Payables due within 1 – 5 years	39,883,436	32,696,033
Total	160,705,913	122,939,794

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

As of 31 March 2025 and 31 December 2024, the Group's short-term trade receivables are as follows:

	31 March 2025	31 December 2024
Trade receivables	343,242,346	690,329,930
Notes receivable	800,000	220,126
Rediscount on receivables (-)	(16,709,858)	(26,354,551)
Accrued income from trade activities	554,374	610,159
Doubtful trade receivables	926,985	4,773,691
Provision for doubtful trade receivables (-)	(926,985)	(4,773,691)
Total	327,886,862	664,805,664

The maturity of the Group's trade receivables varies from customer to customer and is between 30 and 120 days on average.

Short-term trade payables

As of 31 March 2025 and 31 December 2024, the Group's short-term trade payables are as follows:

	31 March 2025	31 December 2024
Trade payables	278,022,614	499,297,841
Notes payable	1,723,449	15,320,425
Accrued expenses from trade activities	641,761	2,218,109
Discount on payables (-)	(12,561,741)	(9,595,873)
Total	267,826,083	507,240,502

The maturity of the Group's trade payables varies from supplier to supplier and is between 30 and 120 days on average.

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

As of 31 March 2025 and 31 December 2024, the Group's other short-term receivables are as follows:

	31 March 2025	31 December 2024
Receivables from tax office	2,979,403	2,931,801
Receivables from shareholder (Note 4)	6,953,476	7,653,188
Deposits and guarantees given	-	20,176
Total	9,932,879	10,605,165

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES (CONTINUED)

As of 31 March 2025 and 31 December 2024, the Group's other long-term receivables are as follows:

	31 March 2025	31 December 2024
Deposits and guarantees given	492,440	568,302
Total	492,440	568,302

As of 31 March 2025 and 31 December 2024, the Group's other short-term payables are as follows:

	31 March 2025	31 December 2024
Taxes and funds payable	7,808,683	4,795,180
Installment tax liabilities	4,670	20,564
Total	7,813,353	4,815,744

NOTE 10 – EMPLOYEE BENEFIT OBLIGATIONS

As of March 31, 2025 and December 31, 2024, the payables within the scope of employee benefits are as follows:

	31 March 2025	31 December 2024
Social security payables	8,093,058	7,397,827
Payables to personnel	299,985	7,492,591
Total	8,393,043	14,890,418

NOTE 11 – INVENTORIES

The details of the inventories as of 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Commercial goods (*)	233,754,367	109,164,838
Software project stocks (**)	10,760,471	14,163,903
Inventory impairment provision (-)	(102,507)	(102,507)
Total	244,412,331	123,226,234

(*) Commercial goods primarily consist of inventory items related to contracts made by the Group with its customers, typically hardware stock. As of 31 March 2025, TRY 203,727,610 of the relevant inventory is held in the Group's own warehouse, while the remaining inventory consists of stock held at the customers' premises as part of ongoing projects, due to the nature of the Group's operations (31 December 2024: TRY 20,737,995).

(**) Software project stocks consist of the costs of software projects that are being built on order.

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NOTE 12 – OTHER CURRENT ASSETS

	31 March 2025	31 December 2024
Carryforward VAT	35,200,299	18,004,825
Total	35,200,299	18,004,825

NOTE 13 – PREPAID EXPENSES AND DEFERRED REVENUES

As of March 31, 2025 and December 31, 2024, short-term prepaid expenses are as follows:

	31 March 2025	31 December 2024
Order advances given	26,025,333	29,195,830
Expenses for following months	13,122,724	14,527,996
Business advances given	2,775,384	216,764
Business advances given to personnel	725,595	102,049
Total	42,649,036	44,042,639

As of March 31, 2025 and December 31, 2024, long-term prepaid expenses are as follows:

	31 March 2025	31 December 2024
Advances given for property plant and equipment purchase	-	500,235
Total	-	500,235

As of March 31, 2025 and December 31, 2024, short-term deferred revenues are as follows:

	31 March 2025	31 December 2024
Order advances received	2,706,419	2,616,038
Income for future months	719,195	2,281,554
Total	3,425,614	4,897,592

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NOTE 14 – RIGHT OF USE ASSETS

The right of use asset movement table for the year ending March 31, 2025 is as follows:

	1 January 2025	Additions	Disposals	31 March 2025
Cost				
Buildings	24,442,008	10,058,473	-	34,500,481
Machinery, plant and equipment	918,691	2,396,847	-	3,315,538
Vehicles	13,405,020	-	(13,405,020)	-
Total	38,765,719	12,455,320	(13,405,020)	37,816,019
Depreciation				
Buildings	(16,817,680)	(2,015,183)	-	(18,832,863)
Machinery, plant and equipment	(7,657)	(82,888)	-	(90,545)
Vehicles	(13,296,188)	-	13,296,188	-
Total	(30,121,525)	(2,098,071)	13,296,188	(18,923,408)
Net Book Value	8,644,194			18,892,611

The right of use asset movement table for the year ending 31 December 2024 is as follows:

