

ANNUAL REPORT

2024



JCR Eurasia Rating

"JCR-ER, Group of Japan Credit Rating Agency, Ltd." 

ANNUAL REPORT

20
24

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Executive Summary

Dear Stakeholders and Members of the Financial Community,

As JCR Avrasya Derecelendirme, we proudly leave behind another year full of accomplishments. We have spent yet another year keeping our passion for growth alive, adapting rapidly to current conditions without compromising our brand values. With our unwavering corporate principles shaped by transparency, integrity, and independence, and our ability to successfully meet international audit standards, we have further strengthened our position among the key players in global financial markets.

Guided by a sense of national awareness that shapes our corporate responsibility, we continue to take careful and determined steps to make an effective and efficient contribution to the Century of Türkiye. Staying true to science, knowledge, and impartiality, we continue to grow steadily as a transparent, accurate, and reliable institution, guided by the goal of creating value, the belief that people are at the heart of finance, and the principle of serving the public good.

From Today for Tomorrow

Believing that the key to growth is “to nurture,” we have made sustainability one of our corporate priorities, and we take pride in moving forward without neglecting our responsibilities to both nature and society in a changing and transforming world. Through our strategies focused on transforming natural and financial resources into social and economic value, and our stance that minimizes environmental damage, we continue to evolve with our activities.

We aim to deepen our efforts in this direction in the coming years in alignment with Türkiye’s sustainable development goals. As JCR Avrasya Derecelendirme, we are shaping our current direction by adopting environmental, social, and governance (ESG) models.

Since our foundation, we have closely followed national and international environmental regulations and adapted swiftly, aiming to contribute to the financial ecosystem more effectively. We operate with the belief that the values we create are entrusted to future generations, and we do our utmost to preserve them.

In 2025, we will maintain this approach and renew our commitment to contribute effectively to Türkiye’s sustainable development goals — not only to our stakeholders or the industry but also to future generations.

Despite ongoing wars in various regions, shifting political balances due to elections, economic crises, and global power struggles intensified by technology, it would not be wrong to say that the atmosphere of uncertainty and distrust that gripped the world post-pandemic is now beginning to dissipate, even though caution still prevails globally. This revival also applies to Türkiye. The growth rates we observe in areas such as industry, exports, tourism, and agriculture stand out as concrete evidence of this recovery. In this context, transparent and reliable credit rating activities, especially in terms of reducing uncertainty for investors and establishing a climate of trust in financial markets, are once again clearly highlighted. As JCR Avrasya Derecelendirme, we continue to add to our efforts that clearly demonstrate our support for the Turkish economy and our belief in the country’s growth potential. We will not hesitate to demonstrate our continued commitment to contributing responsibly—through professional discipline—to major investment processes aligned with the country’s future goals and vision.

Remaining true to our core principles, we will continue—as we have until now—to create value through innovative technologies and digital solutions with transparent and accountable practices for both our stakeholders and Türkiye in the future. With the vision we resolutely embrace, as JCR Avrasya Derecelendirme, we are taking one more step toward realizing our goal of building a strong, sustainable, and promising future in 2025.

Thank you for empowering us with the trust you have placed in us.

Sincerely,

Metin Recep ZAFER
Chairman of the Board



Executive Summary

Dear Stakeholders and Members of the Financial Community,

2024 has been another year in which JCR Avrasya Derecelendirme reaffirmed its commitment to international standards, innovative approaches, and sustainable growth strategies. By upholding our principles of transparency, reliability, and independence in financial markets, we continued to add value to our stakeholders' success this year.

Through our professional analyses that help alleviate investors' concerns about uncertainty, we supported the growth of Türkiye's strategic sectors such as industry, exports, and tourism. Empowered by Türkiye's 3.2% growth performance, we take pride in sharing our own success story, which has gained momentum in parallel with the country's dynamic economy.

Local Impact, Global Recognition!

Launched in 2020 as Türkiye's first independent rating agency aligned with international standards, JCR Avrasya Derecelendirme has quickly distinguished itself through strategic collaborations and has become a reference institution serving more than 4,000 organizations.

With the awareness of taking value-creating steps on the path to major achievements, we continue our operations with dedication. We have strengthened our leadership in the sector by expanding our client portfolio to over 4,000 institutions.

As a globally recognized reference point, we have expanded our business volume in both local and international markets in line with our vision. Our organization continues to contribute to Türkiye's financial ecosystem through pioneering work in ESG and sustainable finance.

Sustainability Remains at the Core

In light of increasing global environmental and social risks, we have placed sustainability at the center of our business model. We have continued to guide the financial ecosystem by improving our ESG (Environmental, Social, and Governance) rating methodologies. While acting in alignment with Türkiye's sustainable development goals, we continue our sectoral efforts by evaluating the ESG performance of financial institutions in accordance with international standards.

Social Value and Human-Centered Approach

Aware of the critical role the financial sector plays in ensuring social welfare, we have achieved consistent growth together as a transparent and reliable institution. With our human-centered projects, we have contributed to the transformation of natural and financial resources into social benefit.

Future Vision: Innovation and Global Impact

As a cornerstone of trust and transparency in Türkiye's financial ecosystem, we are progressing toward a stronger future together with the JCR Avrasya Derecelendirme family. We will continue to create value in 2025 through sustainable growth, innovative analyses, and credit rating services that meet global standards.

In line with our vision of being "a globally recognized and regionally impactful credit rating agency," we draw strength from collaboration with our stakeholders.

In parallel with Türkiye's growing economy, we at JCR Avrasya Derecelendirme closely follow global credit rating standards.

In 2025:

- We aim to enhance our technological infrastructure with artificial intelligence and big data analytics to provide faster and more accurate results,
- increase international collaborations in ESG ratings,
- and contribute to market depth by offering tailored solutions for our investors and corporate clients.

Our Commitment: Contributing to Türkiye's Financial Future

Considering that the purpose of credit rating activities is to reduce uncertainty for investors, the role our company plays in the Turkish economy becomes clearly evident. We bear the responsibility of being involved in the processes with professional business discipline.

While committing to continue contributing to Türkiye's financial future, we have full confidence that we will reach stronger tomorrows together.

We take pride in maintaining sustainable and steady growth in the success story we have built together.

Sincerely,

Prof. Dr. Feyzullah YETGİN

Vice Chairman of the Board / General Manager



About Us

Since our establishment, we have been working to improve operations in global and local markets, establish a reliable foundation for countries and companies in borrowing by measuring credit risks, provide information to investors, and create financial value. To strengthen our efforts with a diverse stakeholder community, we restructured our partnership with the participation of Turkish financial institutions on January 17, 2020, and accelerated our operations.

Today, JCR Avrasya Derecelendirme (JCR-ER) holds the status of an international rating agency and is a founding member of the European Association of Credit Rating Agencies (EACRA) and a member of the Association of Credit Rating Agencies in Asia (ACRAA). At the same time, we play a critical role in the capital markets as a rating agency authorized by the Capital Markets Board (CMB) and the Banking Regulation and Supervision Agency (BRSA).

