ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE PERIODS ENDED 1 JANUARY – 31 DECEMBER 2024 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

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ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITORS REPORT AS OF 01 JANUARY - 31 DECEMBER 2024

To the General Assembly of
Oncosem Onkoljik Sistemler Sanayi ve Ticaret Anonim Şirketi

Independent Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Oncosem Onkolojik Sistemler Sanayi ve Ticaret Anonim Şirketi (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

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

2. Basis for Opinion

Our audit was conducted in accordance with the independent auditing standards published by the Capital Markets Board ("CMB") and Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

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

According to us, the issues described below are identified as key audit matters and are reported in our report:

<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td colspan="2"></td></tr>
<tr><td colspan="2">Provisions for impairment of trade receivables</td></tr>
<tr><td>Trade receivables are considered a significant balance sheet item as they represent 39% of the total current assets in the statement of financial position. Furthermore, the collectability of trade receivables is one of the key elements in the Group’s working capital management and involves significant management judgments and estimates.

As at 31 December 2024, the consolidated statement of financial position includes trade receivables amounting to TRY 85.128.368 (31 December 2023: TRY 78.561.147).

The determination of the credit risk and related provisions for trade receivables, or assessing whether a specific trade receivable is collectible, requires significant judgment by management. In this context, the Group’s management considers the aging analysis of receivables, legal letters obtained from the Company’s legal advisors to evaluate ongoing litigation risks, guarantees received within the scope of credit risk management and their characteristics, collection performance during the current period and subsequent to the reporting date, as well as all other relevant information.

Due to the judgment needed to determine the amount of receivables and collectability of receivables and the complexity and comprehensiveness of applications brought on by TFRS 9, the existence and collectability of trade receivables is considered a key audit matter.

Details of trade receivables are explained in Note 2.7 and Note 7 to the financial statements.</td><td>The following audit procedures related to the recoverability of trade receivables were applied during our audit:

- Analytical review of the accounts receivables aging reports and a comparative analysis of the turnover rate with the previous year has been conducted,

- Testing trade receivables by sending confirmation letters, on sample basis.

- Testing, on sample basis, the collections made in the subsequent period.

- Compliance of the applied accounting policies with TFRS 9, the Company's past performance and compliance with local and global practices has been evaluated.

- Inquiring into any disputes or litigation regarding collection of receivables and getting confirmation letter from legal counsels about pending cases in relation to the trade receivables.

- The adequacy of the disclosures regarding trade receivables and impairment of trade receivables and their compliance with TFRS have been evaluated.</td></tr>
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3. **Key Audit Matters (Continued)**

Key Audit Matters	**How our audit addressed the Key Audit Matter**
Recognition of inventories in financial statements and impairment of inventories	
In the accompanying financial statements as at 31 December 2024, the Company has inventories in the amount of TRY 82.517.042 which comprise 38% (31 December 2023: 112.093.990) of the current assets and have a risk of impairment. However, the calculation of the provision for the impairment of inventories also includes management estimations and assumptions. These estimates and assumptions include the evaluation of inventories that may sell slowly due to technological changes and changing customer demands, and the assessment of the provision for inventories that have not had any movement for a certain period of time and/or are damaged. Therefore, provision for the impairment of inventories has been determined as a key audit matter in our audit. Accounting principles and amounts regarding inventories in the financial statements are explained in detail in Note 2.7 and Note 9.	The following procedures have been applied to determine the impairment of inventories: - The accounting policy regarding the provision for impairment of inventories has been understood, and whether it is consistent with previous periods and its suitability has been evaluated. - Inventory turnover rate has been compared with the previous year and non-moving inventories have been determined on product basis. - The adequacy of the inventory impairment provision in the current period was compared with the impairment realized in the previous period, the mathematical accuracy of the related provision was reviewed and reconciled with the financial statements.

Key Audit Matters	**How our audit addressed the Key Audit Matter**
Application of the hyperinflationary accounting	
As stated in 2.1. to the consolidated financial statement, the Group continues to apply 'TAS 29 Financial Reporting in Hyperinflationary Economies' since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of 31 December 2024. In accordance with TAS 29, consolidated financial statements and corresponding figures for previous have been restated for the changes in the general purchasing power of Turkish lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1. Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accunting as a key audit matter	Our audit procedures included the following; - We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed, - We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, - We have audited the restatements of corresponding figures as required by TAS 29, - We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

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

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

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

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

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

Responsibilities of independent auditors in an independent audit are as follows:

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

We use our professional judgment and maintain our professional skepticism throughout the independent audit as a requirement of the independent audit conducted in accordance with the independent auditing standards published by the CMB and the SIA.

We also:

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

6. Other Responsibilities Arising from Regulatory Requirements

1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

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

The name of the engagement partner who supervised and concluded this audit is Nazım Hikmet.

Eren Bağımsız Denetim A.Ş.
A member firm of Grant Thornton International

Nazım Hikmet
Partner

18 February 2025
İstanbul,Türkiye

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONTENTS

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

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

ASSETS	**Notes**	**Audited Current Period 31 December 2024 TL**	**Audited Prior Period 31 December 2023 TL**
Current Assets			
Cash and cash equivalents	4	44.663.266	84.525.415
Trade receivables			
- Other trade receivables	7	*85.128.368*	*78.561.147*
Inventories	9	83.327.119	112.093.990
Prepaid expenses	10	3.601.061	4.602.353
Current income tax asset	25	893.921	1.814.981
Other current assets	18	500.161	247.862
Total Current Assets		**218.113.896**	**281.845.748**
Non Current Assets			
Other receivables			
- Other receivables	8	*398.958*	*177.521*
Financial investments	6	3.411.030	2.667.344
Right of use assets	13	1.261.964	4.606.393
Property, plant and equipment	11	142.713.843	165.969.931
Intangible assets	12	4.836.338	7.005.827
Prepaid expenses	10	2.612.310	14.573.735
Deferred tax assets	25	9.595.062	11.599.259
Total Non Current Assets		**164.829.505**	**206.600.010**
TOTAL ASSETS		**382.943.401**	**488.445.758**

The accompanying notes are an integral part of these financial statements.

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024 AND 2023

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

LIABILITIES	**Notes**	**Audited** **Current Period** **31 December 2024** **TL**	**Audited** **Prior Period** **31 December 2023** **TL**
Current Liabilities			
Financial liabilities	5	44.776.348	84.191.363
Current portions of non-current borrowings	5	1.011.022	2.062.591
Operational lease liabilities	13	824.350	1.854.158
Trade payables			
- Other trade payables	7	*13.233.034*	*24.371.459*
Liabilities for employee benefits	16	8.434.336	7.778.364
Other payables			
- Due to related parties	28	*320.000*	*93.846*
- Other payables	8	*536.548*	*1.106.125*
Deferred income	10	5.322.731	4.021.443
Current provisions			
- Provisions for employee benefits	16	*985.488*	*1.305.308*
- Other current provisions	17	*1.832.382*	*2.654.139*
Other current liabilities	18	3.475.797	1.333.504
Total Current Liabilities		**80.752.036**	**130.772.300**
Non Current Liabilities			
Financial liabilities	5	--	1.459.077
Operational lease liabilities	13	--	478.227
Long term provisions			
- Provisions for employee benefits	16	*5.477.043*	*5.216.051*
Deferred tax liabilities	25	22.580.251	15.990.346
Total Non Current Liabilities		**28.057.294**	**23.143.701**
EQUITY			
Equity Attributable to Owners of the Parent			
Share capital	19	23.850.000	23.850.000
Adjustment to share capital	19	85.560.382	85.560.382
Share premiums / (discounts)	19	138.471.323	138.471.323
Other comprehensive income/expense not to be reclassified to profit			
- Actuarial gain / loss	17	*(3.146.555)*	*(1.918.528)*
Restricted reserves	19	196.177.245	196.177.244
Prior years' profit		(107.610.666)	7.619.479
Net profit for the period		(59.167.658)	(115.230.143)
Total Equity		**274.134.071**	**334.529.757**
TOTAL LIABILITIES AND EQUITY		**382.943.401**	**488.445.758**

The accompanying notes are an integral part of these financial statements.

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

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

		Audited Current Period 1 January - 31 December 2024	**Audited Prior Period 1 January - 31 December 2023**
	Notes	**TL**	**TL**
Revenue	20	374.489.372	347.239.530
Cost of sales (-)	20	(235.971.710)	(295.570.282)
Gross profit		**138.517.662**	**51.669.248**
General administrative expenses (-)	21	(115.314.927)	(97.012.851)
Marketing, selling and distribution expenses (-)	21	(16.356.090)	(20.526.076)
Other operating income	22	2.506.092	13.370.345
Other operating expenses (-)	22	(3.191.960)	(39.540.024)
Operating profit		**6.160.777**	**(92.039.358)**
Income from investing activities	23	30.417	--
Expenses from investing activities (-)	23	--	(356.002)
Operating profit / (loss) before financial income and (expenses)		**6.191.194**	**(92.395.360)**
Financial income	24	17.290.966	26.258.986
Financial expenses (-)	24	(42.228.725)	(21.123.104)
Monetary gain / (loss)	26	(32.072.597)	(48.911.439)
Profit before tax		**(50.819.162)**	**(136.170.917)**
Tax expense			
Deferred tax income / (expense)	25	(8.348.496)	20.940.774
PROFIT FOR THE PERIOD		**(59.167.658)**	**(115.230.143)**
Attributable to			
Equity holders of the parent		(59.167.658)	(115.230.143)
Earnings per share	27	**(2,5)**	**(4,8)**

The accompanying notes are an integral part of these financial statements.

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

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

	Audited Current Period 1 January - 31 December 2024 TL	**Audited Prior Period 1 January - 31 Eecember 2023 TL**
Profit for the Period	**(59.167.658)**	**(115.230.143)**
Other Comprehensive Income / (Loss):		
Items not to be reclassified to profit or loss	**982.421**	**908.011**
Actuarial gains / loss on defined benefit plans	1.228.027	1.135.016
Deferred tax effect of actuarial gains / loss on defined benefit plans	(245.606)	(227.005)
Other Comprehensive Income / (Loss)	**982.421**	**908.011**
Total Comprehensive Income / (loss)	**(58.185.237)**	**(114.322.132)**
Attributable to	**(58.185.237)**	**(114.322.132)**
- Equity holders of the parent	(58.185.237)	(114.322.132)

The accompanying notes are an integral part of these financial statements.

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

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

	Share capital	Adjustment to share capital	Share premiums / (discounts)	Actuarial gain / (loss)	Restricted reserves	Prior years' profit	Net profit for the period	Equity attributable to equity holders of the parent	Total
Balance at 1 January 2023	**19.900.000**	**80.699.297**	**--**	**(783.512)**	**176.160.302**	**77.525.955**	**(29.978.950)**	**323.523.092**	**323.523.092**
Capital increase									
- Cash	*3.950.000*	*4.861.085*	--	--	--	--	--	*8.811.085*	*8.811.085*
Transfer to general reserves	--	--	--	--	7.920.227	(37.899.177)	29.978.950	--	--
Effect of changes in IAS 19 "Employee Termination Benefits" standard (Note 2)	--	--	--	(1.135.016)	--	--	--	(1.135.016)	(1.135.016)
Dividend payments	--	--	--	--	12.096.716	(32.007.300)	--	(19.910.584)	(19.910.584)
Share premiums / (discounts)	--	--	138.471.323	--	--	--	--	138.471.323	138.471.323
Net profit for the period	--	--	--	--	--	--	(115.230.143)	(115.230.143)	(115.230.143)
Balance at 31 December 2023	**23.850.000**	**85.560.382**	**138.471.323**	**(1.918.528)**	**196.177.245**	**7.619.478**	**(115.230.143)**	**334.529.757**	**334.529.757**
Balance at 1 January 2024	**23.850.000**	**85.560.382**	**138.471.323**	**(1.918.528)**	**196.177.245**	**7.619.478**	**(115.230.143)**	**334.529.757**	**334.529.757**
Transfer to general reserves	--	--	--	--	--	(115.230.144)	115.230.143	(1)	(1)
Effect of changes in IAS 19 "Employee Termination Benefits" standard (Note 2)	--	--	--	(1.228.027)	--	--	--	(1.228.027)	(1.228.027)
Net profit for the period	--	--	--	--	--	--	(59.167.658)	(59.167.658)	(59.167.658)
Balance at 31 December 2024	**23.850.000**	**85.560.382**	**138.471.323**	**(3.146.555)**	**196.177.245**	**(107.610.666)**	**(59.167.658)**	**274.134.071**	**274.134.071**

The accompanying notes are an integral part of these financial statements.