	1 January 2024	Additions	31 December 2024
Cost			
Buildings	15,233,548	9,208,460	24,442,008
Machinery, plant and equipment	-	918,691	918,691
Vehicles	13,405,020	-	13,405,020
Total	28,638,568	10,127,151	38,765,719
Depreciation			
Buildings	(11,512,282)	(5,305,398)	(16,817,680)
Machinery, plant and equipment	-	(7,657)	(7,657)
Vehicles	(11,586,248)	(1,709,940)	(13,296,188)
Total	(23,098,530)	(7,022,995)	(30,121,525)
Net Book Value	5,540,038		8,644,194

NOTE 15 – INVESMENT PROPERTIES

The details and movement tables of investment properties as of 31 March 2025 and 31 December 2024 are as follows:

	1 January 2025	Additions	Impairment	31 March 2025
Cost				
Land	59,937,431	-	-	59,937,431
Total	59,937,431	-	-	59,937,431
Net Book Value	59,937,431			59,937,431

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NOTE 15 – INVESMENT PROPERTIES(CONTINUED)

	1 January 2024	Additions	Impairment	31 December 2024
Cost				
Land	64,154,838	-	(4,217,407)	59,937,431
Total	64,154,838	-	(4,217,407)	59,937,431
Net Book Value	64,154,838			59,937,431

As of 31 March 2025 and 31 December 2024, the Group's investment properties are shown in the accompanying consolidated financial statements using the fair value method. There is no restriction on the transfer of income from investment properties to the Group. The appraisal values of the Group's investment properties were calculated by a company listed in the CMB's real estate appraisal companies list as of 31 December 2024. The fair values of the Group's real estate properties were determined using the market approach and cost approach methods, which are estimated to be the most accurate method for determining the fair value of the relevant property. The positive difference (increase in value) between the amount resulting from the valuation and the book value of the relevant investment properties is reported in the “Income from investment activities” account item in the profit or loss statement, and the negative difference (decrease in value) between the amount resulting from the valuation and the book value of the relevant investment properties is reported in the “Expenses from investment activities” account item in the profit or loss statement.

The Group’s fair value hierarchy for the investment properties subject to expert valuation and the assets in question is Level 2, and there has been no transition between Level 1 and Level 2 in the current period.

As of March 31, 2025 and December 31, 2024, there are no mortgages on the relevant properties.

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NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment as of 31 March 2025 are as follows:

	1 January 2025	Additions	Disposals (-)	31 March 2025
Cost				
Machinery, plant and equipment	25,894	-	-	25,894
Motor vehicles	124,256,536	-	(1,558,225)	122,698,311
Fixed assets	23,941,064	138,332	-	24,079,396
Special costs	10,560,545	-	-	10,560,545
Total	158,784,039	138,332	(1,558,225)	157,364,146
Accumulated Depreciation				
Machinery, plant and equipment	(2,158)	(966)	-	(3,124)
Motor vehicles	(11,797,709)	(5,153,970)	779,112	(16,172,567)
Fixed assets	(14,434,661)	(832,171)	-	(15,266,832)
Special costs	(6,688,913)	-	-	(6,688,913)
Total	(32,923,441)	(5,987,107)	779,112	(38,131,436)
Net Book Value	125,860,598	-	-	119,232,710

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NOTE 16 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The movements of tangible fixed assets as of 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals (-)	Business combination effect	31 December 2024
Cost					
Machinery, plant and equipment	-	25,894	-	-	25,894
Motor vehicles	50,682,152	68,614,849	(5,209,119)	10,168,654	124,256,536
Fixed assets	20,219,264	2,742,761	-	979,039	23,941,064
Special costs	7,059,024	3,501,521	-	-	10,560,545
Total	77,960,440	74,885,025	(5,209,119)	11,147,693	158,784,039
Accumulated Depreciation					
Machinery, plant and equipment	-	(2,158)	-	-	(2,158)
Motor vehicles	(3,798,179)	(9,165,830)	2,062,836	(896,536)	(11,797,709)
Fixed assets	(10,792,926)	(3,138,355)	-	(503,380)	(14,434,661)
Special costs	(5,714,979)	(973,934)	-	-	(6,688,913)
Total	(20,306,084)	(13,280,277)	2,062,836	(1,399,916)	(32,923,441)
Net Book Value	57,654,356				125,860,598

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NOTE 17 – INTANGIBLE FIXED ASSETS

The intangible asset movement table for the year ending March 31, 2025 is as follows:

	1 January 2025	Additions	Disposals (-)	31 March 2025
Cost				
Rights	3,303,433	-	-	3,303,433
Research and development expenses (*)	377,311,488	42,792,954	-	420,104,442
Total	380,614,921	42,792,954	-	423,407,875
Accumulated depreciation				
Rights	(1,434,769)	(287,120)	-	(1,721,889)
Research and development expenses	(25,057,965)	(9,445,023)	-	(34,502,988)
Total	(26,492,734)	(9,732,143)	-	(36,224,877)
Net Book Value	354,122,187			387,182,998

(*) Capitalized research and development expenses consist of the costs of software projects that the Group does not execute on a commissioned basis. The related costs mainly consist of personnel costs working for the relevant Project.