To date, we have built a strong portfolio by conducting rating processes for companies and financial institutions across many sectors, adhering to the principles of transparency and impartiality. With our analytical reports, we continue to be a global point of reference and establish long-term collaborations by offering fast and high-quality sector-specific solutions. Our solution-oriented approach supports the financial development of our stakeholders and contributes to sustainable growth.

In line with our future-oriented goals, we consider the diversity of our customers and employees to be our greatest asset. We prioritize continuous development by integrating creativity and diverse thinking styles into our processes. As a result of this approach, we were honored with the “Bronze” award at the ARC Awards, known as the Oscars of annual reports, organized by Mercomm. Following last year’s “Gold” award, we are proud and delighted to bring this honor to Türkiye once again.

In the coming period, we will continue to strengthen our position as a transparent, independent, and reliable institution in both global and local markets. We offer a wide range of services including sovereign ratings, banks, financial institutions, insurance companies, public entities, industrial and commercial companies, SMEs, local administrations, bond and structured finance issuances, and project ratings.

All of our achievements to date are the result of our team’s dedicated efforts and the strong collaborations we have established with our stakeholders. We ensure the smooth functioning of financial markets by objectively, independently, and systematically measuring risks, especially in the area of credit. As JCR Avrasya Derecelendirme, we are determined to carry our sectoral role and vision into the future and build our shared future while remaining true to our values.





Milestones



On November 12, 2007, the partnership structure with JCR was registered, and the company's name was changed from Avrasya Derecelendirme A.Ş. to JCR Avrasya Derecelendirme A.Ş. On November 5, 2007, a partnership agreement was signed with Japan Credit Rating Agency, Ltd. (JCR). On June 15, 2007, it received a credit rating license from the Capital Markets Board (CMB). On February 20, 2007, it was registered in the trade registry and began operations as Avrasya Derecelendirme A.Ş.

2007

2009

On October 1, 2009 with the Board Decision No. 3368, it was authorized by the Banking Regulation and Supervision Agency (BRSA) as an External Credit Assessment Institution (ECAI).

2008

On May 7, 2008, it began its rating activities by releasing the first rating report.

2010

On October 5, 2010, it was authorized by the Undersecretariat of the Treasury for the rating of reinsurance companies in accordance with Article 8, paragraph 3 of the Regulation on the Measurement and Evaluation of Capital Adequacy of Insurance, Reinsurance, and Pension Companies. On April 29, 2010, it received the Corporate Governance Compliance Rating License from the Capital Markets Board. In March 2010, it became one of the founding members of the European Association of Credit Rating Agencies (EACRA), alongside other credit rating agencies operating in the European Union.

2012

On June 21, 2012, an application was made to the Banking Regulation and Supervision Agency (BRSA) for the renewal of the rating license.

2013

With the BRSA Board Decision dated April 25, 2013, the authorization was renewed by the BRSA based on the application made on June 21, 2012.

2015

On April 17, 2015, it joined ACRAA (The Association of Credit Rating Agencies in Asia), an association with 33 rating agencies operating in 15 Asian countries as a members

2016

On May 13, 2016, the BRSA granted the authorization for the rating of financial institutions other than banks and the instruments they issue. Additionally, the scope of the authorization was expanded from national ratings only to 'national and international ratings to be assigned to domestic and foreign institutions. With the General Assembly Decision dated March 3, 2016, the paid-up capital was increased from TRY 200,000 to TRY 1,000,000.

2017

On September 11, 2017, a partnership and cooperation agreement was signed with Accuratio Credit Ratings ECR S.A (now known as JCR LATAM), which operates in South American countries with its headquarters in Peru.

2018

On November 14, 2018, and November 19, 2018, a Memorandum of Understanding (MoU) was signed between Japan Credit Rating Agency, Ltd. (JCR), our organization JCR Eurasia Rating (JCR-ER), and Credit Rating Mongolia LLC (CRM) based in Mongolia, to establish future collaboration and exchange technical and legal information.

2021

ISO 9001, ISO 27001, ISO 10002 Quality Certificates were obtained.

2020

With the BRSA decision dated September 10, 2020, it became mandatory for companies with a total risk of 500 million TRY to obtain a credit rating from an authorized rating agency in order to use credit

As a result of the 'Share Transfer Agreement' approved at the General Assembly on January 17, 2020, our new partnership structure was established.

2022

The company's capital was increased from TRY 1,000,000 to TRY 30,000,000. The JCR-ER Analytics Rating Software, through which the rating process is conducted end-to-end, was put into use.

The Economic and Analytical Research Unit was established

2023

The company's capital was increased from TRY 30,000,000 to TRY 50,000,000. ISO 9001, ISO 27001, and ISO 10002 audits were successfully completed

2024

The company's capital was increased from TRY 50,000,000 to TRY 100,000,000.





- Shareholding Structure

Since its establishment, JCR Avrasya Derecelendirme has aimed not only to position its rating activities with a broad perspective aligned with international developments, but also to contribute to the deepening of the financial sector with a visionary stance, supported by a partnership structure that enables not only profitability but also sustainable growth.

The fundamental goal shaping this structure is to promote Türkiye's economic growth and development. We use our corporate strength and sectoral expertise to build a financial system woven with stability, efficiency, and transparency, and to support businesses and individuals across the country.

Our partnership is made up of strong stakeholders including Borsa Istanbul Inc., Japan Credit Rating Agency, Ltd. (JCR), Turkish Capital Markets Association, Turkish Insurance, Reinsurance and Pension Companies Association, Financial Institutions Association, as well as various institutions from the banking and finance community with highly developed capacities in innovation and market development.

Thanks to the capital markets experience and transparent business processes of our partners, with whom we have come together to carry out our rating activities more effectively and powerfully, we are growing confidently in the financial ecosystem and expanding it with a collective spirit.