ONCOSEM ONKOLOJİK SİSTEMLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023
(Amounts expressed in Turkish Lira ("TL") in terms of purchasing power of the TL at 31 December 2024 unless otherwise indicated.)

		Audited Current Period 1 January - 31 December 2024	**Audited Prior Period 1 January - 31 December 2023**
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the period		(59.167.658)	(115.230.143)
Adjustments to reconcile net cash generated		-	-
Depreciation and amortization charge	11,12,13	52.208.860	56.384.530
Provision for employee termination benefits	16	4.123.935	4.117.844
Provision for expected credit losses	7	-	(4.499.823)
Provision for doubtful trade receivables	7	-	20.292.198
Provision for litigation	17	(11.161)	(1.846.892)
Adjustments for rediscount on interest income / (expense)	22	475.649	2.679.689
Adjustment for interest expenses	24	34.843.691	14.247.226
Provision for unused vacations	16	81.402	638.223
Profit / loss on sale of property, plant and equipment	23	30.417	-
Monetary loss / (gain)		20.770.274	36.707.856
Deferred tax asset / (liability), net	25	8.348.496	(20.940.775)
Changes in net working capital			
Increases / decreases in inventories	9	28.766.869	15.127.373
Increases / decreases in trade receivables	7	(7.099.579)	619.428
Increases / decreases in other receivables	8	(221.437)	121.154
Increases / decreases in prepaid expenses	10	12.962.717	(4.107.123)
Increases / decreases in other current assets	18	(252.299)	8.936.425
Increases / decreases in trade payables	7	(11.081.716)	(12.860.177)
Increases / decreases in other payables	29	312.548	(23.973.075)
Increase / decreases related to other liabilities in relation with advances received	10	1.301.288	(7.846.645)
Current income tax paid	25	363.176	(4.003.492)
Other short term provisions	16	2.142.293	816.235
Cash flows in operating activities after changes to net working capital		**88.897.765**	**(34.619.964)**
Employee termination paid	16	(3.242.068)	(2.302.506)
Net Cash Flows Generated From / (Used in) Operating Activities		85.655.697	(36.922.470)
B. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash flows generated from/used in current financial liabilities	5	(41.925.661)	59.321.145
Interest paid	24	(34.616.193)	(13.827.021)
Cash outflows from operating lease transactions	13	(687.802)	(1.922.531)
Capital increase, cash	19	-	8.811.085
Share premiums / (discounts)	19	-	138.471.323
Dividend payment		-	(19.910.584)
Net Cash Flows Generated From Financing Activities		(77.229.657)	170.943.417
C. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Proceeds from acqusition of property, plant and equipment	11	(21.810.314)	(45.578.640)
Proceeds from sales of property, plant and equipment	11	284.086	15.069.771
Proceeds from acqusition of intangible assets	12	(1.943.042)	-
Financial investments	6	(743.686)	(1.157.440)
Net Cash Flows Used in Investment Activities		(24.212.956)	(31.666.309)
D. EFFECT OF INFLATION ON CASH AND CASH EQUIVALENTS		(24.075.232)	(45.623.618)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(39.862.148)**	**56.731.020**
D.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**84.525.415**	**27.794.395**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**44.663.266**	**84.525.415**

The accompanying notes are an integral part of these financial statements.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

1. ORGANIZATION AND NATURE OF ACTIVITIES OF THE COMPANY

Oncosem Group consists of Oncosem Onkolojik Sistemler Sanayi ve Ticaret Anonim Şirketi, which is the main company, and majority or effective management of its affiliated companies.

The Company was established in Turkey in 2008 as a limited company and changed its status to a joint-stock company in 2018. The main business activity of the Company is to buy, sell, lease, rent, and produce all kinds of mechanical, electrical, and electronic devices for medical and health services, all types of imaging and medical devices, and all necessary spare parts, consumables, and medical supplies for these devices.

The Group conducts its activities in three main categories: chemotherapy drug preparation services, device sales, and test kit sales.

The registered address of the Company is as follows;

Mutlukent 1988 Cad. No:12 Çankaya/Ankara, Türkiye

As of 31 December 2024 and 31 December 2023, the shareholding structure of the Company is as follows:

	31 December 2024 Share Percentage (%)	**31 December 2023 Share Percentage (%)**
Erol Çelik	64	67
Bulls Girişim Sermayesi Yatırım Ort. A.Ş.	1	4
EC Yatırımlar Holding A.Ş.	-	4
Publicly traded part	35	25
	100	**100**

Consolidated Subsidiaries

As of 31 December 2024 and 31 December 2023 the direct and indirect ownership shares of the companies included in consolidation by the Group are provided below;

	31 December 2024		**31 December 2023**	
	Direct	**Indirect**	**Direct**	**Indirect**
Santek Sağlık Turz. Teks. San. A.Ş.	%100	--	%100	--

The operations of the consolidated entities in the accompanying consolidated financial statements are summarized below:

Santek Sağlık Turz. Teks. San. A.Ş. ("SantekSağlık"); The company was established in Ankara in 2006. The main business activity of the company revolves around health services, involving the procurement, sale, leasing, and rental of various mechanical, electrical, and electronic devices, all types of imaging and medical equipment, as well as acquiring, selling, and marketing all necessary spare parts and medical consumables for these devices. Additionally, the company engages in tenders for disinfection, sterilization, meal, and cleaning services for hospitals and various public and private enterprises, and it also deals with the procurement, sale, and marketing of their consumables.

On 21 December 2021, Santek Sağlık Turizm Tekstil Sanayi A.Ş. transferred the shares owned by Erol Çelik and Fatma Çelik to Oncosem Onkolojik Sistemler Sanayi ve Ticaret A.Ş. With this transfer, Oncosem became the sole owner of all shares of Santek Sağlık, holding a 100% stake.

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

As of 31 December 2024 and 31 December 2023, the number of personnel employed by Group are as follows;

	31 December 2024	31 December 2023
Oncosem Onkolojik Sis. San. ve Tic. A.Ş.	183	219
Santek Sağlık Turz. Teks. San. A.Ş.	109	105
Total	**292**	**324**

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

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

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

Approval of consolidated financial statements

These consolidated financial statements as of and for the year ended 31 December 2024 has been approved for issue by the Board of Directors on 18 February 2025. The General Assembly and various regulatory authorities have the right to amend the financial statements.

Functional and reporting presentation currency

The individual financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates ("functional currency").

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

Financial Reporting in Hyperinflationary Economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 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 31 December 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.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

Financial Reporting in Hyperinflationary Economy (Continued)

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 31 December 2023, on the purchasing power basis as of 31 December 2024.

Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 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 31 December 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 31 December 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment Factor	Three-Year Cumulative Inflation Rate
31 December 2024	2.684,55	1,00000	291%
31 December 2023	1.859,38	1,44379	268%
31 December 2022	1.128,45	2,37897	156%

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

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.

- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement. (Note 26)

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

2.1 Basis of Presentation (Continued)

Going Concern

The company has prepared its financial statements in accordance with the going concern principle.

2.2 Restatement and Errors in the Accounting Policies Estimates

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

2.3 Comparative Information and Correction of Financial Statements for the Previous Period

In order to enable the identification of financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. Comparative figures are reclassified when necessary to conform to the presentation of the current period consolidated financial statements, and material differences are disclosed. The Group has applied consistent accounting policies in the consolidated financial statements for the presented periods and there have been no significant changes in accounting policies or estimates during the current period.

2.4 Principles of Consolidation

The consolidated financial statements, parent company Oncosem Onkolojik Sistemler San. Ve Tic. A.Ş. and its subsidiaries, affiliates, joint ventures and financial investments accounts prepared according to the principles set forth in the following articles. During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the TAS/TFRS, which was put into effect by the POA in accordance with the provisions of the Communiqué Serial II, No. 14.1, and compliance with the accounting policies and presentation styles applied by the Group.

Subsidiaries

Subsidiaries refer to companies in which the Company is exposed to or has rights to variable returns from its involvement with the investee, and over which it has control because it has the ability to affect these returns through its power over the investee.

Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group and are excluded from the scope of consolidation on the date that control ceases.

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company's fulfilment of the following conditions:

i.) has power over the investee/asset,
ii.) is open to or entitled to variable returns from the investee/asset, and
iii.) can use its power to have an impact on returns.

In the event of a situation or event that may cause any change in at least one of the criteria listed above, the Company re-evaluates whether it has control over its investment.

The financial position statements and profit or loss statements of the subsidiaries are consolidated using the full consolidation method, and the book values of the subsidiaries owned by the Company and their equity are mutually offset. Intra-group transactions and balances between the Company and its subsidiaries are deducted during consolidation. The book values of the shares owned by the Company and the dividends arising from them have been netted off from the related equity and profit or loss statement accounts.

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

2.4 Principles of Consolidation (Continued)

Non-controlling interests

Non-controlling interests are measured in their proportional share of the acquirer's net assets at the acquisition date. Changes in the shares of subsidiaries without losing the Group's control power are accounted for as equity transactions. Accordingly, in additional share purchase transactions from non-controlling interests, the difference between the acquisition cost and the book value of the company's net assets in proportion to the purchased shares is accounted for under equity. In the sale of shares to non-controlling interests, losses or gains resulting from the difference between the sales price and the book value of the company's net assets in proportion to the sold share are also accounted for under equity.

Transactions eliminated on consolidation

Intra-group balances and transactions and unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains from transactions with equity are eliminated in proportion to the Group's interest in the investee. In the absence of any impairment, unrealized losses are eliminated in the same way as unrealized gains.

2.5 The New Standards, Amendments and Interpretations

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

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

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

The change in question has not had a significant impact on the Group's financial position or performance.

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

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

The change in question has not had a significant impact on the Group's financial position or performance.

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

2.5 The New Standards, Amendments and Interpretations (Continued)

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

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose

The change in question has not had a significant impact on the Group's financial position or performance.

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The group will evaluate the effects of these changes once the mentioned standards have been finalized.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17.

The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after 1 January 2025 with the announcement made by the POA:

- Insurance, reinsurance and pension companies.
- Banks that have ownership/investments in insurance, reinsurance and pension companies and
- Other entities that have ownership/investments in insurance, reinsurance and pension companies.

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2025 with the announcement made by the POA.

The impact of the mentioned standard on the Group's financial position and performance is being evaluated.

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

2.5 The New Standards, Amendments and Interpretations (Continued)

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

Amendments to TAS 21 - Lack of exchangeability

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

The mentioned changes are not applicable to the Group and have no impact on its financial position or performance.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The mentioned change has not had a significant impact on the Group's financial position or performance.

iv) 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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The mentioned change is not applicable to the Group and has no impact on its financial position or performance.

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

2.5. The New Standards, Amendments and interpretations (Continued)

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

Annual Improvements to IFRS Accounting Standards – Volume 11

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

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price".
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.

IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

The Group does not expect a significant impact on the Group's financial statements.

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

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The mentioned change is not applicable to the Group and has no impact on its financial position or performance.

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

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The impact of the mentioned standard on the Group's financial position and performance is being evaluated.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

The mentioned Standard is not applicable to the Group.

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

2.6 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (Note 6). Bank deposits with original maturities of more than three months are classified under short-term financial investments.

Financial instruments

Financial assets and liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) are added to or subtracted from the fair value of those financial assets and liabilities at initial recognition, as appropriate. Transaction costs directly related to the acquisition or issuance of financial assets and liabilities are recognized directly in profit or loss.

Financial assets

Financial assets bought and sold in the normal way are recorded or removed at the transaction date.

The Group manages its financial assets (a) the business model used by the entity to manage financial assets, (b) the amortized cost at subsequent recognition based on the characteristics of the contractual cash flows of the financial asset, through fair value through other comprehensive income or at fair value through profit or loss. classifies as measured through loss. Only when an entity changes its business model for the management of financial assets, it reclassifies all affected financial assets. The reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, no adjustments are made for gains, losses (including impairment gains or losses) or interest previously recognized.