The intangible asset movement table for the year ending 31 December 2024 is as follows:

	1 January 2024	Additions	31 December 2024
Cost			
Rights	2,202,795	1,100,638	3,303,433
Research and development expenses	211,427,582	165,883,906	377,311,488
Total	213,630,377	166,984,544	380,614,921
Accumulated depreciation			
Rights	(779,977)	(654,792)	(1,434,769)
Research and development expenses	(13,844,766)	(11,213,199)	(25,057,965)
Total	(14,624,743)	(11,867,991)	(26,492,734)
Net Book Value	199,005,634		354,122,187

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NOTE 17 – INTANGIBLE FIXED ASSETS (CONTINUED)

As of 31 March 2025, the detailed information regarding the projects reported by the Group under the development costs account item is as follows;

Project Name	Useful Life	Project Completion Rate	Project Start Date	Project Completion Date	Gross Value	Depreciation	Net Book Value
Malzeme Kodlandırma ve Entegre Lojistik Bilgi Sistemi - KODTR	8 year	100%	1.06.2018	1.12.2020	16,967,310	9,832,764	7,134,546
Elektronik Dokümantasyon Yazılımı (ELDOK)	10 year	100%	1.01.2019	1.01.2022	19,465,999	5,926,833	13,539,166
Müşteri İlişkileri Yönetimi (CRM) - DeskForSM	8 year	100%	27.07.2020	30.04.2021	1,395,190	626,300	768,890
İnteraktif Teknik Doküman Sistemi - Görüntüleyici FORSDOC-VIEWER	10 year	100%	1.10.2021	1.06.2022	3,628,143	963,041	2,665,102
Fabrika Üretim Yönetim Sistemi - ELDERP	8 year	100%	2.03.2020	2.03.2023	14,964,571	2,920,692	12,043,879
Entegre Lojistik Destek Sistemi - FORIPS	12 year	100%	4.01.2021	4.01.2024	16,533,800	2,521,209	14,012,591
Akıllı Proje Yönetimi ve Analiz Sistemi - DESKFORMPM	10 year	100%	1.11.2021	15.01.2025	49,811,305	7,395,371	42,415,934
İnteraktif Teknik Doküman Sistemi - Editör - FORSDOC AUTHOR	10 year	100%	1.12.2021	1.11.2024	21,997,136	858,653	21,138,483
Ağ Yönetim Sistemi - FORNETPLAN	10 year	92%	1.01.2022	1.07.2025	81,421,818	-	81,421,818
Teşkilat Bilgi Sistemi - TBS	10 year	100%	1.01.2022	30.06.2024	21,132,911	3,458,125	17,674,786
İnsansız Hava Aracı Yönetim Bilgi Sistemi	10 year	72%	1.02.2023	1.02.2026	63,280,173	-	63,280,173
Yapay Zeka Asistanı	10 year	36%	12.02.2024	12.02.2027	57,691,075	-	57,691,075
Entegre Lojistik Yapay Zeka Asistanı	10 year	28%	1.06.2024	1.06.2027	24,759,159	-	24,759,159
Kitlesel Fonlama Platformu Sistemi-FONTR	10 year	14%	1.11.2024	1.11.2027	14,278,822	-	14,278,822
Bulut Bilişim Etki Alanı Altyapısı	10 year	8%	31.12.2024	31.12.2027	11,121,932	-	11,121,932
Sera Yönetimi Bilgi Sistemi Mobil Uygulaması	10 year	50%	31.12.2024	30.06.2025	1,655,097	-	1,655,097
Total					420,104,442	34,502,988	385,601,454

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NOTE 17 – INTANGIBLE FIXED ASSETS (CONTINUED)

As of 31 December 2024, the detailed information regarding the projects reported by the Group in the development costs account item is as follows;

Project Name	Useful Life	Project Completion Rate	Project Start Date	Project Completion Date	Gross Value	Depreciation	Net Book Value
Malzeme Kodlandırma ve Entegre Lojistik Bilgi Sistemi - KODTR	8 year	100%	1.06.2018	1.12.2020	15,895,554	7,119,881	8,775,673
Elektronik Dokümantasyon Yazılımı (ELDOK)	10 year	100%	1.01.2019	1.01.2022	28,412,738	8,523,822	19,888,916
Müşteri İlişkileri Yönetimi (CRM) - DeskForSM	8 year	100%	27.07.2020	30.04.2021	1,406,667	630,070	776,597
İnteraktif Teknik Doküman Sistemi - Görüntüleyici FORSDOC-VIEWER	10 year	100%	1.10.2021	1.06.2022	4,158,514	1,074,283	3,084,231
Fabrika Üretim Yönetim Sistemi - ELDERP	8 year	100%	2.03.2020	2.03.2023	22,999,316	4,216,540	18,782,776
Entegre Lojistik Destek Sistemi - FORIPS	12 year	100%	4.01.2021	4.01.2024	21,430,277	1,785,856	19,644,421
Akıllı Proje Yönetimi ve Analiz Sistemi - DESKFORMP	10 year	99%	1.11.2021	15.01.2025	46,026,629	-	46,026,629
İnteraktif Teknik Doküman Sistemi - Editör - FORSDOC AUTHOR	10 year	100%	1.12.2021	1.11.2024	33,157,614	552,627	32,604,987
Ağ Yönetim Sistemi - FORNETPLAN	10 year	91%	1.01.2022	1.07.2025	69,987,555	-	69,987,555
Teşkilat Bilgi Sistemi - TBS	10 year	100%	1.01.2022	30.06.2024	19,798,029	1,154,885	18,643,144
İnsansız Hava Aracı Yönetim Bilgi Sistemi	10 year	64%	1.02.2023	1.02.2026	50,169,553	-	50,169,553
Yapay Zeka Asistanı	10 year	27%	12.02.2024	12.02.2027	42,452,488	-	42,452,488
Entegre Lojistik Yapay Zeka Asistanı	10 year	17%	1.06.2024	1.06.2027	15,325,887	-	15,325,887
Kitlesel Fonlama Platformu Sistemi-FONTR	10 year	5%	1.11.2024	1.11.2027	6,090,668	-	6,090,668
Total					377,311,489	25,057,964	352,253,525