Borsa İstanbul A.Ş.	%18,50	Finansal Kurumlar Birliği	%6,00
Japan Credit Rating Agency, Ltd.	%14,95	Türkiye Sermaye Piyasalar Birliği	%6,00
Yapı ve Kredi Bankası A.Ş.	%2,86	Türkiye Sigorta Reasürans ve Emeklilik Şirketleri Birliği	%6,00
QNB Bank A.Ş.	%2,86	Kuveyt Türk Katılım Bankası A.Ş.	%2,86
Akbank T.A.Ş.	%2,86	Türkiye Vakıflar Bankası T.A.O.	%2,86
Türkiye Sınai Kalkınma Bankası A.Ş.	%2,86	Türkiye İhracat Kredi Bankası A.Ş.	%2,86
Türkiye Kalkınma ve Yatırım Bankası A.Ş.	%2,86	Vakıf Katılım Bankası A.Ş.	%2,86
Türk Ekonomi Bankası A.Ş.	%2,86	Türkiye Halk Bankası A.Ş.	%2,86
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	%2,86	Türkiye Finans Katılım Bankası A.Ş.	%2,86
Türkiye İş Bankası A.Ş.	%2,86	Albaraka Türk Katılım Bankası A.Ş.	%2,86
Türkiye Garanti Bankası A.Ş.	%2,86	Ziraat Katılım Bankası A.Ş.	%2,86



- Japan Credit Rating Agency, Ltd. (JCR)

One of our main partners, JCR, was established in Tokyo in 1985 and is a credit rating agency authorized by the Japan Financial Services Agency (FSA). JCR is also authorized by relevant regulatory authorities in the bond markets of the United States and Thailand, in the bank credit field in Türkiye and Hong Kong, and in both bond and bank credit rating fields in the European Union and the United Kingdom¹.

With institutional investors such as Japan's leading banks, insurance companies, and financial media firms in its shareholding structure, JCR is also a member of the Association of Credit Rating Agencies in Asia (ACRAA). Elected as the chair of ACRAA in 2019, JCR contributes to enhancing collaboration among credit rating agencies of various scales operating in Asia. Being authorized by major global financial authorities, JCR reflects a global level of expertise in its operations.

As one of Japan's leading credit rating agencies, JCR operates on a global scale thanks to these authorizations. JCR's rating portfolio includes various bonds issued by financial and non-financial companies, and it also rates the liability capabilities of life and non-life insurance companies as well as structured finance instruments including asset-backed securities.

JCR has also become a pioneer in the increasingly important and widespread field of "Sustainable Finance" in recent years. Contributing to the development of Japan's Climate Change Strategy, the agency operates as one of the country's leading external reviewers for Green, Social, and Sustainable Bonds and Loans. In 2019, JCR obtained the "Approved Verifier" status from the Climate Bonds Initiative (CBI), and currently issues reports in the areas of Second Party Opinions, ESG Ratings, and Positive Impact Finance Evaluations.

¹ABD'de Nationally Recognized Statistical Rating Organizations (NRSRO), AB'de European Securities and Market Authority (ESMA), Birleşik Krallık'ta Financial Conduct Authority (FCA), Hong Kong'da Securities and Futures Commission (SFC), Banking Regulation and Supervision Agency (BRSA) in Türkiye



– Board of Directors Senior Management

Our Board of Directors consists of a total of seven members: one chairman, one vice chairman, and five members.

Financial Rights

In 2024, the total amount of payments made to the Members of the Board of Directors and Senior Executives of our Organization was TRY 45,219,830. No transactions that may lead to a conflict of interest—such as direct or indirect loans, credit extensions, or guarantees in favor of the Members of the Board of Directors or the Senior Executives—were carried out by the company.

*This amount has been adjusted in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.



BOARD OF DIRECTORS

Metin Recep ZAFER
Chairman of the Board

Prof. Dr. Feyzullah YETGİN
Vice Chairman of the Board, General Manager

Dr. Aydın GÜNDOĞDU
Member

Yalçın MADENCİ
Member

Mehmet TURGUT
Member

Prof. Dr. Server DEMİRCİ
Member

Atsuko KAJIWARA
Member

SENIOR MANAGEMENT

Prof. Dr. Feyzullah YETGİN
General Manager

Dr. Fikret ŞENTÜRK
Deputy General Manager of HR, Financial and Administrative Affairs

Şevket GÜLEÇ
Deputy General Manager of Rating

Zeki Metin ÇOKTAN
Deputy General Manager of Rating



- Sectoral Position

JCR Avrasya Derecelendirme commenced its operations in 2007 as the first domestic credit rating agency in Türkiye. Since its establishment, it has continued to move forward each day with the mission of contributing to the country's capital markets and financial ecosystem.

In the rating sector, where effective partnerships and knowledge accumulation are key to success, the partnership structure with JCR—one of the world's leading rating agencies—was further strengthened in 2020 with the inclusion of prominent financial institutions in Türkiye, creating a more resilient and agile structure.

In line with Türkiye's strategic position as a bridge between regions, JCR Avrasya Derecelendirme is a founding member of both the European Association of Credit Rating Agencies (EACRA) and the Association of Credit Rating Agencies in Asia (ACRAA). It continues to closely monitor developments in the dynamic rating world by strengthening its international collaborations.

As per BRSA regulations, in order to contribute to risk assessment within the banking system, it has been assigned the task of rating companies (excluding banks and financial institutions) whose total exposure, including requested loans, is 500 million TRY or more, according to the most recent data from the Risk Center of The Banks Association of Türkiye. Currently, it continues its operations in compliance with international standards as the only rating agency in the sector authorized by the BRSA after meeting the necessary requirements.

JCR Avrasya Derecelendirme A.Ş. is the only credit rating agency authorized by the Banking Regulation and Supervision Agency (BRSA) to issue credit ratings in Türkiye.

As the only rating agency authorized under the aforementioned regulation, its ratings—issued in accordance with regulations and international standards—can be taken into account in the calculation of Capital Adequacy Ratios (CAR) of banks in Türkiye. Thus, by helping reduce the risk weights of highly rated companies from the banks' perspective, it contributes to lowering capital costs for the banking sector, increasing lending capacity, and promoting efficient allocation of resources.

The operations of JCR Avrasya Derecelendirme are also subject to the regulation of the Capital Markets Board (CMB) of Türkiye. As an authorized credit rating agency under the CMB as well, it provides rating services for corporate and issuance ratings, as well as various structured financial products such as Asset Covered Securities (ACS) and Asset-Backed Securities (ABS). In addition to credit rating activities, it also offers Corporate Governance Compliance Rating services under the license granted by the CMB.

In alignment with global developments and Türkiye's Green Transformation strategy, infrastructure preparations for the evaluation of Sustainable Finance products are progressing rapidly.

Efforts will continue to support the needs of the country's growing financial and capital markets, and to contribute to the risk management of productive real sector companies.

With full awareness of its privileged position that directly engages with all stakeholders of Türkiye's economy, it will continue to contribute to the country's long-term development through its experienced, dynamic, and growth-oriented management team and approach.





Summary Financial Information

– Summary Financial Information

In 2024, our Organization's sales revenue reached TRY 1,294,867,884 as our business volume continued to grow. Since the change in our partnership structure in 2020, our steadily increasing revenues have allowed us to prioritize investments in infrastructure and human resources, all of which have been financed through our own equity.

Turkish Lira	31.12.2023	31.12.2024
Sales Revenues	919.380.230	1.294.867.884
Net Profit for the period	69.322.177	154.301.589
Current Assets	479.943.658	629.765.530
Fixed Assets	60.556.892	67.664.421
Paid-in Capital	50.000.000	100.000.000
Equity	411.568.491	508.992.649
Total Assets	540.500.550	697.429.951

*These are financial figures adjusted in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

2024 Rating Activities

Increased Number of Reports Compared to the Previous Year

37%

The distribution of 3,301 rating transactions completed as of 2024 is significant as it reflects the weight and diversity of credit rating activities, as well as the demand directed toward different types of ratings in the market.