Classification of financial assets

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost;

- The financial asset is held within the scope of a business model aimed at collecting contractual cash flows, and

- The contractual terms of the financial asset lead to cash flows that include only principal and interest payments arising from the principal balance on certain dates.

Financial assets that meet the following conditions are measured by reflecting the fair value change to other comprehensive income;

- The financial asset is held within the scope of a business model that aims to collect contractual cash flows and sell the financial asset, and

- The contractual terms of the financial asset lead to cash flows that include only principal and interest payments arising from the principal balance on certain dates.

If a financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

At initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of its investment in an equity instrument that is not held for trading in other comprehensive income.

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

2.6 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Classification of financial assets (continued)

(i) Amortized cost and effective interest method

Interest income on financial assets shown at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and distributing the interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross book value of the financial asset, except for the following;

a) Financial assets that are credit-impaired when purchased or created. For such financial assets, the entity applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

b) Financial assets that were not credit-impaired financial assets when purchased or created but subsequently became credit-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments whose amortized costs and fair value changes are reflected in other comprehensive income on subsequent recognition.

Interest income is recognized in the consolidated statements of profit or loss and shown under the item "finance income – interest income".

(ii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria of being measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each period, and all fair value changes are recognized in profit or loss unless the relevant financial assets are part of hedging transactions.

Equity instruments at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of each equity instrument not held for trading in other comprehensive income.

Financial asset is deemed to be held for trading purposes in the following cases:

- If it was acquired with the intention of selling it in the near future,
- It is part of a portfolio of certain financial instruments that the Group manages together at the time of initial recognition and there is recent evidence that the Group has a tendency to make short-term profits,

If it is a derivative instrument (except derivative instruments that are financial guarantee contracts or defined and effective hedging instruments).

Investments in equity instruments whose fair value changes are reflected in other comprehensive income are initially measured at fair value by adding transaction costs. Gains and losses arising from changes in fair value are then recognized in other comprehensive income and accumulated in the revaluation fund. In case of disposal of equity investments, the total accumulated gain or loss is transferred to retained earnings.

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Foreign exchange gains and losses

The carrying amount of financial assets denominated in foreign currency is determined in the relevant foreign currency and translated at the prevailing exchange rate at the end of each reporting period. Especially,

- Exchange differences are recognized in profit or loss for financial assets that are carried at amortized cost and are not part of a defined hedging transaction.
- Exchange differences calculated on the amortized cost of debt instruments that are measured at fair value through other comprehensive income and are not part of a defined hedging transaction are recognized in profit or loss for the period. All other exchange differences are recognized in other comprehensive income.
- Exchange differences on financial assets that are measured at fair value through profit or loss and are not part of a defined hedging transaction are recognized in profit or loss for the period.
- Exchange differences related to equity instruments measured by reflecting their fair value to other comprehensive income are recognized in other comprehensive income.

Impairment of financial assets

The Group provides impairment provisions in its financial statements for debt instruments, lease receivables, trade receivables, assets arising from contracts with customers, as well as expected credit losses on investments in financial guarantee contracts, which are carried at amortized cost or measured by reflecting the fair value change to other comprehensive income. The expected credit loss amount is updated at each reporting period to reflect changes in credit risk since the relevant financial asset was first recognized in the financial statements.

The Group uses the simplified approach for trade receivables that do not have significant financing elements, assets arising from contracts with customers and lease receivables, and calculates impairment provisions in an amount equal to the expected credit loss over the life of the relevant financial assets.

The Group recognizes lifetime expected credit losses for all its other financial instruments if there has been a significant increase in credit risk since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes a loss provision for that financial instrument in the amount of 12-month expected credit loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, the loss given default (i.e., the magnitude of the loss if there is a default), and the amount at risk given default. The assessment of probability of default and loss given default is based on historical data adjusted for forward-looking information. The risk amount of financial assets in case of default is reflected on the gross book value of the relevant assets at the reporting date.

Expected credit losses on financial assets are the difference between all of the cash flows that the Group expects to receive as contractually due and all of the cash flows that the Group expects to collect (all cash shortfalls) at the initial effective interest rate (or credit-impairment when purchased or originated). It is the present value calculated based on the credit-adjusted effective interest rate for existing financial assets.

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

2.6 Summary of Significant Accounting Policies (Continued)

Financial instruments (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights regarding the cash flows arising from the financial asset expire or when it transfers the financial asset and all risks and rewards arising from the ownership of the financial asset to another entity.

When a financial asset measured at amortized cost is derecognized, the difference between the carrying amount of the asset and the amount collected and receivable is recognized in profit or loss. In addition, in the derecognition of a debt instrument whose fair value change is reflected in other comprehensive income, the total gain or loss previously accumulated in the revaluation fund for the relevant instrument is reclassified to profit or loss. If an equity instrument that the Group chooses to measure by reflecting its fair value change to other comprehensive income at initial recognition is derecognised, the total gain or loss accumulated in the revaluation fund is not recognized in profit or loss, but is transferred directly to retained earnings.

Financial liabilities

The entity measures the financial liability at fair value when it is first recognized in the financial statements. In the initial measurement of liabilities other than those whose fair value changes are reflected in profit or loss, transaction costs that are directly attributable to their acquisition or issuance are also added to the fair value.

The entity classifies all financial liabilities as measured at amortized cost on subsequent recognition, except for the following:

a) Financial liabilities at fair value through profit or loss: These liabilities, including derivative products, are measured at fair value in subsequent accounting.

b) Financial liabilities arising when the transfer of a financial asset does not meet the conditions for derecognition or when the continuing relationship approach is applied: If the Group continues to show an asset in the financial statements to the extent of its ongoing relationship, it also reflects a related liability in the financial statement. The transferred asset and associated liability are measured to reflect the rights and obligations that the entity continues to retain. The liability attached to the transferred asset is measured in the same manner as the net book value of the transferred asset.

c) Contingent consideration recognized in the financial statements by the acquirer in a business combination where TFRS 3 is applied: After its initial recognition in the financial statements, the fair value changes in such contingent consideration are measured by reflecting them in profit or loss.

The entity does not reclassify any financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities only when the Group's obligations are eliminated, canceled or expired. The difference between the carrying amount of the derecognised financial liability and the amount paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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

2.7 Summary of Significant Accounting Policies (Continued)

Related parties

The person or business associated with the business that prepares its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if:

The person in question

(i) has control or joint control over the reporting entity,
(ii) has a significant impact on the reporting entity,
(ii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

(b) The business is considered related to the reporting business if any of the following conditions are present;

(i) The entity and the reporting entity are members of the same group (that is, each parent, subsidiary and other subsidiary is related to the others).
(ii) If the business is a subsidiary or joint venture of the other business (or a member of a group of which the other business is also a member).
(i) If both businesses are joint ventures of the same third party.
(iv) If one of the businesses is a joint venture of a third business and the other business is a subsidiary of that third business.
(v) If the entity, the reporting entity, or an entity related to the reporting entity has post-employment benefit plans for employees. If the reporting entity itself has such a plan, sponsoring employers are also associated with the reporting entity.
(vi) If the entity is controlled or jointly controlled by a person identified in clause (a).
(vii) A person identified in subparagraph (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a fee is charged.

Trade receivables

Trade receivables arising as a result of providing products or services to the buyer are shown less any unaccrued financing income. Trade receivables after unaccrued financing income are calculated by discounting the amounts to be obtained in the following periods from the original invoice value of the receivables recorded with the effective interest method. Short-term receivables without a determined interest rate are shown at their original invoice value, unless the effect of the original effective interest rate is significant.

If there is an objective finding that there is no possibility of collection, an impairment provision is made for the relevant trade receivables. Objective evidence is situations such as the fact that the receivable is in the litigation or enforcement phase or preparation, the buyer is in significant financial difficulty, the buyer is in default, or it is probable that there will be a significant and unpredictable delay. The amount of the provision in question is the difference between the registered value of the receivable and the collectible amount. Collectible amount is the discounted value of all cash flows, including amounts collectable from guarantees and guarantees, based on the original effective interest rate of the trade receivable.

Following the provision for impairment, if all or part of the impaired receivable amount is collected, the collected amount is deducted from the impairment provision and recorded in other operating income.

Within the scope of impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (with a maturity of less than one year), the "simplified approach" defined in TFRS 9 has been preferred. With this approach, in cases where trade receivables are not impaired for certain reasons (excluding realized impairment losses), the Company measures the loss provisions for trade receivables at an amount equal to the lifetime expected credit losses.

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

2.6 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads. The cost of borrowings is not included in the costs of inventories. The cost of inventories is determined on the weighted average basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property, plant and equipment

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses. Land and lands are not subject to depreciation and are shown at cost less accumulated impairment losses.

In cases where the assets cannot be converted into money over the value they carry, it is checked whether there is any impairment in the assets. If there is such an indication and the value of the assets exceeds the estimated amount to be realized, the assets or cash generating units are brought to their realizable values.

The realizable amount is the higher of the asset's net selling price and net book value in use. To determine the amount of net book value in use, estimated future cash flows are discounted using the pre-tax discount rate, which measures the time value of money and the risk nature of the asset. The net book value in use of a non-independent cash-generating asset is determined for the cash-generating group to which the asset belongs. Provision for impairment expenses are recognized in the consolidated statement of profit or loss.

Except for land and investments in progress, the cost or valued amounts of tangible assets are depreciated using the straight-line method over their expected useful lives or production volumes. The expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and if there is a change in estimates, they are accounted for prospectively.

The rates used in the amortization of tangible fixed assets are as follows;

	Useful Life
Buildings	50 years
Machinery and equipment	4-15 years
Motor vehicles	4-5 years
Furniture, fixtures and office equipment	3-18 years
Leasehold improvements	5 years
Other property, plant and equipment	3-15 years

Intangible assets and amortization

Intangible assets which are mainly software licenses and mining extraction rights are measured initially at cost. An intangible asset is recognized if it meets the identifiability criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method over their estimated useful economic lives (3-5 years).

Evaluation of research expenses and development costs within the scope of Articles 52 to 67 of TAS 38 "Intangible Assets"

Planned activities to obtain new technological information or findings are defined as research and research expenses incurred at this stage are recorded as expense when incurred.

The application of research findings or other information to a plan prepared to produce new or significantly improved products, processes, systems or services is defined as development and is recognized as intangible assets resulting from development if all of the following conditions are met.

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

2.6 Summary of Significant Accounting Policies (Continued)

Intangible assets and amortization (Continued)

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all of the following conditions are met;

- It is technically possible to complete the intangible asset so that it is ready for use or ready for sale.
- Intention to complete, use or sell the intangible asset.
- • Whether the intangible asset can be used or sold, and it is clear how the asset will generate possible future economic benefits.
- • Availability of appropriate technical, financial and other resources to complete the development of the intangible asset, use or sell the asset.
- The development cost of the intangible asset can be measured reliably during the development process.

The amount of intangible assets created internally is the total amount of expenses incurred since the intangible asset meets the above-mentioned recognition conditions. When internally generated intangible assets cannot be recognized, development expenditures are recorded as expense in the period in which they are incurred. After initial recognition, internally generated intangible assets are reported at cost less accumulated depreciation and accumulated impairment losses, just like intangible assets purchased separately.

The Group acquires a portion of certain intangible assets under paragraphs 27 and 32 of IAS 38. In this context, it capitalizes the costs that are obtained separately from the outside and directly associated with the asset. In particular, the costs incurred within the framework of paragraph 28 of TAS 38 are capitalized.

The useful lives of the intangible assets are as follows:

	Useful life
Development expenses	5 years
Other intangible assets	3 years

Finance leases

The Group - as the lease

The Group evaluates whether a contract is a lease or contains lease terms at the inception of the contract. The Group recognizes the right-of-use asset and the related lease liability for all leases of which it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognizes the lease payments as operating expense on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the timing structure in which the economic benefits from the leased assets are used.

In the initial recognition, lease obligations are accounted for at the present value of the lease payments that were not paid at the contract inception date, discounted at the lease rate. If this rate is not specified beforehand, the Group uses the alternative borrowing rate to be determined by itself.

The lease payments included in the measurement of the lease liability consist of.

- Fixed lease payments (substantially fixed payments) less any lease incentives;
- Variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease,
- The amount of debt expected to be paid by the lessee under residual value guarantees

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

2.6 Summary of Significant Accounting Policies (Continued)

Finance leases (continued)

The Group - as the lease (continued)

- The enforcement price of the payment options, where the lessee will reasonably implement the payment options; and
- Penalty payment for the cancellation of the rental if there is a right to cancel the rental during the rental period.