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NOTE 18 – GOVERNMENT INCENTIVES AND GRANTS

The details of the incentives obtained by the Group are as follows;

a) The Group's software projects are approved by the relevant official institutions and the Group obtains certain tax incentives after approval. The rights of the Group due to these incentives are as follows:

- Incentives within the scope of the Technology Development Zones Law (100% Corporate Tax exemption),
- Incentives within the scope of the Research and Development Law (Social Security Institution incentives etc.),

The Group's income to be obtained as a result of research and development activities is exempt from corporate tax in accordance with the provisional second article of the Technology Development Zones Law No, 4691, "Income earned by the managing companies within the scope of this law and income and corporate taxpayers operating in the region, exclusively from software and R&D activities in this region, are exempt from income and corporate tax until 31 December 2028".

In addition, within the scope of the same law; the Group's personnel income and stamp duty incentive amount for the accounting period ending on 31 March 2025 is TRY 10,202,870 (31 December 2024: TRY 63,579,251).

b) The Group benefits from the incentive in accordance with the "Social Insurance and General Health Insurance Law No, 5510 and 5746" of the Social Security Institution of the Republic of Turkey. In this context; the incentive amount obtained by the Group for the accounting period ending on 31 March 2025 is TRY 5,892,524 (31 December 2024: TRY 19,207,378).

c) Since the Parent Company's shares are offered to the public at a rate of at least 20% for the first time to be traded on the Borsa Istanbul Equity Market, a 2 point discount is applied to corporate income for 5 accounting periods, starting from the accounting period in which the Parent Company's shares are offered to the public for the first time (2023).

NOTE 19 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of 31 March 2025 and 31 December 2024, the table regarding the collateral, pledge, mortgage and surety ("CPMS") positions given by the Group is as follows:

	31 March 2025	31 December 2024
A, Total amount of pledges given on behalf of its own legal entity		
- <i>Guarantee letter (TRY)</i>	129,240,442	250,098,891
- <i>Guarantee letter (USD)</i>	144,223,797	140,147,219
- <i>Guarantee note (TRY)</i>	390,873	402,618
- <i>Guarantee note (USD)</i>	-	401,895
- <i>Pledge (TRY)</i>	-	20,997,408
Total	273,855,112	412,048,031

NOTE 20 – PROVISIONS

As of 31 March 2025 and 31 December 2024, short-term provisions are as follows:

	31 March 2025	31 December 2024
Warranty expense provision	1,168,560	1,645,130
Total	1,168,560	1,645,130

As of 31 March 2025 and 31 December 2024, long-term provisions are as follows:

	31 March 2025	31 December 2024
Warranty expense provision	12,179,798	17,147,047
Total	12,179,798	17,147,047

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NOTE 21 – PROVISIONS RELATED TO EMPLOYEE BENEFITS

Provisions for short-term benefits provided to employees as of March 31, 2025 and December 31, 2024 are as follows:

	31 March 2025	31 December 2024
Provision for unused vacation	9,219,084	7,464,805
Total	9,219,084	7,464,805

Provisions for long-term employee benefits as of March 31, 2025 and December 31, 2024 are as follows:

	31 March 2025	31 December 2024
Severance pay provisions	5,221,060	5,100,961
Total	5,221,060	5,100,961

As of 31 March 2025, severance pay provision is calculated based on 30 days' wages, with a maximum of TRY 41,828 for each year of service, and using the rates on the retirement or separation date. (31 December 2024: TRY 41,828).

The Group has reflected the severance pay liability calculated by reducing it to the balance sheet date using the expected inflation rate and real rediscount rate based on the principles stated above in its consolidated financial statements for the periods ending on 31 March 2025 and 31 December 2024.

The ratios of the basic assumptions used on the date of the consolidated financial statement are as follows:

	31 March 2025	31 December 2024
Interest rate	48.27%	48.27%
Inflation rate	44.29%	44.29%
Real discount rate	2.76%	2.76%
Probability ratio	85.00%	85.00%

NOTE 22 – EQUITY

Equity

As of 31 March 2025, the capital of the Parent Company consists of 67,000,000 shares, each with a value of 1 TRY (31 December 2024: 67,000,000 shares).