Type of Analysis	2022	2023	2024
Corporate (Companies)	1,689	2,343	3,210
Financial Institutions	33	38	41
Structured Finance	23	28	35
Corporate Governance Rating	6	6	7
Other	5	-	8
Grand Total	1,756	2,415	3,301

Corporate Credit Rating (3,210 items): It constitutes the vast majority of total rating transactions. This indicates a high demand for determining the creditworthiness of companies, in addition to the obligations arising from regulations. Corporate credit rating provides information to investors and lenders by evaluating companies' debt repayment capabilities and financial risks.

Structured Finance Rating (35 items): It refers to the evaluation of the risk and return profiles of structured finance instruments such as asset-backed securities (ABS). The purpose of such ratings is to help determine how secure structured finance instruments are for investors. Although fewer in number compared to corporate credit ratings, it is a figure that reflects the significance of the structured finance market.

Corporate Governance Rating (7 items): This involves evaluating the levels of a company's governance and organizational structure, transparency, and accountability. Such ratings provide investors with insights into the long-term sustainability of companies. It suggests that there is further potential for growth in this area.

Sovereign Rating (1 item): An assessment of a country's economic and political conditions, its ability to repay debt, and its investment climate. Sovereign ratings serve as a significant point of reference for international investors and credit institutions.

It is observed that the rating activities in 2024 were largely focused on corporate credit ratings. This demonstrates how active companies are in the credit market and how much importance investors attach to this information.

The fact that structured finance and corporate governance ratings also hold a certain share indicates that there is a demand for rating services in these areas as well.

Sovereign Rating

Activities

Sovereign rating activities focus on identifying potential risks by evaluating countries' borrowing capacities in both local and foreign currencies, their economic performance, and financial stability. The main objective in this process is to assess a country's capacity to meet its financial obligations fully and on time, and to analyze its economic policies, efforts toward stability, and financial management performance in this regard.

In the rating process, countries' creditworthiness is assessed by taking into account their economic and political risks. These analyses serve as a guide for investors and credit providers, playing a decisive role in investment costs, capital flows, and the dynamics of the country's financial markets. When a country's likelihood of default (failure to meet its payment obligations) decreases, risk premiums decline; however, an increase in this probability raises investment risks associated with the country, leading to higher borrowing costs.

Rating Criteria and Analysis Process: The sovereign rating process is carried out by taking into account at least 5 years of historical data, and the analyses are grouped under three main categories:

Political Risks:

- The country's administrative structure and quality of governance
- Rule of law and democratic functioning
- Level of domestic and international political stability
- International relations and the financial impact of diplomatic affairs
- Legal regulations and their impact on the investment environment

Social Risks:

- Demographic structure (population growth rate, age distribution, migration trends)
- Effectiveness of social security and healthcare systems
- Education level and human capital development
- Income distribution and economic inequality
- Employment and unemployment rates
- Environmental sustainability and energy policies
- Cultural and societal dynamics

Economic Risks:

- The country's income-generating capacity and growth trends
- Gross Domestic Product (GDP) and per capita national income
- Industrial production, export-import balance, and production capacity
- Public finance and budget balance
- Debt levels and debt management strategies
- Inflation rates and price stability
- Exchange rate fluctuations and currency regime policies
- Central bank monetary policies and reserve management
- Health of the banking sector and stability in financial markets

The Impact of Ratings on Investors and Markets:

Sovereign credit ratings constitute a critical source of information for international investors, credit providers, and financial markets. Countries with high credit ratings are perceived as safer by investors and are able to attract capital inflows, while lower-rated countries may be forced to borrow at higher interest rates. At the same time, credit rating outcomes can directly shape macroeconomic balances by affecting government bond yields, banking credit conditions, and even the cost of private sector investments.

In conclusion, sovereign credit rating activities are a critical process that comprehensively measures a country's financial credibility and economic resilience. Credit ratings based on a detailed analysis of political, social, and economic factors serve as a guide both for domestic economic policymakers and for international markets, playing a significant role in shaping investment decisions.

2024 Rating Activities



Credit Rating Activities

The credit rating process refers to a comprehensive analysis that assesses a borrower's ability to meet its financial obligations fully and on time. This assessment evaluates the borrower's financial condition, liquidity, income streams, debt repayment history, and future ability to fulfill financial obligations, based on specific criteria. The main goal is to identify the borrower's default risk and provide reliable insights for investors, credit providers, and other market participants.

This process, conducted by credit rating agencies, holds significant importance for financial markets. Investors and financial institutions use credit ratings to guide investment decisions and manage lending processes. This rating applies not only to private companies but also to governments and financial institutions. Government bonds, corporate bonds, bank loans, and other debt instruments are assessed based on credit ratings and are used as risk benchmarks by investors.

The Importance and Impact of Credit Ratings:

The rating process not only determines a borrower's creditworthiness but also functions as a key factor influencing financial decisions of investors, lenders, and regulatory bodies. Credit ratings:

Determine Borrowing Costs: Borrowers with high credit ratings can borrow at lower interest rates, while those with low credit ratings face higher borrowing costs.

Affect Market Confidence: A strong credit rating enhances investor and institutional confidence in a company or country, whereas low ratings increase credit risk and reduce investment appeal.

Enhance Marketability of Financial Instruments:

A high credit rating facilitates the easier and lower-cost sale of bonds and other debt instruments.

Guide Investor Decisions: Investors use credit ratings as a reference to define their investment strategies in managing capital market risks.

Categories and Meaning of Credit Ratings:

Credit ratings are expressed using standardized symbols determined by international credit rating agencies. These ratings are classified into categories that reflect the borrower's financial reliability.

Investment Grade:

This category indicates a high likelihood of meeting financial obligations and a low level of credit risk.

According to leading rating agencies, these grades are represented by letter symbols such as "AAA", "AA", "A", and "BBB". Investors generally prefer instruments in this category for long-term and secure investments.

Speculative Grade: Includes ratings assigned to borrowers with higher credit risk. Represented by ratings such as "BB", "B", "CCC", "CC", "C".

Entities in this category carry a risk of defaulting on their obligations. Higher-yielding but riskier investment instruments fall under this category.

Default Grade:

These ratings indicate that the borrower is experiencing payment difficulties or has become unable to make payments. Ratings such as "D" indicate that a default has occurred.

Criteria Used in the Rating Process: A wide range of data is analyzed during the credit rating process to assess the borrower's financial and operational condition. The main criteria are as follows:

Financial Health: Income status, profitability, cash flow, liquidity, and debt repayment capacity.