The lease liability is presented as a separate item in the consolidated statements of financial position.

Lease liabilities are measured by increasing the net carrying amount (using the effective interest method) to reflect the interest on the subsequent lease liability and decreasing the carrying amount to reflect the lease payment made. The Group remeasures the lease liability (and makes appropriate changes to the related right-of-use asset) if:

- When the lease liability is remeasured by discounting the revised lease payments using the revised discount rate when a change occurs in the assessment of the lease term or exercise of a purchase option.
- When the lease payments change due to changes in the index, rate, or expected payment change in the promised residual value, the restated lease payments are discounted using the initial discount rate and the lease liability is remeasured (the revised discount rate is used if the change in lease payments is due to a change in the variable interest rate).
- When a lease is changed and the lease modification is not accounted for as a separate lease, the revised lease payments are discounted using the revised discount rate and the lease liability is restated.

The Group has not made such changes during the periods presented in the consolidated financial statements.

Right-of-use assets include the initial measurement of the corresponding lease liability, lease payments made on or before the lease commencement date, and other direct initial costs. These assets are measured at cost less accumulated depreciation and impairment losses.

A provision is recognized in accordance with IAS 36 when the group incurs costs to disassemble and dispose of a lease asset, restore the area on which the asset is located, or restore the main asset in accordance with the terms and conditions of the lease. These costs are included in the relevant right-of-use asset unless they are incurred to produce inventory.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the main asset. When ownership of the main asset is transferred in a lease or when the Group plans to exercise a purchase option based on the cost of the right-of-use asset, the associated right-of-use asset is depreciated over the useful life of the main asset. Depreciation begins on the date the lease actually begins.

Group - as a lessor

The Group, as a lessor, signs lease agreements for some of its investment properties.

Leases in which the Group is the lessor are classified as finance leases or operating leases. The contract is classified as a finance lease if, according to the terms of the lease, all the ownership risks and rewards are transferred to the lessee to a significant extent. All other leases are classified as operating leases.

If the Group is the lessor of the vehicle, it accounts for the main lease and the sublease as two separate contracts. A sublease is classified as a finance lease or an operating lease with respect to the right-of-use asset arising from the main lease.

Rental income from operating leases is accounted for using the straight-line method over the relevant lease period. The direct initial costs incurred in realizing and negotiating the operating lease are included in the cost of the leased asset and amortized on a straight-line basis over the lease term.

Finance lease receivables from lessees are accounted for as receivables for the Group's net investment in leases.

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

2.6 Summary of Significant Accounting Policies (Continued)

Impairment of assets

Intangible assets with indefinite useful lives, such as goodwill, are not amortized. These assets are subject to annual impairment testing. For assets that are subject to amortization, an impairment test is performed when events or circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest level at which separately identifiable cash flows exist (cash-generating units). Non-financial assets other than goodwill that have been subject to impairment are reviewed at each reporting date to assess whether a reversal of the impairment is required.

Borrowing cost

When the assets require a substantial period of time to be made ready for use or sale, borrowing costs directly attributable to the acquisition, construction, or production of such qualifying assets are capitalized as part of the cost of the related asset until the asset is ready for its intended use or sale. Any investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the capitalizable borrowing costs.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Revenue

Revenue is recognized in the consolidated financial statements within the scope of the five-step model described below.

a) Definition of contracts with customers,
b) Definition of liabilities in contracts,
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the entity; and
e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group evaluates the goods or services it undertakes in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation. For each performance obligation, it is determined at the beginning of the contract that the performance obligation will be fulfilled over time or at a certain time. If the Group transfers the control of a good or service over time and thus fulfils the performance obligations related to the related sales over time, it measures the progress of the fulfilment of the performance obligations and recognizes the revenue in the financial statements.

Sale of goods (Chemotherapy drug preparation sets, devices and test kits)

Revenue is reliably measurable when the significant risks and rewards of ownership have been transferred to the customer, the possibility of return of goods is low, the associated costs and potential returns can be reliably estimated, and there is no continuing managerial involvement with the goods. Revenue is measured net of returns, sales discounts, and volume rebates.

The timing of the transfer of risks and services depends on the terms and conditions of the sales contract.

Device sales revenue

Revenue from the sale of devices is recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

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

2.6 Summary of Significant Accounting Policies (Continued)

Employee benefits

In accordance with the current social legislation, the Group is obliged to pay accumulated compensation for each employee who completes one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

In accordance with Turkish laws and union agreements, lump-sum payments are made to employees who retire or leave the Group unintentionally. Such payments are considered to be a part of the defined retirement benefit plan in accordance with "Turkish Accounting Standard (revised) Employee Benefits ("TAS 19") No. 19.

In the accompanying consolidated financial statements, the severance pay liability has been calculated in accordance with the recognition and measurement principles set out in TAS 19 “Employee Benefits”. Due to the nature of the severance pay liabilities, which are similar to the “Defined Benefit Plans” as defined in this standard, the said liabilities have been calculated using certain assumptions explained below and have been recognized in the financial statements accordingly.

Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Contingent Assets and Liabilities

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

Taxes calculated on corporate income and deferred tax

As Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense.

Current tax

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit differs from profit reported in the statement of profit or loss in that it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability has been calculated using the tax rate that has been enacted or substantially enacted as of the reporting period.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

2.6 Summary of Significant Accounting Policies (Continued)

Taxes calculated on corporate income and deferred tax (Continued)

Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by generating taxable profit in the future. The mentioned assets and liabilities are not recognized if they arise from the initial recognition of the temporary difference, goodwill or other assets and liabilities (other than business combinations) related to the transaction that does not affect the commercial or financial profit/loss.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, unless the Group is able to control the disappearance of temporary differences and it is unlikely that the difference will disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are calculated on the condition that it is highly probable that the said differences will be benefited from by earning sufficient taxable profit in the near future and it is probable that the related differences will disappear in the future.

Carrying amount of deferred tax asset is reviewed at each reporting period. The carrying amount of the deferred tax asset is reduced to the extent that it is not likely to generate a financial profit sufficient to allow some or all of the benefits to be obtained.

Deferred tax assets and liabilities are calculated over tax rates (tax regulations) that are expected to be valid in the period when the assets will be realized or the liabilities will be fulfilled and which have been enacted or substantially enacted as of the reporting date.

During the calculation of deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfil its liabilities as of the reporting period are taken into account.

Deferred tax assets and liabilities, when there is a legal right to set off current tax assets and current tax liabilities, or if such assets and liabilities are associated with income tax collected by the same tax authority, or if the Group intends to settle its current tax assets and liabilities on a net basis. is deducted.

Current and Deferred Income Tax

Current tax and deferred tax for the period are expense or income in the statement of profit or loss, excluding those associated with items receivable or payable directly in equity (in which case deferred tax is also recognized directly in equity) or arising from the initial recognition of business combinations. accounted for. In business combinations, tax effects are taken into account when calculating goodwill or determining the portion of the purchaser's share in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary exceeding the acquisition cost.

Foreign currency transactions

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions using the Turkish Central Bank buying exchange rates. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

	31 December 2024	31 December 2023
USD	35,2803	29,4382
EURO	36,7362	32,5739
GBP	44,2073	37,4417

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

2.6 Summary of Significant Accounting Policies (Continued)

Statement of cash flows

In the consolidated statement of cash flows, cash flows for the period are classified and reported on the basis of operating, investing and financing activities.

Cash flows from operating activities represent cash flows from the Group's ongoing construction activities, mining sates, financial institution income to name a few.

Cash flows from investing activities represent the cash flows that the Group uses and receives from its investing activities (fixed and financial investments).

Cash flows from financing activities show the resources used by the Group in financing activities and the repayments of these resources.

Cash and cash equivalents are cash, demand deposits and other highly liquid short-term investments that have maturities of three months or less from the date of purchase, are immediately convertible into cash, and do not carry the risk of significant changes in value.

Differences arising from the translation of the cash flow statement from the functional currency to the presentation currency are shown as translation differences in the cash flow statement.

EBITDA

This financial data is an indicator of the measured income of a business without taking into account financing, tax, depreciation and amortization expenses. This financial data is separately stated in the financial statements because it is used by some investors to measure the ability of the enterprise to repay its loans and/or to borrow additional money. EBITDA should not be taken into account independently of other financial data, it is derived from financial indicators such as net profit (loss), net cash flow from operating, investment and financing activities, financial data obtained from investment and financial activities or prepared in accordance with TFRS, or the operating performance of the business. It should not be considered as an alternative to other data obtained. This financial information should be evaluated together with other financial data in the cash flow statement.

Earnings / (loss) per share

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

Companies in Turkey can increase their capital by distributing shares ("bonus shares") to existing shareholders from retained earnings and equity inflation adjustment differences. When earnings per share are calculated, these bonus shares are considered as issued shares. Therefore, the weighted average share weight used in calculating the earnings per share is obtained by retrospectively considering the bonus shares received.

Dividens

Dividend liabilities are recognized as a liability in the consolidated financial statements in the period in which they are declared as part of the profit distribution.

Events after the reporting date

Events after the reporting date; It covers all events between the reporting date and the date the statement of financial position is authorized for issue, even if they occur after any announcement or other selected financial information that affects profit or loss has been made public.

In the event that events requiring adjustment occur after the reporting date, the Group adjusts the amounts recognized in the financial statements in accordance with this new situation. Matters arising after the reporting date that do not require adjustment are disclosed in the notes according to their materiality.

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

2.7 Use of Estimates

In the preparation of the consolidated financial statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, determine the probable liabilities and commitments as of the date of the consolidated financial statements, and the income and expense amounts as of the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly; necessary corrections are made and reflected in the comprehensive income statement in the period they are realized. However, actual results may differ from these results.

The assumptions made by considering the interpretations that may have a material effect on the amounts reflected in the consolidated financial statements and the main sources of the existing or future estimates at the date of the financial statements are as follows:

a) Severance pay liability is determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates).

b) Provisions for litigation are determined by the management in each period by taking the opinions of the Company's legal advisors on the possible consequences of ongoing lawsuits as of the date of preparation of the financial statement, which may lead to cash outflows.

c) The Group management has made important assumptions in the determination of the useful economic lives of the tangible assets in line with the experience of the technical team.

d) The Group reviews its assets in order to set aside a provision for impairment when it is revealed that the assets may not be sold at their book value, in line with the developing events or changing conditions. If there is such an indication and the carrying value of the assets exceeds the estimated recoverable value, the assets and cash-generating units are presented at their estimated recoverable value. The recoverable value of the assets is the higher of the net selling price or value in use.

e) The impairment loss in trade receivables and other receivables is based on the Company management's assessment of the volume of trade receivables, past experiences and general economic conditions.

3. Segment reporting

The Group operates in a single area related to chemotherapy drug preparation kits, device sales and test kit sales. Therefore, the Group does not have reporting according to industrial divisions.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

4. CASH AND CASH EQUIVALENTS

-	31 December 2024	31 December 2023
Cash on hand	436.437	720.192
Cash at banks		
- Demand Deposits	*16.674.015*	*29.957.690*
- Time Deposits	*26.625.805*	*52.884.763*
Interest accruals	927.009	962.770
Total	**44.663.266**	**84.525.415**

The details of the Company's cash balances are as follows;

	31 December 2024	31 December 2023
Cash on hand		
- Turkish Lira	*436.437*	*720.192*
Total	**436.437**	**720.192**

	31 December 2024	31 December 2023
Cash at banks		
- Turkish Lira	*35.507.796*	*67.474.232*
- Foreign currency	*7.792.024*	*15.368.222*
Interest accruals	927.009	962.769
Total	**44.226.829**	**83.805.223**

As of 31 December 2024, there are no mortgages, pledges or blockages on the Group's cash and cash equivalents (31 December 2023: None).