The capital structure of the Parent Company as of 31 December 2025 and 2024 is as follows:

	31 March 2025		31 December 2024	
	Share Amount	Partnership Share %	Share Amount	Partnership Share %
Shareholders				
Ali Celal Asiltürk	18,900,000	28.20	18,900,000	28.20
Hasan Cengiz Bayrak	16,200,000	24.18	16,200,000	24.18
Ebubekir Balıkcı	9,900,000	14.78	9,900,000	14.78
Public ownership	22,000,000	32.84	22,000,000	32.84
Total	67,000,000	100.00	67,000,000	100.00
Capital adjustment differences	230,542,560		230,542,560	
Total	297,542,560		297,542,560	

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NOTE 22 – EQUITY (CONTINUED)**Equity (Continued)**

The Parent Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362, and based on the Capital Markets Board's resolution dated 17 February 2022 and numbered 8/212, and the letter dated 14 March 2022 and numbered E-29833736-110.03.03-18555, the transition to the registered capital system was registered on 31 March 2022. The Parent Company's registered capital ceiling is TRY 225,000,000, divided into 225,000,000 shares with a nominal value of TRY 1 each. The permission granted by the Capital Markets Board regarding the registered capital ceiling is valid for a period of 5 years, covering the years 2022 to 2026.

Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi A.Ş., upon receiving approvals from the Capital Markets Board of the Republic of Türkiye and Borsa İstanbul A.Ş., increased its issued capital from TRY 45,000,000 to TRY 67,000,000 within the registered capital ceiling of TRY 225,000,000. The newly issued shares, representing a nominal capital increase of TRY 22,000,000, were offered to the public on 8–9 June 2023 at a price of TRY 12,12 per share, with pre-emptive rights of the existing shareholders completely restricted. The Parent Company's shares started trading on Borsa İstanbul's Main Market under the ticker symbol “FORTE” using the continuous trading method as of 14 June 2023.

The capital increase from TRY 45,000,000 to TRY 67,000,000 was registered on 23 June 2023.

As of 31 March 2025, the historical values and inflation adjustment effects of the following accounts under the Group's equity are presented below in accordance with TFRS and Tax Procedure Law (VUK) financial statements:

31 March 2025 (TFRS)	Historical value	Inflation adjustment effect	Indexed value
Capital	67,000,000	230,542,560	297,542,560
Restricted reserves allocated from profits	4,320,661	12,015,393	16,336,054

31 March 2025 (VUK)	Historical value	Inflation adjustment effect	Indexed value
Capital	67,000,000	208,010,670	275,010,670
Restricted reserves allocated from profits	4,320,661	11,947,247	16,267,908

NOTE 23 – REVENUE AND COST OF SALES

Sales and cost of sales as of March 31, 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Domestic sales	241,429,506	266,250,431
International sales	1,729,815	1,087,983
Other sales	2,546,664	1,747,979
Gross sales	245,705,985	269,086,393
Net sales	245,705,985	269,086,393
Cost of sales	(183,039,127)	(227,645,293)
Gross profit	62,666,858	41,441,100

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NOTE 23 – REVENUE AND COST OF SALES (CONTINUED)

The cost of sales for the years ending March 31, 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Cost of goods sold	(120,594,175)	(183,893,978)
Cost of merchandise sold	(57,316,184)	(32,970,631)
Software expenses	(796,456)	(8,207,459)
Depreciation expenses	(4,332,312)	(2,573,225)
Total	(183,039,127)	(227,645,293)

NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses for the years ending 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Personnel expenses	(9,427,481)	(10,704,512)
Consultancy service expenses	(4,220,974)	(1,296,389)
Depreciation and amortization expenses	(2,476,700)	(1,153,416)
Taxes, duties and fees	(1,006,714)	(81,119)
Vehicle expenses	(804,011)	(1,021,050)
Representation and hospitality expenses	(574,331)	(237,088)
Stationery and printing expenses	(351,156)	(705,013)
Notary expenses	(342,706)	(266,893)
Office overhead expenses	(332,093)	(256,699)
Communication expenses	(145,270)	(63,756)
Other expenses	(1,692,747)	(1,896,145)
Total	(21,374,183)	(17,682,080)

NOTE 25 – MARKETING, SALES AND DISTRIBUTION EXPENSES

Marketing, sales and distribution expenses for the years ending March 31, 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Personnel expenses	(3,346,311)	(4,376,470)
Taxes, duties and fees	(3,203,203)	(2,502,933)
Representation and hospitality expenses	(1,222,282)	(101,053)
Depreciation and amortization	(1,563,287)	(732,468)
Other expenses	(123,856)	(146,526)
Total	(9,458,939)	(7,859,450)

NOTE 26 – RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses for the years ending March 31, 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Depreciation and amortization expenses	(9,445,023)	(2,075,507)
Total	(9,445,023)	(2,075,507)

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NOTE 27 – OTHER OPERATING INCOME AND EXPENSES