Capital Structure: Total debt ratio, equity strength, and level of financial leverage.

Market and Economic Conditions: Overall economic growth, sector dynamics, market competition, and economic fluctuations.

Management Quality: Strategic decisions of the company's management, risk management policies, and corporate governance standards.

External Factors: Political risks, regulatory framework, legal changes, and international economic developments.

Credit rating is a critical process that enhances transparency in financial markets, measures borrowers' credibility, and enables investors to make informed decisions. Although these ratings are not considered direct investment advice, they have a decisive impact on borrowing costs, investor confidence, and market pricing. The distinction between investment grade and speculative grade serves as a critical guide for understanding risk levels and optimizing investment decisions.

Corporate Governance Rating Activities

Corporate governance rating refers to a comprehensive analysis system that evaluates a company's management structure, operational processes, internal control mechanisms, and overall governance quality within the framework of internationally accepted principles of integrity, transparency, accountability, responsibility, and fairness. This rating provides a benchmark of trust and sustainability by considering not only the financial performance of companies, but also their ethical conduct, effectiveness of management processes, and the quality of their relationships with stakeholders.

Scope of Corporate Governance Rating: Corporate governance rating is applied to assess companies from various aspects, identify managerial risks, and enhance the company's credibility in the market. This process is structured around four main components:

1. **Shareholders and Shareholder Rights:** The extent to which fundamental rights such as access to information, voting, dividend entitlement, and participation in management are protected is assessed. It is analyzed whether the company maintains a fair and equal relationship with its shareholders. It is observed whether minority shareholders' rights are protected and whether they are vulnerable to the interests of majority shareholders.



2. **Board Structure and Effectiveness:** The board's level of independence, diversity, expertise, and effective decision-making mechanisms are examined. Among the evaluated topics are the extent to which board members contribute to the company's long-term strategies and their adherence to ethical values. The board of directors is analyzed in terms of the effectiveness of its compensation policies, performance evaluation processes, and audit mechanisms.

3. **Public Disclosure and Transparency:** The extent to which the company transparently shares its non-financial information is evaluated. The independence of internal and external audit processes, and the company's accountability to shareholders, investors, and the public are examined. It is observed whether the company publishes its financial statements, management reports, and strategic plans in a transparent manner.

4. Stakeholder Relations and Social Responsibility:

The company's relationships with employees, suppliers, customers, civil society organizations, and other stakeholders are examined for their compliance with principles of transparency, fairness, and sustainability. The company's commitment to ethical values, environmental sustainability, social responsibility projects, and human rights is assessed. The effectiveness of business ethics policies, codes of conduct, and whistleblowing mechanisms is analyzed.

The Importance and Benefits of Corporate Governance Rating:

The corporate governance rating system serves as a key indicator for investors, financial institutions, and other market participants to assess a company's governance quality and long-term sustainability. The main advantages of this system are as follows:

- ✔ **Investor Confidence:** Companies with strong corporate governance ratings become more attractive to investors and gain easier access to financing due to lower capital costs.
- ✔ **Risk Management:** Strong internal control mechanisms within the company reduce operational risks and ensure long-term stability.
- ✔ **Strengthening Financial Performance:** Companies with strong corporate governance are more resilient during times of crisis and achieve more sustainable growth in the long term.
- ✔ **Regulatory Compliance:** It facilitates easier adaptation to compliance requirements imposed by regulatory authorities and helps avoid potential sanctions.

✔ **Transparency and Accountability:** By ensuring the protection of the rights of shareholders and other stakeholders, it enhances the company's reputation and credibility in the market.

The corporate governance rating system is a critical tool in the modern financial world for assessing companies' management quality and increasing investor confidence. When properly implemented, it functions as a mechanism that supports financial stability, reduces risks, and strengthens corporate reputation. Companies adopting a transparent, accountable, and ethically grounded management approach not only increase their financial performance but also ensure long-term sustainable growth.

Project Rating Activities

The project rating process refers to the evaluation of projects from various perspectives and assigning ratings based on specific criteria. In this process, projects are reviewed under eight main categories:

1. **Project Owners and Supporters:** The identity, experience, expertise, and financial strength of the project owners and supporters are evaluated. The competence of the team behind the project is a key factor affecting the likelihood of project success.
2. **Project Structure:** The project's objective, scope, goals, phases, work plan, and management structure are examined. The assessment includes how well the project is planned, how realistic its goals are, and how effectively it will be managed.
3. **Completion Risk:** The likelihood of the project being completed on time and within budget is evaluated. Risks related to construction, supply, logistics, labor, and other resources are taken into consideration.
4. **Operational and Technological Risk:** Risks related to the operation and maintenance of the project are assessed. Factors such as technological risks, equipment failures, maintenance issues, and operational efficiency are examined.
5. **Market Risk:** Factors such as demand for the project's products or services, competitive conditions, pricing strategy, and market share are evaluated.

Market changes, consumer preferences, and economic conditions are taken into account.

6. **Financial Risk:** The project's funding sources, cost structure, revenue projections, and profitability potential are assessed. Financial risks, interest rates, currency fluctuations, and repayment capacity are analyzed.

7. **Political and Regulatory Risks:** Factors such as political stability, legal regulations, tax policies, and environmental regulations in the country or region where the project is located are considered. Political risks, changes in government policies, and legal procedures are taken into account.

8. **Force Majeure Risks:** The risk of the project being affected by force majeure events such as natural disasters, war, terrorism, pandemics, and other unforeseen events is evaluated. These risks may negatively impact the continuity and financial status of the project.

The Importance of the Project Rating Process: The project rating process helps identify the potential risks and returns of projects. This enables investors, financial institutions, and other stakeholders to make more informed decisions. Additionally, project owners can manage their projects more effectively and reduce risks.

Structured Finance Rating Activities

The structured finance rating process refers to a detailed analysis conducted to assess the reliability of structured finance instruments—particularly asset-backed securities (ABS)—and their likelihood of repayment to investors. In this process, the structure of structured finance instruments and their underlying assets are examined in detail.

Scope of Evaluation:

Transaction Parties:

Asset Finance Fund: A special purpose entity responsible for the establishment and management of the ABS.

Guarantor: The entity that guarantees the payments of the ABS.

Issuer: The entity that issues the ABS to the market.

Originator: The entity that transfers the assets to the ABS.

Insurer: The entity that insures the ABS against certain risks.

Financial Analysis:

Interest Rates and Returns: The interest rates and returns to be provided to investors by the ABS are analyzed.

Cash Flow Structure: The ABS's payment schedule, frequency, and payment amounts are examined.

Asset Pool Analysis:

Structure of the Receivables Pool: The type, distribution, maturity, and quality of the receivables forming the underlying assets of the ABS are evaluated.

Default Rates: Default rates and default history in the receivables pool are analyzed.

Collateral Systems: The value, liquidity, and security of the assets pledged as collateral for the receivables are examined.