5. FINANCIAL LIABILITIES

As of 31 December 2024 and 31 December 2023 details of current and non-current financial liabilities are as follows:

Current financial liabilities	**31 December 2024**	**31 December 2023**
Current bank borrowings	43.427.882	81.887.271
Current portion of non-current borrowings and interest rates	1.011.022	2.062.591
Interest accruals	1.129.762	1.800.274
Credit card payables	218.704	503.818
Total current financial liabilities	**45.787.370**	**86.253.954**

Non-current financial liabilities	**31 December 2024**	**31 December 2023**
Non-current borrowings	--	1.459.077
Total non-current financial liabilities	**--**	**1.459.077**
Total financial liabilities	**45.787.370**	**87.713.031**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

5. FINANCIAL LIABILITIES (CONTINUED)

The repayment schedule of the financial liabilities are as follows;

Time of payment	31 December 2024	31 December 2023
Within 1 year	45.787.370	86.253.954
1 - 2 years	--	1.459.077
Total	**45.787.370**	**87.713.031**

	Foreign Currency		TRY Equivalent	
	31.12.2024	**31.12.2023**	**31.12.2024**	**31.12.2023**
Current bank borrowings				
-TRY	--	--	44.438.904	79.988.903
-ABD$	--	108.398	--	3.191.038
-EURO	--	23.636	--	769.920
Credit card payables	--	--	218.704	503.818
Interest accruals	--	--	1.129.762	1.800.275
Total			**45.787.370**	**86.253.954**
Non-current borrowings				
-TRY	--	--	--	1.459.077
Total			**--**	**1.459.077**

The guarantees and obligations given by the Group in relation to the loans received are explained in Note 15.

6. FINANCIAL INVESTMENTS

	Percentage	31 December 2024	31 December 2023
Oncosem Gmbh (Germany)	100	3.361.589	2.617.904
Oncosem CA LLC	100	44.115	44.115
Oncosem UK Limited	100	5.326	5.325
		3.411.030	**2.667.344**
Unpaid share capital		--	--
		3.411.030	**2.667.344**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

6. FINANCIAL INVESTMENTS (CONTINUED)

Oncosem GmbH, in Germany, started its establishment operations on 29 November 2021 in order to carry out chemotherapy drug preparation service and Covid-19 kit sales activities in the healthcare sector. As of 28 July 2022, the establishment and registration procedures have been completed and product registrations have started to be made. As of 31 December 2024, no sales have been made.

Oncosem UK Limited was established in the United Kingdom on 19 October 2023 to operate in the healthcare sector, specifically in the preparation of chemotherapy drugs. The incorporation and registration procedures were completed as of 19 October 2023, and product registration processes have been initiated. As of 31 December 2024, no sales have been made.

As of 31 December 2024, it has not been included in the consolidation due to the fact that it does not have active production activities.

7. TRADE RECEIVABLES AND PAYABLES

(a) Trade receivables

Current trade receivables	**31 December 2024**	**31 December 2023**
Trade receivables from unrelated parties;		
- *Currents accounts*	*83.813.671*	*79.337.023*
- *Post-dated check and notes receivables*	*5.562.564*	*3.901.794*
Doubtful receivables	13.935.080	20.859.562
Current trade receivables (gross)	**103.311.315**	**104.098.379**
Less: Expected credit losses	(1.433.476)	(1.178.946)
Less: Deferred finance income	(2.814.391)	(3.498.724)
Less: Provision for doubtful receivables	(13.935.080)	(20.859.562)
Current trade receivables (net)	**85.128.368**	**78.561.147**

Trade receivables consist of receivables from the customer for products sold in the normal course of business. The average collection period of trade receivables is between 40-100 days and they are classified as current trade receivables. The Group holds trade receivables for the purpose of collecting cash flows arising from the contract.

As of 31 December 2024 and 2023 the movements details of the provisions for expected credit losses are as follows;

	1 January – 31 December 2024	**1 January – 31 December 2023**
Opening balance, 01 January	**1.178.946**	**6.442.409**
Provisions during the period (Note 22)	*616.911*	--
Obsolete Provisions (Note 22)	--	*(4.499.823)*
Monetary gain/(loss)	*(362.381)*	*(763.640)*
Closing balance, 31 December	**1.433.476**	**1.178.946**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

7. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

(a) Trade receivables (Continued)

As of 31 December 2024 and 2023 the movements details of the provisions for doubtful trade receivables are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Opening balance, 01 January	**20.859.562**	**1.540.398**
Provisions during the period (Note 22)	--	*20.292.198*
Collections and reversed provisions	*(512.724)*	--
Monetary gain/(loss)	*(6.411.758)*	*(973.034)*
Closing balance, 31 December	**13.935.080**	**20.859.562**

The maturity breakdown of postdated check and notes receivable as of 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024	31 December 2023
0-3 months	5.309.315	3.901.794
3-6 months	253.249	--
	5.562.564	**3.901.794**

(b) Trade payables

Current trade payables	31 December 2024	31 December 2023
Trade payables to unrelated parties;		
- *Current accounts*	*8.107.894*	*14.782.586*
- *Notes payables*	*5.443.177*	*10.107.437*
Current trade payables (gross)	**13.551.071**	**24.890.023**
Less: Deferred finance expense	(318.037)	(518.564)
Current trade payables (net)	**13.233.034**	**24.371.459**

The payables and maturities of commercial debts vary according to the contracts concluded with suppliers and the average maturity is between 40-120 days.

As of 31 December 2024 and 31 December 2023 the maturity details of notes payables are as follows;

	31 December 2024	31 December 2023
0-3 months	5.443.177	8.926.303
3-6 months	--	1.181.134
	5.443.177	**10.107.437**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

8. OTHER RECEIVABLES AND PAYABLES

(a) Other non-current receivables

Other non-current receivables	31 December 2024	31 December 2023
Deposits and guarantees given	398.958	177.521
Total	**398.958**	**177.521**

(b) Other current liabilities

Other current payables	31 December 2024	31 December 2023
Current payables to related parties (Note 28)	320.000	93.846
Other payables	536.548	1.106.125
Total	**856.548**	**1.199.971**

9. INVENTORIES

As of the reporting period the details of the Group's inventories are as follows;

	31 December 2024	31 December 2023
Raw materials and supplies inventory	42.129.652	81.010.459
Finished Goods	19.764.757	4.423.862
Trade goods	21.117.887	24.466.005
Other inventories	314.823	2.193.664
Total	**83.327.119**	**112.093.990**

The Group's semi-finished products and finished products belong to chemotherapy kits, test kits and devices from which it receives sales revenue.

There are no guarantees or pledges on the Group's stocks.

10. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid expenses in current assets

	31 December 2024	31 December 2023
Advances given for inventories	2.776.117	3.428.045
Prepaid expenses (*)	824.944	1.174.308
Total	**3.601.061**	**4.602.353**

(*) Prepaid expenses in current assets are comprised of insurance expenses.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

10. PREPAID EXPENSES AND DEFERRED INCOME

b) Prepaid expenses in non-current assets

	31 December 2024	31 December 2023
Advances given for tangible and intangible assets	2.612.310	14.573.735
Total	**2.612.310**	**14.573.735**

c) Current deferred income

	31 December 2024	31 December 2023
Current advances received (*)	5.322.731	4.021.443
Total	**5.322.731**	**4.021.443**

(*) The current deferred income of the Group consist of received order advances and the company-by-company details are as follows;

	31 December 2024	31 December 2023
Eurosia Transcom FZC	2.522.715	--
Pandora E-Ticaret	2.419.076	3.492.632
Other	380.940	528.810
Total	**5.322.731**	**4.021.442**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

11. PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2024 and 31 December 2023 the movements details of the tangible fixed assets are as follows;

	31.12.2022	Additions	Disposals	31.12.2023	Additions	Disposals	31.12.2024
Cost							
Buildings	1.978.974	--	--	1.978.974	--	--	1.978.974
Machinery and equipment	280.436.655	35.509.501	(22.730.100)	293.216.056	21.542.356	(17.513.296)	297.245.116
Motor vehicles	19.930.336	3.799.554	(731.251)	22.998.639	--	--	22.998.639
Fixtures and fittings	14.438.547	719.015	--	15.157.562	267.959	(5.778.144)	9.647.377
Leasehold improvements	30.416.803	--	--	30.416.803	--	--	30.416.803
Other property, plant and equipment	8.254.064	--	--	8.254.064	--	--	8.254.064
	355.455.379	**40.028.070**	**(23.461.351)**	**372.022.098**	**21.810.315**	**(23.291.440)**	**370.540.973**
Accumulated depreciation (-)							
Buildings	408.988	39.580	--	448.568	39.579	--	488.147
Machinery and equipment	121.062.008	37.563.474	(8.074.705)	150.550.777	35.900.434	(17.227.146)	169.224.065
Motor vehicles	13.534.212	2.838.830	(316.875)	16.056.167	2.836.273	--	18.892.440
Fixtures and fittings	8.251.391	1.683.901	--	9.935.292	1.650.057	(5.749.791)	5.835.558
Leasehold improvements	16.256.036	5.394.887	--	21.650.923	4.181.719	--	25.832.642
Other property, plant and equipment	7.266.599	143.841	--	7.410.440	143.838	--	7.554.278
	166.779.234	**47.664.513**	**(8.391.580)**	**206.052.167**	**44.751.900**	**(22.976.937)**	**227.827.130**
Net Book Value	**188.676.145**			**165.969.931**			**142.713.843**

As of 31 December 2024, the total insurance cost on the Group’s property, plant and equipment are TRY 391.111.680. (31 December 2023: TRY 452.440.223)

As of 31 December 2024, there are no mortgages or guarantees on the Group's tangible fixed assets (31 December 2023: None).

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The distribution details of depreciation expenses are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Depreciation of property, plant and equipment	44.751.900	47.664.513
Depreciation of right-of-use assets (Note 13)	3.344.429	5.277.782
Amortization of intangible assets (Note 12)	4.112.531	3.442.235
Total	**52.208.860**	**56.384.530**

The distribution details of depreciation and amortization of property, plant and equipment and intangible assets and right-of-use assets is as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
General administrative expenses (Note 21)	38.882.087	41.111.554
Cost of services sold (Note 20)	13.326.773	15.272.976
Total	**52.208.860**	**56.384.530**

12. INTANGIBLE ASSESTS

As of 31 December 2024 and 31 December 2023 for the periods ended, the movements of intangible assets are as follows;

	31.12.2022	Additions	31.12.2023	Additions	31.12.2024
Cost					
Development expenses	9.729.345	--	9.729.345	1.372.870	11.102.215
Other intangible assets (*)	13.578.472	5.550.569	19.129.041	570.172	19.699.213
	23.307.817	**5.550.569**	**28.858.386**	**1.943.042**	**30.801.428**
Accumulated Amortization (-)					
Development expenses	9.729.345	--	9.729.345	157.712	9.887.057
Other intangible assets	8.680.979	3.442.235	12.123.214	3.954.819	16.078.033
	18.410.324	**3.442.235**	**21.852.559**	**4.112.531**	**25.965.090**
Net Book Value	**4.897.493**		**7.005.827**		**4.836.338**

(*) Other intangible assets of the Group consist of computer software programs.

As of 31 December 2024, there are no mortgages or guarantees on the intangible assets of the Group (31 December 2023: None).

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

13. RIGHT OF USE ASSETS AND LIABILITIES FROM OPERATIONAL LEASING TRANSACTIONS

As of 31 December 2024 and 31 December 2023 for the periods ended, the movements of the right-of-use assets are as follows;

	31.12.2022	Additions	31.12.2023	Additions	31.12.2024
Cost					
Building	25.762.238	866.102	26.628.340	--	26.628.340
	25.762.238	**866.102**	**26.628.340**	**--**	**26.628.340**
Accumulated amortization (-)					
Building	16.744.165	5.277.782	22.021.947	3.344.429	25.366.376
	16.744.165	**5.277.782**	**22.021.947**	**3.344.429**	**25.366.376**
Net Book Value	**9.018.073**		**4.606.393**		**1.261.964**

The maturity separation for operational lease liabilities is as follows;

	31 December 2024	31 December 2023
Current lease liabilities	824.350	1.854.158
Non-current lease liabilities	--	478.227
	824.350	**2.332.385**

The maturity separation for operational lease liabilities are as follows;

	31 December 2024	31 December 2023
Within 1 year	824.350	1.854.158
Between 1-2 years	--	478.227
	824.350	**2.332.385**

14. GOVERTMENT GRANTS

There are investment incentive certificate to which the Company has been entitled by the official authorities.