Other income from main activities for the years ending 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Rediscount income	36,626,097	48,187,455
Foreign exchange gains from trade activities	8,288,759	9,093,559
Provisions no longer required (Note 8)	3,492,665	17,802
Other income	160,743	177,111
Total	48,568,264	57,475,927

Other expenses from main activities for the years ending 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Training and consultancy expenses	(33,573,582)	(10,220,023)
Discount expenses	(26,042,968)	(40,317,151)
Previous period expenses and losses	(5,261,372)	-
Exchange rate difference expense from commercial activities	-	(19,695,585)
Doubtful receivables provision expenses (Note 10)	-	(15,785)
Other expenses	(279,990)	(72,517)
Total	(65,157,912)	(70,321,061)

NOTE 28 – INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

Income from investment activities for the years ending 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Prior period income and profits	13,691,927	-
Non-trade receivables revenue	180,675	590,491
Protected deposit revenue	-	3,348,329
Fixed asset sales profit	-	655,685
Bargain purchase profit	-	1,835,778
Total	13,872,602	6,430,283

NOTE 29 – FINANCIAL INCOME AND EXPENSES

The finance income for the years ending 31 March 2025 and 2024 is as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Exchange rate difference income	22,361,551	21,938,442
Interest income	1,759,452	25,772,297
Derivative financial instruments income	-	2,731,395
Total	24,121,003	50,442,134

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NOTE 29 – FINANCIAL INCOME AND EXPENSES (CONTINUED)

Financing expenses for the years ending 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Loan interest expenses	(14,244,889)	(12,136,408)
Exchange rate difference expenses	(11,927,542)	(2,348,732)
Total	(26,172,431)	(14,485,140)

NOTE 30 – TAX ASSETS AND LIABILITIES

Deferred tax

Turkish tax legislation does not allow the parent company to file a tax return on the financial statements where the subsidiaries are consolidated. For this reason, the tax liabilities reflected in these consolidated financial statements are calculated separately for all companies included in the scope of consolidation.

In Turkey, the corporate tax rate as of March 31, 2025 is 25% (December 31, 2024: 25%). The corporate tax rate is applied to the net corporate income that will be found by adding expenses that are not deductible according to tax laws to the commercial income of the institutions and deducting the exemptions and discounts included in the tax laws.

The details of the accumulated temporary differences and deferred tax assets and liabilities as of the consolidated financial position statement dates, prepared using the tax rates specified above, are as follows:

	31 March 2025	31 December 2024
	(Asset)/ Liability	(Asset)/ Liability
Adjustments related to prepaid expenses	8,169,407	(56,581)
Adjustments related to warranty provisions	3,337,090	4,322,201
Adjustments related to leave provisions	2,304,771	1,170,936
Adjustments related to seniority provisions	1,305,265	1,018,972
Adjustments related to trade receivables and payables	611,334	5,091,302
Adjustments related to right of use assets and lease obligations	(1,294,096)	-
Other adjustments	(1,231,212)	1,733,097
Adjustments related to inventories	(4,302,466)	3,890,371
Adjustments related to tangible, intangible fixed assets and investment properties	(7,513,584)	(12,128,126)
Adjustments related to deferred revenues	(10,589,318)	(5,270,831)
Deferred tax (asset)/liability, net	(9,202,809)	(228,659)

Tax income/expense for the years ending on 31 March 2025 and 2024 are as follows:

	1 January – 31 March 2025	1 January – 31 March 2024
Current tax (expense)	(8,526,790)	(7,027,662)
Deferred tax (expense)/income	(9,129,074)	(3,653,482)
Tax income/(expense)	(17,655,864)	(10,681,144)

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NOTE 31 – MONETARY GAIN/(LOSS)

	31 March 2025
Non-monetary items	
Statement of financial position items	(8,036,669)
Property, fixed assets	(3,422,094)
Intangible assets	829,513
Inventories	21,711,314
Prepaid expenses	1,778,633
Deferred revenues	(1,993,280)
Capital	(2,709,939)
Legal reserves	(1,503,857)
Right-of-use assets	627,267
Equity method investments	(23,402,924)
Retained earnings	48,698
Statement of profit or loss items	(27,908,815)
Revenue	73,200,162
Cost of sales	(38,202,389)
Marketing, selling and distribution expenses	(30,690,472)
General administrative expenses	(16,562,299)
Other income/expenses from operating activities	7,582,061
Financing income/expenses	(23,235,878)
Net monetary position gains/(losses)	(35,945,484)

NOTE 32 – EARNINGS/(LOSS) PER SHARE

Earnings per share stated in the consolidated profit and loss statements are determined by dividing net profit by the weighted average number of shares outstanding in the relevant period.

Companies may increase their capital by distributing shares from accumulated profits to existing shareholders in proportion to their shares (“Free Shares”). When calculating earnings per share, this issuance of free shares is counted as issued shares. Therefore, the weighted average number of shares used in the calculation of earnings per share is obtained by applying the issuance of shares free of charge retroactively,.

Earnings per share are as follows:

	31 March 2025	31 March 2024
Average number of shares outstanding during the period (full value)	67,000,000	67,000,000
Net profit attributable to parent company shareholders	(34,039,744)	(82,017,091)
Earnings per share	(0.51)	(1.22)

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NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The Group’s Board of Directors has overall responsibility for determining and overseeing the risk management framework. The Board of Directors has established a Risk Management Committee responsible for developing and monitoring the Group’s risk management policies. The Committee reports its activities regularly to the Board.