Risk Assessment:

Market Risks: The ABS's sensitivity to interest rate risk, currency risk, and liquidity risk is assessed.

Legal Compliance: The ABS's compliance with legal regulations and the validity of the contracts are reviewed.

Rating Process:

Information Gathering: Relevant information is collected from parties and sources.

Analysis: The collected information is thoroughly analyzed.

Evaluation: The reliability of the ABS and its likelihood of repayment to investors are evaluated.

Rating: A credit rating is assigned to the ABS.

Importance of the Structured Finance Rating Process:

It helps investors assess the risk level of structured finance instruments. It affects the cost of raising funds from the market for issuers of structured finance instruments. It contributes to the development of the structured finance instruments market.





Methodology, Modelling and Validation Activities

Methodology, Modelling and Validation Activities

The Directorate of Methodology and Modelling is responsible for developing the necessary processes and procedures to effectively manage the methodologies and models used within the institution, preparing relevant documentation, and ensuring the creation of rating methodologies and models that comply with institutional policies and international best practices. It is also responsible for conducting back-testing of rating models, taking necessary actions based on monitoring and performance results, identifying areas for improvement, and addressing identified deficiencies.

Alongside ongoing efforts to enhance and improve the existing infrastructure, the JCR-ER Analytics product, which enables end-to-end systematic management of all rating services provided by the institution,

has been in use since 2022. With the applications listed below, activities related to analytical modelling processes, reporting functions, decision support systems, and product and process management applications are carried out.

With the introduction of JCR-ER Analytics, a modernized and user-friendly rating infrastructure has been established. In addition, a systematic infrastructure has been established that enables the flexible and rapid management of rating models by integrating them with other analytical products. Moreover, with an advanced and dynamic reporting infrastructure, efforts continue in line with the institution's goal of becoming a leading rating agency at the regional level.

The current methodologies and models are regularly reviewed and improved in light of international best practices, institutional needs, macroeconomic developments, and

updated regulations. In this regard, the Banking Regulation and Supervision Agency (BRSA) has focused primarily on corporate credit rating methodologies, taking into account the obligations set forth under Article 8, Paragraph 3 of the Regulation on Credit Transactions of Banks, which requires firms meeting certain criteria to obtain a credit rating from authorized rating agencies. The Corporate Rating Methodologies developed for this purpose were implemented on the JCR-ER Analytics platform in 2022.

The Corporate Rating Methodologies are structured as hybrid models based on expert opinions due to the low default rates of the evaluated companies. The corporate methodologies comprehensively examine all critical factors that contribute to the formation of the rating score by systematically addressing the analysis and evaluation processes of the firms within a structured framework. This process primarily includes the analysis of business risk profiles, financial risk profiles, examination of modulating factors, and supporting evaluations.

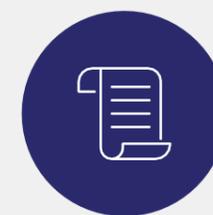
In the first stage, the business risk profile of the companies is analyzed, bringing together sector risk and firm positioning evaluations. In the second stage, the financial risk profile is created based on the analysis of leverage, coverage, profitability, and efficiency. In the third stage, the assessment is made by considering the modulating factors that could positively or



PROCESS
MANAGEMENT



DECISION
SUPPORT
PRODUCT



REPORTING AND
DASHBOARD



DATA
ANALYTICS
AND
MODELING



MODEL
MANAGEMENT

The modulator assessment is carried out in three stages, and at the end of each stage, the company's fundamental risk profile may be increased or decreased by one or more ratings.

Additionally, it is also possible that no changes are made as a result of the assessment. After completing the moderator analysis, the company's independent risk profile is determined.

The next step following the creation of the independent risk profile is to evaluate whether the company has group or public support, and then determine the final Corporate Credit Rating. In cases where companies request a rating for debt instruments such as bonds, an Issuer Rating is created by considering the specific evaluation criteria for issuances.

If there are missing pieces of information that do not fully explain the company's creditworthiness, depending on the sector the company operates in or its specific situation, the final rating decision is made by the Rating Committee.

Periodic monitoring activities continue to make necessary revisions to the Corporate Rating Methodologies as needed. Monitoring activities are conducted in line with the latest approaches and in compliance with international best practices, and necessary improvements are being implemented. As a result of the monitoring activities carried out in 2024, with the contribution

of the increased data set, necessary revisions have been made to the Corporate Methodologies.

Comprehensive revision work on the Structured Finance Methodology has been largely completed in 2024, and the implementation of the new methodology is planned for the first quarter of 2025. As part of the revisions, the segmentation structure has been updated, and the models have been diversified based on the type of issuance. The methodology framework has been revised and transitioned to a modular structure. In line with the future data collection goals, the number of questions on the data entry screen has been increased. The scope of questions related to macroeconomic and sectoral evaluations has been expanded, and a structure has been created to ensure the centralized answering of questions. Although having a high impact on credibility, low-frequency criteria, along with moderator variables, and Group and Public support evaluations have been added to the methodologies. Additionally, methodologies have been updated by considering criteria related to ESG evaluation. Additional criteria have been added for issuances with a Waterfall structure, and a single flow has been used for calculating the ratings of Senior and Junior issuances. Surveillance criteria have been defined, and the process has been established. A prospectus containing detailed explanations of all the defined criteria has been prepared.

Model validation activities conducted to ensure the effectiveness and reliability of the rating methodology involve evaluating how well the used models represent actual outcomes based on accuracy, precision, and consistency criteria, and analyzing the robustness of other elements of the methodology. The studies carried out in this regard are conducted to ensure compliance with the regulations published by BRSA and CMB, contribute to the rating processes, and optimize model performance in a sustainable manner.

Validation activities are carried out with an independent approach within the framework of corporate governance principles by the Control and Compliance Directorate, which operates under the Internal Audit Committee in our organization, in line with the regulations of the relevant regulatory authorities (CMB, BRSA) and the best practices in the sector.

Model validation is not a static evaluation but a dynamic process based on continuous monitoring and improvement. In this framework:

- Before the models are implemented, a "Start-Up Validation Report",
- At least once a year during the usage process, a "Periodic Validation Report",
- Reports prepared to regularly monitor the model's performance and stability and identify possible revision needs,

These reports are shared with the senior management of the organization and the relevant regulators.

Validation activities include both qualitative and quantitative evaluations:

- Qualitative evaluations cover the end-to-end documentation of the modeling process, the recording of processes, and the understanding of the rating architecture used.
- Quantitative evaluations involve technical checks aimed at analyzing the accuracy, consistency, and significance of the model's mathematical and statistical framework.





Economic Research Activities

Economic Research Activities

The Economic Research Directorate manages the processes of interpreting global and local economic developments, sectoral data, and outlooks, and sharing them with internal stakeholders of the institution.

Thematic research reports are also prepared according to dynamic market conditions and the needs of the day, and are presented to employees.