As of 31 December 2024, the Group held an investment incentive certificate dated 14 September 2021 and numbered 527532, granted for the manufacturing of medical and surgical equipment. The total investment amount under this certificate was TRY 43.927.925, and the validity period expired on 7 September 2024. As of the reporting date, the Group does not have any new investment incentive certificates.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Collaterals, pledges and mortgages "CPM" given by the Group are as follows:

	31 December 2024	31 December 2023
A. CPM's given in the name of own legal personality	82.645.641	25.723.447
B. CPM's given on behalf of the fully consolidated companies (*)	17.500.000	25.266.285
C. CPM's given on behalf of third parties for ordinary course of business	--	--
D. Total amount of other CPM's given		
i. Total amount of CPM's given on behalf of the majority shareholder	--	--
ii. Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	--	--
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	--	--
Total	**100.145.641**	**50.989.732**

(*) The Group's guarantee amounting to TRY 17.500.000 consists of guarantees provided to Santek Sağlık Turizm Tekstil Sanayi ve Ticaret A.Ş. under general loan agreements. As of the reporting period, the Group has not provided any guarantees on behalf of its own legal entity.

The details of the guarantees, pledges and mortgages (CPM) given by the Group on behalf of its own legal entity are as follows;

Deposits and guarantee given	31 December 2024	31 December 2023
Letters of guarantee	82.645.641	25.723.447
	82.645.641	**25.723.447**

16. EMPLOYEE BENEFITS

a) Current liabilities for employee benefits

	31 December 2024	31 December 2023
Due to personnel	5.529.323	5.169.210
Social security premiums payable	2.905.013	2.609.154
Total	**8.434.336**	**7.778.364**

b) Current provisions for employee benefits

	31 December 2024	31 December 2023
Current provisions	985.488	1.305.308
Non-current provisions	5.477.043	5.216.051
Total	**6.462.531**	**6.521.359**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

16. EMPLOYEE BENEFITS (CONTINUED)

b) Current provisions for employee benefits (Continued)

b.1) Current provisions

	31 December 2024	31 December 2023
Provision for unused vacations	985.488	1.305.308
Total	**985.488**	**1.305.308**

As of 31 December 2024 and 2023 movements in the provision for unused vacations are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Provision as of the beginning of the period, 1 January	**1.305.308**	**1.099.175**
Additional provisions during the period (Note 21)	*81.402*	*638.223*
Monetary gain/(loss)	*(401.222)*	*(432.090)*
Closing balance, 31 December	**985.488**	**1.305.308**

b.2) Non-Current provisions

	31 December 2024	31 December 2023
Provision for employee termination benefits	5.477.043	5.216.051
Total	**5.477.043**	**5.216.051**

Provision for employee termination benefits

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service achieves and reaches the retirement.

As of 31 December 2024, the severance pay ceiling to be paid is subject to the monthly ceiling of TRY 46.655,43 (31 December 2023: TRY 35.058,58) for each year of service. As of 1 January 2025, the severance pay ceiling to be applied has been increased to TRY 46.655,43 per month.

The severance pay liability is not subject to any legal funding.

The severance pay liability is calculated by estimating the present value of the future probable liabilities arising from the employees’ retirement. According to TAS 19 ("Employee Benefits"), the Group develops its liabilities under defined benefit plans using actuarial valuation methods.

The basic assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real interest rate after adjusting for future inflation effects. As a result, as of 31 December 2024 and 2023, the liabilities in the attached consolidated financial statements are calculated by estimating the present value of the possible future liabilities arising from employees' retirement. The estimated ratio of severance pay that will remain with the Group as a result of voluntary resignations, which will not be paid, is also taken into account. The severance pay ceiling is revised every six months, and starting from 1 January 2024, the severance pay ceiling of TRY 46.655,43 will be used in calculating the Group’s severance pay liability.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

16. EMPLOYEE BENEFITS (CONTINUED)

b) Current provisions for employee benefits (Continued)

b.2) Non-Current provisions (Continued)

The principal actuarial assumptions used to calculate the liability at the balance sheet date are as follows;

	31 December 2024	**31 December 2023**
Discount rate	%27,15	%25,05
Inflation rate	%23,03	%21,41
Real discount rate	%3,36	%2,82

As of 31 December 2024 and 2023 movements in the provision for employment termination benefits are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Beginning of the period. 1 January	**5.216.051**	**4.107.296**
Increase during the period (Note 21)	*3.218.940*	*3.583.409*
Actuarial gain / (loss)	*982.421*	*908.011*
Interest expense (Note 22)	*904.995*	*534.435*
Payments during the period (-)	*(3.242.068)*	*(2.302.504)*
Monetary gain/(loss)	*(1.603.296)*	*(1.614.596)*
Closing balance, 31 December	**5.477.043**	**5.216.051**

17. OTHER CURRENT AND NON-CURRENT PROVISIONS

a) Current provisions

	31 December 2024	**31 December 2023**
Provision for litigations	1.832.382	2.654.139
Total	**1.832.382**	**2.654.139**

As of 31 December 2024 and 2023, movements details of the provisions for litigations are as follows;

	1 January – 31 December 2024	**1 January – 31 December 2023**
Provision as of the beginning of the period, 1 January	**2.654.139**	**6.220.194**
Additional provisions during the period (Note 22)	*5.840*	--
Provisions no longer required (-) (Note 22)	*(17.001)*	*(1.846.892)*
Monetary gain/(loss)	*(810.596)*	*(1.719.163)*
Closing balance, 31 December	**1.832.382**	**2.654.139**

b) Non-Current provisions

The Group does not have any other non-current provision.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

18. OTHER ASSETS AND LIABILITIES

a) Other current assets

	31 December 2024	31 December 2023
VAT receivables	208.463	247.862
VAT carried out	291.698	--
Total	**500.161**	**247.862**

b) Other non-current assets

The Group has no other non-current assets.

c) Other current liabilities

	31 December 2024	31 December 2023
Taxes and funds payable	3.475.797	1.333.504
Total	**3.475.797**	**1.333.504**

d) Other non-current liabilities

The Group has no other non-current liabilities.

19. EQUITY

a) Capital

As of 31 December 2024 and 31 December 2023 capital structure of the Group are as follows;

	31 December 2024		31 December 2023	
	TRY	**Amount (%)**	**TRY**	**Amount (%)**
Erol Çelik	15.195.000	64	15.910.000	67
Publicly traded part	8.375.000	35	5.950.000	25
Bulls Girişim Sermayesi Yatırım Ortaklığı A.Ş.	280.000	1	995.000	4
EC Yatırımlar Holding A.Ş.	--	--	995.000	4
	23.850.000	**100**	**23.850.000**	**100**
Capital adjustment differences	85.560.382		85.560.382	
Total	**109.410.382**		**109.410.382**	

Oncosem Onkolojik Sitemler Sanayi ve Ticaret A.Ş..of, the Capital Markets Board and Borsa Istanbul A.Ş. following the approvals of; Shares representing a nominal capital amount of TRY 3.950.000, increased due to the increase of the issued capital of TRY 19.900.000 within the registered capital ceiling of TRY 99.000.000 to TRY 23.850.000 by completely restricting the priority rights of existing partners, and shares with a nominal value of TRY 5.950.000 in total, including shares with a nominal value of TRY 2.000.000 as part of the joint sale, including shares with a nominal value of TRY 2.950.000, on December 28 – 29 it was offered to the public at a price of TRY 17,50 on the dates of 2022 and the company's shares have started trading on the Borsa Istanbul Main Market since 04.01.2023 with the ONCSM code.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

19. EQUITY (CONTINUED)

a) Capital (Continued)

The shares of the Group's shareholders, Erol Çelik and Bulls Venture Capital Investment Company, some of which have become publicly traded shares on Borsa İstanbul A.Ş. within the framework of joint share sales, and all of the shares of EC Yatırım Holding A.Ş., have become publicly traded. The capital shares of Oncosem Onkolojik Sistemler Sanayi ve Ticaret Anonim Şirketi and its subsidiaries as of 31 December 2024, are shown in the table above.

b) Other equity items

Other Comprehensive Income not to be Reclassified to Profit or Loss

	31 December 2024	**31 December 2023**
Restricted Reserves (*)	196.177.245	196.177.244
Retained earnings / accumulated losses	(107.610.666)	7.619.479
Actuarial gain / (loss) funds	(3.146.555)	(1.918.528)
Total	**85.420.024**	**201.878.195**

(*) Legal reserves are set aside as first-order legal reserves until 5% of the "profit" reaches 20% of the paid/issued capital, pursuant to the first paragraph of Article 519 of the New TCC No. 6102. After deducting the amount set aside as the first-order reserve fund from the "profit", the first dividend is set aside for the shareholders from the remaining amount. The General Assembly is authorized to decide whether to allocate or distribute the remaining balance after the first legal reserve fund and the first dividend, taking into account the profit distribution policy of the Company. II. the legal reserve fund, pursuant to the 3rd subparagraph of the 2nd paragraph of the 519th article of the New TCC; One tenth of the amount found after deducting 5% of the issued/paid-up capital from the portion that has been decided to be distributed is set aside. In case it is decided to distribute bonus shares by adding the profit to the capital, II. legal reserves are not set aside.

c) Dividend distribution

Partnerships distribute their profits in accordance with the profit distribution policies determined by their general assemblies and the provisions of the applicable legislation, based on a resolution of the general assembly. Under the relevant communiqué, no minimum distribution rate has been determined. Companies pay dividends as stipulated in their articles of association or in accordance with their profit distribution policies. Additionally, dividends may be paid in equal or varying installments, and interim cash dividend advances may be distributed based on the profits disclosed in the interim consolidated financial statements.

d) Share premiums/ (discounts)

Share premiums represent the net amount obtained from the sale of the Company's shares at a price above their nominal value during the public offering. This amount is stated net of the issuance and public offering expenses. These premiums are considered as statutory reserves and are presented under a separate account within equity.

As of 31 December 2024 and 31 December 2023 the details of the premiums (discounts) account for the shares are as follows;

	31 December 2024	**31 December 2023**
Share premiums / (discounts)	138.471.323	138.471.323
Total	**138.471.323**	**138.471.323**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

20. REVENUE AND COST OF SALES

For the accounting periods ending on 31 December 2024 and 2023, the details of revenue are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Domestic sales	364.648.245	323.794.716
Export sales	8.811.043	18.729.076
Other incomes	1.030.084	4.715.738
Revenue	**374.489.372**	**347.239.530**
Cost of goods sold	(46.793.469)	(110.926.469)
Cost of trade goods sold	(8.241.488)	(12.635.613)
Cost of services sold	(180.936.753)	(172.008.200)
Cost of sales (-)	**(235.971.710)**	**(295.570.282)**
Gross profit	**138.517.662**	**51.669.248**

For the accounting periods ending on 31 December 2024 and 2023, the detailed distribution of the costs of sales is as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Direct raw materials and supplies expenses	26.017.132	36.465.635
Direct labour cost	23.701.653	27.303.995
Other production expenses	7.593.755	13.192.875
Total production cost	**57.312.540**	**76.962.505**
Change in stocks of semi-finished goods	(16.262.630)	31.813.240
I. Cost of goods sold	**41.049.910**	**108.775.745**
II. Cost of trade goods	8.241.488	12.635.613
III. Cost of services provided	173.353.539	158.885.949
Depreciation and amortization expenses (Note 11)	13.326.773	15.272.976
Cost of sales (-)	**235.971.710**	**295.570.282**

21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES

	1 January – 31 December 2024	1 January – 31 December 2023
General administrative expenses	115.314.927	97.012.851
Marketing, selling and distribution	16.356.090	20.526.076
Total	**131.671.017**	**117.538.927**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES (CONTINUED)

For the accounting periods ending on 31 December 2024 and 2023, the detail of the general administrative expenses are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Depreciation and amortization expenses (Note 11)	38.882.087	41.111.552
Personnel expenses	36.221.327	25.952.239
Taxes and dues	7.998.850	1.345.359
External benefits	6.864.105	2.419.716
Communication expenses	4.734.331	354.701
Accommodation, travel expenses	3.633.255	3.584.370
Retirement pay provision expenses (Note 16)	3.218.940	3.583.409
Donations and contributions	3.065.720	4.206.257
Office expenses	2.136.579	2.785.617
Insurance expenses	1.809.625	1.597.548
Fuel expenses	918.539	1.461.182
Consulting and advisory expenses	59.812	1.072.522
Provision for unused vacation (Note 16)	81.402	638.223
Other	5.690.355	6.900.156
Total	**115.314.927**	**97.012.851**