The Group’s risk management policies are designed to identify and analyse risks, determine appropriate risk limits and establish controls, and monitor risks and their adherence to limits. Risk management policies and systems are regularly reviewed to reflect changes in the Group’s activities and market conditions. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities through training and management standards and procedures.

Credit risk

Credit risk arises from the failure of a customer or counterparty to fulfil the terms of a contract relating to financial instruments, and primarily constitutes the credit risk of financial losses that may arise from the Group’s trade receivables and investments in debt securities. The book values of financial assets indicate the maximum credit risk exposure. The Group’s financial instruments that may cause significant credit risk concentrations consist primarily of cash and trade receivables. The Group has cash and cash equivalents in various financial institutions. The Group manages this risk by limiting transactions with financial institutions and continuously evaluating the reliability of these institutions. The credit risk that may arise from trade receivables is limited due to the Group management’s limited credit amount applied to customers. Trade receivables are evaluated by the Group management by taking into account past experiences and current economic conditions and are shown net in the balance sheet after the provision for doubtful receivables is separated (Note 8).

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NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

	Receivables				
	Trade receivables		Other receivables		Deposits in
31 March 2025	Related party	Third party	Related party	Third party	banks
Maximum exposed credit risk as of reporting date (A+B+C+D+E)	-	327,886,862	6,953,476	3,597,188	44,532,582
- Secured portion of the maximum credit risk by guarantees, etc	-	-	-	-	-
A, Net book value of financial assets that are not past due or impaired	-	327,886,862	6,953,476	3,597,188	44,532,582
B, Book value of financial assets whose terms have been renegotiated and would otherwise be considered past due or impaired	-	-	-	-	-
C, Net book value of assets that are past due but not impaired	-	-	-	-	-
- Part secured by collateral etc,	-	-	-	-	-
D, Net book value of assets that are impaired	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
E, Off-balance sheet items containing credit	-	-	-	-	-

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(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 March 2025 unless otherwise indicated.)

NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

	Receivables				
	Trade receivables		Other receivables		Deposits in
31 December 2024	Related party	Third party	Related party	Third party	banks
Maximum exposed credit risk as of reporting date (A+B+C+D+E)	-	664,805,664	7,653,188	3,520,290	115,584,130
- Secured portion of the maximum credit risk by guarantees, etc	-	-	-	-	-
A, Net book value of financial assets that are not past due or impaired	-	664,805,664	7,653,188	3,520,290	115,584,130
B, Book value of financial assets whose terms have been renegotiated and would otherwise be considered past due or impaired	-	-	-	-	-
C, Net book value of assets that are past due but not impaired	-	-	-	-	-
- Part secured by collateral etc,	-	-	-	-	-
D, Net book value of assets that are impaired	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
E, Off-balance sheet items containing credit	-	-	-	-	-

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NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The values of financial instruments may fluctuate due to changes in market prices. Such fluctuations may arise from changes in the prices of securities or factors specific to the party issuing the security or affecting the entire market. The Group's interest rate risk is primarily related to bank loans.

While the interest rate of interest-bearing financial liabilities varies, interest-bearing financial assets have fixed interest rates and future cash flows do not change with the size of these assets. The Group's risk exposure to changes in market interest rates depends primarily on the Group's variable interest rate debt obligations. The Group's policy in this regard is to manage interest costs by using fixed and variable interest rate debts.

Liquidity risk

Liquidity risk is the possibility that the Group will not fulfill its net funding obligations. Liquidity risk occurs when events such as market disruptions or credit score reductions result in a decrease in funding sources. The Group management manages liquidity risk by distributing funding sources and maintaining sufficient cash and similar resources to fulfill its current and potential obligations.

Operational risk

Operational risk refers to direct and indirect risks that may arise from various reasons such as the Company's processes, employees, technology and infrastructure, in addition to external risks such as credit, market and liquidity, and risks arising from the obligations of legal regulators. Operational risk consists of the Company's activities.

The Company manages operational risk in order to avoid financial losses. In this context, the Company has determined internal processes and controls on the following issues;

- Appropriate task allocation, including independent authorization of transactions,
- Reconciliation and control of transactions,
- Compliance with legal and other regulatory obligations,
- Documentation of transactions and controls,
- Periodic assessment of operational risks encountered and adequacy of controls and procedures established to meet identified risks,
- Reporting of operational losses and compensatory recommendations and actions,
- Development of contingency plans,
- Training and professional development,
- Ethics and business standards,
- Risk reduction measures, including insurance in areas where they may be effective,

Market risk

Market risk is the risk that changes in the money market, such as exchange rates and interest rates, will affect the Company's income or the value of its financial assets. Market risk management aims to optimize returns while controlling market risk exposure within acceptable limits.

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NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Exchange rate risk

The Group is exposed to exchange rate risk due to sales, purchases and liabilities in currencies different from the functional currencies of the Group companies. The main currencies used in these transactions are the Euro and the US Dollar.