In this context, in 2024, in addition to periodic and thematic studies, data collection and analysis, as well as modeling and forecasting studies, continued, providing support to the institution's processes and outputs.

Our Periodic Macroeconomic Research Studies

The Economic Research Directorate prepares weekly and monthly bulletins and shares them with internal stakeholders.

Weekly Bulletins include basic economic indicators such as industrial production developments, sectoral activity figures, inflation developments, balance of payments, labor market, and gross domestic product growth, alongside financial factors like bond yields, money markets, and monetary policy. Additionally, developments in global economies, especially in the USA, EU, and China, are also monitored. With the Weekly Bank and Credit Developments Bulletin, current regulations and their effects on the banking sector, along with credit growth and trends, are visualized, showing credit momentum both by type and currency



The Monthly Global and Local Economic Developments Bulletin addresses topics such as global supply and demand balances, commodity markets, geopolitical developments, supply chains, and the direction and impact of monetary policies.

A monthly Sustainability Bulletin is published regarding the increasingly important and widespread theme of sustainability, both in Turkey and globally.

This bulletin covers important issues in sustainability as well as developments in sustainable finance practices.

Interactive reports are also prepared using the data that forms the basis of the mentioned bulletins and studies.

Interactive reports prepared in this context are being updated and renewed. In the upcoming period, reports enriched with alternative data sources will continue to add value to rating studies.

Our Modeling and Forecasting Research

We continued to share our forecasts related to macro data to support both senior management briefings and budgeting activities, as well as the processes of the rating unit.

In addition to econometric models, we process high-frequency data using various models to generate insights related to macro and sectoral outlooks.

In 2024, in addition to the indicator forecasting models, the Financial Conditions Index, created by examining models found in the literature, was included. Especially during periods of tightening/loosening transitions in monetary policy, this series allows for tracking the impact of financial markets on the real sector, providing a leading indicator for real sector output production.

In 2025, the performance of macro forecasting models will be monitored, improvements will be made as needed, and forecasts will continue to be communicated to stakeholders. In line with the goal of using alternative data sources, it is planned to support research with text-based analyses.

Sectoral Research

In order to support the rating business units, sectoral analyses targeting the areas defined within our approved methodology have continued to be prepared.

Sector reports include data-driven, objective studies based on indicators such as production, sales, import/export structure, employment impact, credit developments, confidence indices, capacity utilization rates, and volume indices of the relevant sector.

Efforts have been made to increase the diversity and scope of the data that underpin our reports and support our analyses.

In this context, efforts have continued to compile publicly available data sources through internally developed data mining and cleansing processes.

In addition to our sector reports, the publication of the Sectoral Indicators and Outlook bulletin, prepared bi-monthly, has also been continued. As in the previous year, following the sharing of the bulletin, a platform was created where the Research unit's views and the up-to-date information of the analytical team, in contact with companies, could be shared within the institution, via the Sectoral Indicators and Developments Webinar held within the institution.

Additionally, an interactive report summarizing the statistics of opened/closed companies, unpaid check data, and live and tracked credit changes by sector has been prepared to monitor developments related to financial stress and track results by sector.

In 2025, the scope of interactive reports will be expanded to allow stakeholders to view verified, organized, and refined data sets, both raw and processed.

Thematic Research

As we leave behind a year dominated by uncertainties and global-scale risks and prepare for the next, thematic reports evaluating the impacts of emerging developments will continue to be prepared.

A period is anticipated where global trade developments, financial conditions, and geopolitical risks will be closely monitored.



Intelligence and Monitoring Activities

Intelligence and Monitoring Activities

The Intelligence and Monitoring Department conducts intelligence and monitoring activities as part of the rating work under the rules set by senior management.

Intelligence is the process of collecting information related to risk factors for companies with whom we have signed a credit rating agreement, during the initial rating phase, and making the collected information usable at the strategic decision-making stage. The monitoring of credit transactions with banks, the control of unpaid check records, identification of group companies, and scanning news related to companies and their partners in the press form the basis of intelligence activities.

Monitoring activities consist of actions carried out in accordance with institutional policies and strategies after a company's rating has been published. Through daily, weekly, and monthly reports (including the companies' Risk Center Inquiry Reports, Consumer Reporting Agency Unpaid Check Reports, Bankruptcy and Concordat records, Trade Registry Gazettes, news in the media, International Sanction List Checks, Bond Coupon Repayments, CMB Bulletin Penalization Records, Public Disclosure Platform notifications), the analytical team and senior management are regularly informed about developments that may affect the company's credibility positively or negatively.

JCR Avrasya Derecelendirme's intelligence activities take place during the initial rating phase for companies with whom a credit rating agreement has been signed; monitoring activities are carried out after the company's rating has been published.

Turkish Banks Association Risk Center Report:

The main purpose of the regularly prepared monthly report is to ensure that early warning signals are received for potential negative developments in the companies' financing structure. For this purpose, the development trend of companies' bank credit limits and risks, along with the limit occupancy rates, credit debts that have fallen into administrative or legal follow-up, interest accrual records, factoring risks if any, credit restructuring records, companies' foreign exchange credit risk ratios, and sectoral risks are regularly monitored. Information is provided to senior management and the analytical team on these matters.



Turkish Banks Association Risk Center Individual Inquiry and Check Report:

The due credit payments and check records of each client we actively work with are monitored daily. In addition to high-value and long-term delays in credit repayments, if there are any credit records under follow-up or unpaid check records, the analytical team and senior management are regularly informed each week. When necessary, the analytical team requests information from companies regarding the causes of delays and unpaid checks. Depending on the content of the information received, early warning alarms caused by delays in credit repayments or unpaid checks are either closed or a monitoring record is initiated for the company.



Trade Registry Gazette Inquiries:

Inquiries related to capital increases/decreases, mergers/divisions, addresses, partnership structures, titles and types of changes, as well as bankruptcy, bankruptcy deferrals, and concordat decisions published in the Trade Registry Gazette for all clients are monitored. The analytical team and senior management, as well as the Customer Relations Department, are kept informed of these developments when necessary.



International Sanction Lists and Country Risk Report:

The inclusion of companies and their partners with whom we actively work in international sanction lists is regularly monitored and reported to senior management and the analytical team.





– Customer Relations Activities

JCR Avrasya Derecelendirme considers customer relationship management based on satisfaction as one of the cornerstones of sustainable growth.

The development-focused service approach we adopt in our customer relationship processes directly aligns with our company's corporate values and mission. Every step taken to maximize customer satisfaction aims at sectoral development, sustainable growth, and the development of long-term relationships with our stakeholders.