For the accounting periods ending on 31 December 2024 and 2023, the detail of the marketing, selling and distribution expenses are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Personnel expenses	8.367.405	6.690.462
Congress, fair and advertising expenses	5.844.247	9.538.757
External benefits	1.615.973	2.424.515
Consulting, consultancy expenses	196.713	582.945
Export expenses	132.212	15.990
Other	199.540	1.273.407
Total	**16.356.090**	**20.526.076**

Fees for Services Received from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for services provided by independent audit firms, prepared pursuant to the KGK's Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the KGK letter dated 19 August 2021, is as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Independent audit fee for the reporting period	1.750.000	900.000
Total	**1.750.000**	**900.000**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

22. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities

The detail of the other income from operating activities are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Foreign exchange income	1.919.658	5.901.515
Provision for doubtful receivables no longer required (Note 7)	512.724	--
Cancellation of litigation provision expenses	17.001	1.846.892
Rediscount interest income	56.709	317.923
Reversal of expected credit loss provision (Note 7)	--	4.499.823
Other	--	804.192
Total	**2.506.092**	**13.370.345**

b) Other expense from operating activities

The detail of the other expenses from operating activities are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Foreign exchange expenses	1.131.856	13.680.172
Severance pay liability interest expenses (Note 16)	904.995	534.435
Expected credit loss provision (Note 7)	616.911	--
Rediscount interest expenses	532.358	2.997.612
Provision for litigation (Note 17)	5.840	--
Doubtful receivables provision expenses (Note 7)	--	20.292.198
Other	--	2.035.607
Total	**3.191.960**	**39.540.024**

23. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities

	1 January – 31 December 2024	1 January – 31 December 2023
Profit on sale of property, plant and equipment	30.417	--
Total	**30.417**	**--**

b) Expenses from investing activities

	1 January – 31 December 2024	1 January – 31 December 2023
Loss on sale of property, plant and equipment	--	(356.002)
Total	**--**	**(356.002)**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

24. FINANCIAL INCOME AND EXPENSES

a) Financial income

	1 January – 31 December 2024	1 January – 31 December 2023
Interest income	17.010.151	25.735.759
Foreign exchange income	280.815	523.227
Total	**17.290.966**	**26.258.986**

b) Financial expenses

	1 January – 31 December 2024	1 January – 31 December 2023
Interest expenses	(34.616.193)	(13.827.021)
Bank commission expenses	(5.639.790)	(5.073.710)
Foreign exchange expenses	(998.143)	(1.352.541)
Letter of guarantee expense	(747.101)	(449.627)
Operational lease interest expense	(227.498)	(420.205)
Total	**(42.228.725)**	**(21.123.104)**

25. TAXES ON INCOME

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid, and all or part of the profit is dividends;

- To real people
- Natural and legal persons who are exempt or exempt from Income and Corporate Tax,
- Limited taxpayer real and legal persons,

In case of distribution, 15% Income Tax Withholding is calculated. The addition of the period profit to the capital is not considered as profit distribution and no withholding tax is applied.

Corporate income tax is declared by the end of the fourth month following the end of the related fiscal period and is paid on the same day. The provisional taxes paid throughout the year pertain to that fiscal year and are deducted from the corporate income tax to be calculated on the corporate tax return to be filed in the following year.

75% of the profits arising from the sale of participation shares, which are in the assets of the corporations for at least two full years, and 50% of the gains from the sale of the immovables that are in the assets for the same period of time, are exempt from tax, provided that they are added to the capital as stipulated in the Corporate Tax Law.

According to the Turkish tax legislation, financial losses shown on the declaration can be deducted from the corporate income for the period, provided that they do not exceed 5 years. However financial losses cannot be offsite from last year's profits. There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the last day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can examine the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

25. TAXES ON INCOME (CONTINUED)

Corporate income tax is applied to the tax base determined by adding expenses that are not deductible according to tax legislation to commercial earnings and deducting exemptions specified in the tax legislation from commercial earnings. As of 31 December 2024, the general corporate tax rate is 25%. Corporations are required to submit their corporate tax return to the tax authority by the end of the fourth month following the relevant accounting period.

	1 January – 31 December 2024	1 January – 31 December 2023
Prepaid taxes (-)	(893.921)	(1.814.981)
Total	**(893.921)**	**(1.814.981)**

For the accounting periods ending on 31 December 2024 and 31 December 2023, the details of tax provision in the statements of income are as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Deferred tax income / (expense)	(8.348.496)	20.940.774
Total	**(8.348.496)**	**20.940.774**

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates as of 31 December 2024 and 31 December 2023, are as follows:

	31.12.2024		31.12.2023	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Deferred tax assets				
Provision for doubtful receivables	14.732.934	3.683.234	20.859.562	5.214.890
Expensed assets	10.118.314	2.529.579	6.065.690	1.516.423
Provision for severance pay	4.357.927	1.089.482	5.216.051	1.304.013
Rediscount calculated for receivables	1.480.292	370.073	3.498.724	874.681
Exchange rate differences	2.379.564	594.891	3.471.126	867.781
Provision for litigation	1.780.066	445.017	2.653.923	663.481
Accrued interest of loans	1.524.714	381.179	1.800.275	450.069
Unused vacation provision	872.915	218.229	1.305.308	326.328
Expected credit loss	981.219	245.305	1.178.947	294.736
Right-of-use assets	117.619	29.406	191.723	47.983
Other	34.669	8.667	155.496	38.874
Deferred tax assets		**9.595.062**		**11.599.259**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

25. TAXES ON INCOME (CONTINUED)

	31.12.2024		31.12.2023	
	Cumulative temporary differences	**Deferred tax**	**Cumulative temporary differences**	**Deferred tax**
Deferred tax liabilities				
Rediscount calculated for payables	(483.316)	(120.829)	(518.564)	(129.641)
Accrued interest income	(313.058)	(78.268)	(962.770)	(240.692)
Temporary differences on prepaid expenses	(28.107)	(7.028)	(1.289.204)	(322.301)
Right-of-use assets	(5.828.280)	(1.457.070)	(2.465.731)	(616.432)
Temporary differences on inventories	(23.763.965)	(5.940.991)	(28.246.172)	(7.061.547)
Adjustments on tangible and intangible fixed assets	(59.904.259)	(14.976.065)	(30.478.932)	(7.619.733)
Deferred tax liabilities		**(22.580.251)**		**(15.990.346)**
Deferred tax, net		**(12.985.189)**		**(4.391.087)**

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates as of 31 December 2024 and 31 December 2023, are as follows:

The movements of deferred tax assets / (liabilities) as of 31 December 2024 and 31 December 2023 are as follows:

	1 January – 31 December 2024	**1 January – 31 December 2023**
Deferred tax asset /(liability), net– 1 January	**(4.391.087)**	**(25.104.856)**
Effect of actuarial loss / gain on tax	(8.348.496)	20.940.774
Deferred tax asset / (liabilities) for the period	(245.606)	(227.005)
Deferred tax asset /(liability), net– 31 December	**(12.985.189)**	**(4.391.087)**

26. MONETARY GAIN/(LOSS)

Balance Sheet Items	**31.12.2024**
Inventories	3.453.465
Other current assets	29.857.280
Property, Plant, and Equipment	44.205.873
Intangible assets	1.354.712
Other profit reserves	(54.617.208)
Paid-in capital	(52.853.263)
Legal reserves	(5.683.245)
Share premium	(42.562.955)
Deferred tax liability	(4.082.511)
Statement of profit or loss items	25.215.026
Retained earnings/(accumulated losses)	23.640.229
Total	**(32.072.597)**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

27. EARNINGS PER SHARE

	1 January – 31 December 2024	1 January – 31 December 2023
Profit for the period	(59.167.658)	(115.230.143)
Weighted average number of shares with nominal value	23.850.000	23.850.000
Total	**(2,5)**	**(4,8)**

28. RELATED PARTY DISCLOSURES

Transactions between the Group and its subsidiaries, which are related parties of the Group, are not disclosed in this note since they are eliminated during consolidation.

The current account works for trade receivables and debts from related parties. The number of receivables and payables are in the range of 40-120 days.

The balance details of the Group and other related parties are described below.

a) Other current payables to related parties

	31 December 2024	31 December 2023
Current		
Erol Çelik	290.000	93.846
Tevhide Sarıtaş	30.000	--
Total	**320.000**	**93.846**

(*) Consists of the amounts paid within the scope of the Group's tax payments and paid back in 2023.

Related party purchases

	1 January – 31 December 2024	1 January – 31 December 2023
Plüton Özel Tanı Ted. Lab. Tah. Paz. Tic. Ltd. Şti.	565.869	--
Total	**565.869**	**--**

Key management compensation:

The Group's senior managements team consists of senior executives and members of the board of directors. Benefits provided to senior executives include wages, premiums, attendance fees, bonuses and similar benefits.

The benefits provided to senior executives during the period are as follows;

	31 December 2024	31 December 2023
The benefits provided to senior executives	6.645.500	2.543.000
	6.645.500	**2.543.000**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

The main financial instruments of the Group consist of cash, marketable securities and short-term deposits. The main purpose of these financial instruments is to finance the Group's operating activities.

a) Capital Management Policies and Procedures

The primary objective of the Group's capital management objectives is to ensure that it maintains a healthy capital structure in order to support its business and maximize shareholder value.

The primary purpose of the Group's capital management is to maximize equity values and to ensure the continuity of a healthy capital structure. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions.

Based on the evaluations of the top management, the Group may acquire new debt or repay the existing debt; Within the framework of the dividend policy, it aims to keep the capital structure in balance through the distribution of dividends in cash and/or bonus shares or the issuance of new shares. While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profitability by using the debt and equity balance in the most efficient way.

The Group monitors capital using the net financial debt to capital employed ratio. This ratio is found by dividing the financial debt used by the capital. Net financial debt is calculated by deducting cash and cash equivalents from the total debt amount. Capital employed is calculated as equity plus net financial debt as shown in the balance sheet.

As of 31 December 2024 and 31 December 2023, the debt/equity ratio is calculated as follows;

	1 January – 31 December 2024	1 January – 31 December 2023
Total financial liabilities	45.787.370	87.713.031
Less: Cash and cash equivalents	(44.663.266)	(84.525.415)
Net financial debt	**1.124.104**	**3.187.616**
Total equity	274.134.071	334.529.757
Total equity used	**275.258.175**	**337.717.373**
Net financial debt / Total equity used	**0,41%**	**0,94%**

b) Financial Risk Factors

The main risks posed by the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group management and board of directors examine and accept the policies regarding the management of the following risks. The Group also considers the market value risk of all its financial instruments

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.1) Credit risk management (Continued)

The registered values of financial assets indicate the maximum credit risk exposed. As of 31 December 2024, the credit risks exposed are as follows;

	Receivables					
	Trade Receivables		Other Receivables			
31.12.2024	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Cash on bank**	**Cash on hand**
Maximum credit risk exposures as of report date (1) (A+B+C+D+E) (*)	**--**	**85.128.368**	**--**	**975.213**	**44.226.829**	**436.437**
Secured part of maximum credit risk exposure via collateral etc. (**)	--					
A. Net book value of the financial assets that are neither overdue nor impaired (2)	--	86.561.844	--	975.213	44.226.829	436.437
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired (3)	--	--	--	--	--	--
C. Net book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	13.935.080	--	--	--	--
- Impairment (-)	--	(13.935.080)	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
- Not Overdue (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	(1.433.476)	--	--	--	--

(*) In determining the amount, the elements that provide an increase in credit reliability, such as the guarantees received, were not taken into account.