	31 March 2025		
	TRY		
	Equivalent	USD	EUR
1. Trade receivables	-	-	-
2. Cash and cash equivalents	10,869,321	278,410	8,772
3. Current assets (1+2)	10,869,321	278,410	8,772
4. Total assets (3)	10,869,321	278,410	8,772
5. Trade payables	-	-	-
6. Financial borrowings	-	-	-
7. Other	-	-	-
8. Short-term liabilities (5+6+7)	-	-	-
9. Total liabilities (8)	-	-	-
Total (4+9)	10,869,321	278,410	8,772

	31 December 2024		
	TRY		
	Equivalent	USD	EUR
1. Trade receivables	243,824,200	6,911,058	-
2. Cash and cash equivalents	35,133,468	770,886	216,037
3. Current assets (1+2)	278,957,668	7,681,944	216,037
4. Total assets (3)	278,957,668	7,681,944	216,037
5. Trade payables	409,506,026	11,586,361	-
6. Financial borrowings	-	-	-
7. Other	-	-	-
8. Short-term liabilities (5+6+7)	409,506,026	11,586,361	-
9. Total liabilities (8)	409,506,026	11,586,361	-
Total (4+9)	(130,548,358)	(3,904,417)	216,037

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NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Exchange rate risk (Continued)

	Interest Rate Sensitivity Analysis	
	2025	
	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
In case of 10% change of USD against TRY		
1- USD net asset/liability	(1,051,432)	1,051,432
2- Portion protected from USD risk (-)	-	-
3- USD net effect (1+2)	(1,051,432)	1,051,432
In case of 10% change of Euro against TRY		
4- EUR net asset/liability	(35,703)	35,703
5- Portion protected from EUR risk (-)	-	-
6- EUR net effect (4+5)	(35,703)	35,703
Total (3+6)	(1,087,135)	1,087,135

	Interest Rate Sensitivity Analysis	
	2024	
	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
In case of 10% change of USD against TRY		
1- USD net asset/liability	(13,848,474)	13,848,474
2- Portion protected from USD risk (-)	-	-
3- USD net effect (1+2)	(13,848,474)	13,848,474
In case of 10% change of Euro against TRY		
4- EUR net asset/liability	793,638	(793,638)
5- Portion protected from EUR risk (-)	-	-
6- EUR net effect (4+5)	793,638	(793,638)
Total (3+6)	(13,054,836)	13,054,836

NOTE 34 –FINANCIAL INSTRUMENTS

Fair value refers to the price at which a financial instrument is traded between willing parties in a current transaction, excluding situations such as forced sale or liquidation. The quoted market price, if any, is the value that best reflects the fair value of a financial instrument. The fair values of the Group's financial instruments have been estimated to the extent that relevant and reliable information can be obtained from financial markets in Turkey. The estimates presented herein may not reflect the amounts that the Group could obtain in a market transaction. The following methods and assumptions have been used in estimating the fair values of the Group's financial instruments.

The following methods and assumptions have been used in estimating the fair values of financial instruments whose fair values can be estimated in practice:

Financial Assets

Monetary assets whose fair value is close to their book value:

-Foreign currency balances are converted at the end-of-period exchange rate.

-It is assumed that the fair values of some financial assets (cash-bank) shown at cost in the financial position statement are close to their financial position statement values.

-It is estimated that the fair value of trade receivables is close to their carrying value after provisions are set aside.

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NOTE 34 –FINANCIAL INSTRUMENTS (CONTINUED)

Financial Liabilities

Monetary liabilities whose fair value approximates their book value:

-The fair values of short-term loans and other monetary liabilities are assumed to be approximate to their book values due to their short-term nature.

-The fair value of long-term debts denominated in foreign currency and converted at the end-of-period exchange rates is assumed to be equal to their book value.

-The book values of trade payables representing estimated amounts to be paid to third parties and accrued expenses carried in the financial position statement are assumed to be approximate to their market values.

Fair value measurement hierarchy table

The Group classifies the fair value measurements of financial instruments reflected at fair value in the financial statements using a three-level hierarchy according to the source of inputs for each financial instrument class, as follows,

First level: Financial assets and liabilities are valued based on stock market prices traded in active markets for identical assets and liabilities.

Second level: Financial assets and liabilities are valued using inputs used to find the price of the relevant asset or liability that can be observed in the market directly or indirectly, other than the stock market price specified in the first level.

Third level: Financial assets and liabilities are valued using inputs that are not based on observable data in the market used to find the fair value of the asset or liability.

In the accounting periods ending on 31 March 2025 and 31 December 2024, the Group did not make any transfers between the second level and the first level and to or from the third level.

NOTE 35 – EVENTS AFTER BALANCE SHEET DATE

In its statement on the Public Disclosure Platform dated 25.03.2025, the Group announced that it had started negotiations with SSTEK Defense Industry Technologies Inc. (SSTEK), a 100% subsidiary of the Presidency of Defense Industries of the Republic of Turkey, for the takeover of 100% of the shares of MilSOFT Software Technologies Inc. and made the necessary application to the Competition Authority for the takeover of MilSoft Software Technologies Inc.