(**) The guarantees consist of security certificates, letters of guarantee and mortgages received from customers.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.1) Credit risk management (Continued)

The registered values of financial assets indicate the maximum credit risk exposed. As of 31 December 2023, the credit risks exposed are as follows;

	Receivables					
	Trade Receivables		Other Receivables			
31.12.2023	**Related Parties**	**Third Parties**	**Related Parties**	**Third Parties**	**Cash on bank**	**Cash on hand**
Maximum credit risk exposures as of report date (1) (A+B+C+D+E) (*)	**--**	**78.561.147**	**--**	**177.521**	**83.805.223**	**720.192**
Secured part of maximum credit risk exposure via collateral etc. (**)	--					
A. Net book value of the financial assets that are neither overdue nor impaired (2)	--	79.740.094	--	177.521	83.805.223	720.192
B. Carrying amount of financial assets that are renegotiated, otherwise classified as overdue or impaired (3)	--	--	--	--	--	--
C. Net book value of financial assets that are overdue but not impaired	--	--	--	--	--	--
D. Net book value of impaired financial assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	20.859.562	--	--	--	--
- Impairment (-)	--	(20.859.562)	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
- Not Overdue (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured part via collateral etc.	--	--	--	--	--	--
E. Off-balance sheet financial assets exposed to credit risk	--	(1.178.946)	--	--	--	--

(*) In determining the amount, the elements that provide an increase in credit reliability, such as the guarantees received, were not taken into account.

(**) The guarantees consist of security certificates, letters of guarantee and mortgages received from customers.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.2) Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets.

Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

Contractual maturities

31.12.2024	Net Book Value	Contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1 – 5 years (III)
Bank loans	44.438.904	150.475.806	33.248.503	117.227.303	--
Payables under employee benefit	8.434.336	8.434.336	8.434.336	--	--
Operational lease liabilities	824.350	824.350	137.392	686.958	--
Trade payables					
Trade payables to unrelated parties	*13.233.034*	*13.551.071*	*5.420.428*	*8.130.643*	--
Other payables					
Other payables to related parties	*320.000*	*320.000*		*320.000*	--
Other payables to unrelated parties	*536.548*	*536.548*	*536.548*	*0*	--
Total liabilities	**67.787.172**	**174.142.111**	**47.777.207**	**126.364.904**	**--**

Contractual maturities

31.12.2024 (Indexed Value)	Net Book Value	Contractual cash outflow (I+II+III+IV)	Less than 3 months (I)	3 -12 months (II)	1 – 5 years (III)
Bank loans	85.408.940	102.296.047	38.086.480	62.664.694	1.544.873
Payables under employee benefit	7.778.364	7.778.364	7.778.364	--	--
Operational lease liabilities	2.332.385	2.332.385	463.540	1.390.618	478.227
Trade payables					
Trade payables to unrelated parties	*24.371.459*	*24.890.022*	*9.956.009*	*14.934.013*	--
Other payables					
Other payables to related parties	*93.846*	*93.846*	--	*93.846*	--
Other payables to unrelated parties	*1.106.125*	*1.106.125*	*1.106.125*	--	--
Total liabilities	**121.091.120**	**138.496.790**	**57.390.518**	**79.083.172**	**2.023.100**

b.3) Market risk

The Group is exposed to financial risks arising from changes in currency rate, interest rate and price risk which arise directly from its operations. The market risks that the Group is exposed to are measured on the basis of sensitivity analysis. When compared to prior periods, there has been no change in the Group's exposure to market risks, hedging methods used or the measurement methods used for such risks.

b.3.1)Foreign currency risk

Transactions in foreign currencies cause exchange rate risk. Currency risk is managed with forward foreign exchange purchase/sell contracts based on approved policies.

The Company is exposed to foreign currency risk arising from the translation of foreign currency denominated assets and liabilities to TRY. The Company is also exposed to foreign currency risk due to the transactions made in foreign currency. This risk occurs due to purchases, sales and bank borrowings of the Company which are denominated in currencies other than the functional currency.

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

	31 December 2024		
	USD	**EURO**	**TRY Equivalent (functional currency)**
1 Trade receivables	639.135	274.344	32.627.231
2a. Monetary financial assets, (cash and banks account included)	37	13.375	7.656.445
2b. Non-monetary financial assets	--	--	--
3. Other	21.633	13.899	1.273.815
4. Current assets (1+2+3)	**660.805**	**301.618**	**41.557.491**
5. Trade receivables	**--**	**--**	**--**
6. Other	**--**	**--**	**--**
7. Non-current assets (5+6)	--	--	--
8. Total assets (4+7)	**660.805**	**301.618**	**41.557.491**
9. Trade payables	10.760	18.113	1.045.019
10. Financial liabilities	--	--	--
11a. Other monetary liabilities	--	10.020	368.097
11b. Other non-monetary liabilities	--	--	--
12. Current liabilities (9+10+11)	**10.760**	**28.133**	**1.413.116**
13. Trade payables	--	--	--
14. Financial liabilities	--	--	--
15. Non-current liabilities (13+14)	**--**	**--**	**--**
16. Total liabilities (12+15)	**10.760**	**28.133**	**1.413.116**
17. Net assets of off balance sheet derivative items (liability) position (18a - 18b)	**--**	**--**	**--**
18a. Total amount of assets hedged	**--**	**--**	**--**
18b. Total amount of liabilities hedged	**--**	**--**	**--**
19. Net foreign currency assets / (liability) position (8-16+17)	**650.045**	**273.485**	**40.144.375**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

	31 December 2024			
	USD	**EURO**	**TRY Equivalent (functional currency historical)**	**TRY Equivalent (functional currency restated)**
1 Trade receivables	449.795	269.554	22.021.580	31.794.487
2a. Monetary financial assets, (cash and banks account included)	360.523	960	10.644.419	15.368.281
2b. Non-monetary financial assets	--	--	--	--
3. Other	58.508	38.570	2.978.746	4.300.677
4. Current assets (1+2+3)	**868.826**	**309.084**	**35.644.745**	**51.463.445**
5. Trade receivables	**--**	**--**	**--**	**--**
6. Other	**--**	**--**	**--**	**--**
7. Non-current assets (5+6)	**--**	**--**	**--**	**--**
8. Total assets (4+7)	**868.826**	**309.084**	**35.644.745**	**51.463.445**
9. Trade payables	5.890	122.682	4.169.622	6.020.049
10. Financial liabilities	--	--	--	--
11a. Other monetary liabilities	--	126.310	4.114.409	5.940.333
11b. Other non-monetary liabilities	--	--	--	--
12. Current liabilities (9+10+11)	**5.890**	**248.992**	**8.284.031**	**11.960.382**
13. Trade payables	--	--	--	--
14. Financial liabilities	75.079	16.371	2.743.458	3.960.971
15. Non-current liabilities (13+14)	**75.079**	**16.371**	**2.743.458**	**3.960.971**
16. Total liabilities (12+15)	**80.969**	**265.363**	**11.027.489**	**15.921.353**
17. Net assets of off balance sheet derivative items (liability) position (18a - 18b)	**--**	**--**	**--**	**--**
18a. Total amount of assets hedged	**--**	**--**	**--**	**--**
18b. Total amount of liabilities hedged	**--**	**--**	**--**	**--**
19. Net foreign currency assets / (liability) position (8-16+17)	**787.857**	**43.721**	**24.617.256**	**35.542.092**

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.1) Foreign currency risk (Continued)

The table below presents the Company's sensitivity to a 10% deviation in foreign exchange rates (especially USD and EUR). 10% is the rate used by the Company when generating its report on exchange rate risk; the related rate stands for the presumed possible change in the foreign currency rates by the Company's management. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. This analysis includes foreign currency denominated bank loans other than the functional currency of the ultimate user or borrower of the bank loans. The positive amount indicates increase in profit / loss before tax or equity.

Foreign Currency Sensitivity Analysis Table

31.12.2024	**Profit/(Loss)**		**Equity**	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
+/- 10% fluctuation of US Dollar rate:				
US Dollar net asset / liability	2.293.378	(2.293.378)	2.293.378	(2.293.378)
Secured portion from US Dollar risk (-)	--	--	--	--
US Dollar net effect	**2.293.378**	**(2.293.378)**	**2.293.378**	**(2.293.378)**
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	1.004.680	(1.004.680)	1.004.680	(1.004.680)
Secured portion from EUR risk (-)	--	--	--	--
EUR net effect	**1.004.680**	**(1.004.680)**	**1.004.680**	**(1.004.680)**
+/- 10% fluctuation of GBP rate:				
GBP net asset / liability	716.379	(716.379)	716.379	(716.379)
Secured portion from GBP risk (-)	--	--	---	--
GBP net effect	**716.379**	**(716.379)**	**716.379**	**(716.379)**
CNY net asset / liability	631.097	(631.097)	631.097	(631.097)
Secured portion from CNY risk (-)	--	--	--	--
CHF net effect	**631.097**	**(631.097)**	**631.097**	**(631.097)**
Total	**4.645.534**	**(4.645.534)**	**4.645.534**	**(4.645.534)**

Foreign Currency Sensitivity Analysis Table

31.12.2023	**Profit/(Loss) (functional currency historical)**		**Profit/(Loss) (functional currency restated)**	
	Foreign currency appreciation	**Foreign currency depreciation**	**Foreign currency appreciation**	**Foreign currency depreciation**
+/- 10% fluctuation of US Dollar rate:				
US Dollar net asset / liability	2.319.309	(2.319.309)	3.348.590	(3.348.590)
Secured portion from US Dollar risk (-)	--	--	--	--
US Dollar net effect	**2.319.309**	**(2.319.309)**	**3.348.590**	**(3.348.590)**
+/- 10% fluctuation of EUR rate:				
EUR net asset / liability	142.416	(142.416)	205.618	(205.618)
Secured portion from EUR risk (-)	--	--	--	--
EUR net effect	**142.416**	**(142.416)**	**205.618**	**(205.618)**
Total	**2.461.725**	**(2.461.725)**	**3.554.208**	**(3.554.208)**

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at 31 December 2024 unless otherwise indicated.)

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

b) Financial Risk Factors (Continued)

b.3) Market risk (Continued)

b.3.2) Interest rate risk

The Group is exposed to interest rate risk due to its borrowings with fixed and variable interest rates. The details of financial instruments with fixed and variable interest rates are as follows:

Interest Rate Sensitivity Table	**31 Aralık 2024**	**31 Aralık 2023**
Fixed interest rate financial instruments		
Financial assets	26.625.805	52.884.763
Financial liabilities	44.657.608	85.912.758
	71.283.413	**138.797.521**
Variable interest rate financial instruments		
Financial assets	--	--
Financial liabilities	--	--
	--	--

An increase in the interest rates of the loans utilized by the Group would lead to an increase in the Group’s finance expenses.

As of 31 December 2024, the interest rate range for the TRY-denominated loans utilized by the Group is between 13.95% and 68.16%. (As of 31 December 2023, the interest rate range for TRY-denominated loans was between 13.20% and 58.63%, while the range for foreign currency-denominated loans was between 9.12% and 14.28%).

30. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING)

Fair value of financial instruments

31 December 2024	**Financial assets/liabilities at amortized cost**	**Fair value**	**Book value**
Financial assets			
Cash and cash equivalents	44.663.266	44.663.266	44.663.266
Trade receivables	85.128.368	85.128.368	85.128.368
Financial liabilities			
Financial liabilities	45.787.370	45.787.370	45.787.370
Trade payables	13.233.034	13.233.034	13.233.034

31 December 2023	**Financial assets/liabilities at amortized cost**	**Fair value**	**Book value**
Financial assets			
Cash and cash equivalents	84.525.415	84.525.415	84.525.415
Trade receivables	78.561.147	78.561.147	78.561.147
Financial liabilities			
Financial liabilities	87.713.033	87.713.033	87.713.033
Trade payables	24.371.459	24.371.459	24.371.459

30. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND DISCLOSURES WITHIN THE FRAMEWORK OF HEDGE ACCOUNTING) (CONTINUED)

Fair value of financial instruments (Continued)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are necessary in interpreting market data to determine fair value. Accordingly, the estimates presented here may not represent the amounts that the Group could realize in a current market transaction.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

It is assumed that the carrying values of financial assets shown at cost, including cash and cash equivalents, are equal to their fair values due to their short-term nature. It is anticipated that the carrying values of trade receivables, together with the related impairment provisions, reflect the fair value.

Monetary liabilities

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

Due to the fact that long-term financial liabilities mostly have variable interest rates and are repriced in the short term, it is anticipated that the carrying values of the borrowings are close to their fair values as of the reporting date.

First level: Valuation techniques that use active market (unadjusted) market prices for identical assets and liabilities.

Second level: Valuation techniques that include inputs used to find the directly or indirectly observable market price of the relevant asset or liability other than the market price specified at the first level.

Third level: Valuation techniques that include inputs that are not based on market observable data used to determine the fair value of the asset or liability.

31. Events After the Reporting Date

None.