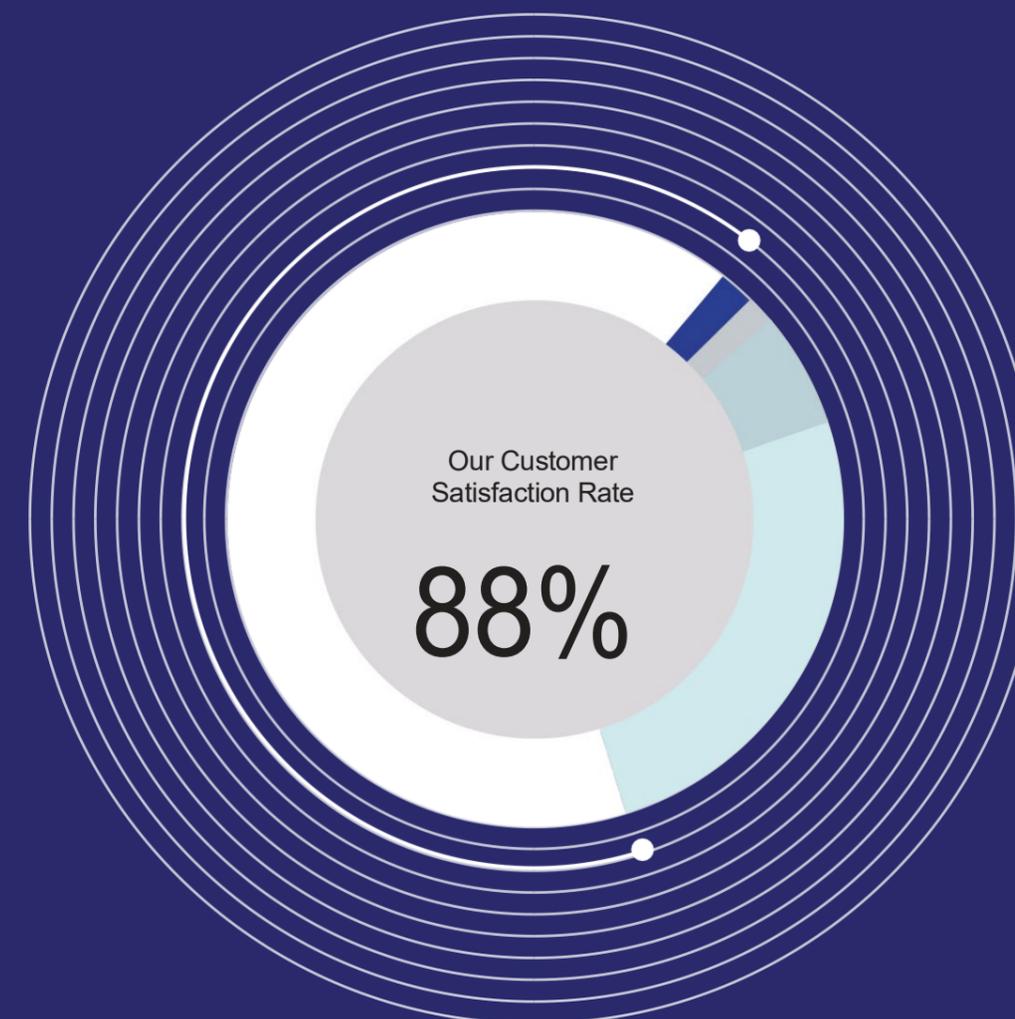
As part of our strategic goals, we continue to closely monitor changes in customer expectations and develop dynamic and innovative solutions. We are pleased to share that the satisfaction rate in the latest customer relationship satisfaction survey conducted is 88%.

In order to maintain, sustain, and improve satisfaction rates in all aspects, we aim to meet the current needs and future expectations by supporting our team members with internal and external training, improving processes and procedures, and developing digital solutions.



Customer Relations

Agreement Type	New Agreement 2024	Renewal Agreement 2024	Total Agreements 2024
Credit Rating	1,031	2,563	3,594
Corporate Governance Rating	2	6	8
Structured Financing	32	-	32
Grand Total	1,065	2,569	3,634





Information About Human Resources Activities

The most important value in the development of our organization is our employees. The recruitment, motivation, and continuous development of employees required to achieve the organization's goals are designed and continuously improved.

In accordance with the organization's needs and workforce plan, individuals who have graduated from relevant departments of at least four-year universities, possess high ethical values, and meet the qualifications and the recruitment of individuals is carried out

In this context, the number of employees, which was 200 in 2023, has increased to 235 in 2024.

The number of employees working in the rating activity in our institution has increased to 155 in 2024, and the number of employees working in the IT-Methodology and Modeling departments has been raised to 29.

In 2024, 31% of the employees working in our institution have a doctoral or master's degree, 65% have a bachelor's degree, and 4% have a high school or associate degree.

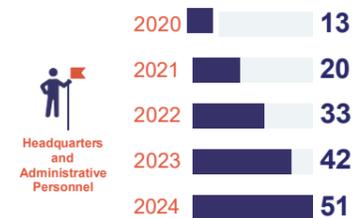
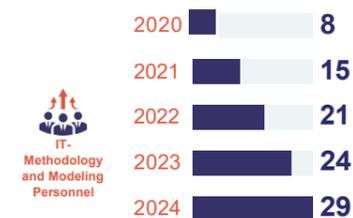
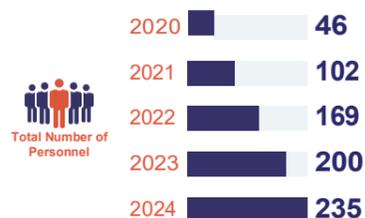
In 2024, an average of 46 man-hours of training per person was provided under 207 main topics to contribute to the personal and professional development of employees.

The number of employees appointed as Assistant Analysts under the Analyst Development Program has reached 28 in 2024. These newly graduated employees from university have received nearly 200 hours of training. The training program is designed to prepare employees who are starting their professional careers for their new roles, that ensure the continuity of their development. Within the scope of the program, the appointment of 10 Candidate Assistant Analysts as Assistant Analysts is planned for 2025.

Between April 5-18, 2024, a research company conducted a survey on Employee Satisfaction and Shared Culture Management in our institution to strongly support our vision and strategies, determine work methods and relationship patterns with the participation of employees, and collect data related to employee satisfaction. 79% of the employees participated in the survey.

As a result of the survey, the employee satisfaction rate of JCR-ER was 81.9%.

Employees take pride in working at this institution and generally believe that their goals are shared.



Committees

Committees have been established within our organization,

taking into account the regulations of both the Capital Markets Board (CMB) and the Banking Regulation and Supervision Agency (BRSA).



INTERNAL AUDIT/QUALITY ASSURANCE SYSTEM COMMITTEE

(Consists of two members.)



CREDIT RATING COMMITTEES

(Consists of Nineteen members.)



CORPORATE GOVERNANCE RATING COMMITTEE

(Consists of Three members.)



Information on Human Resources Activities

Committees

Information Technology Activities

In today's rapidly changing digital environment, our Information Technology infrastructure and systems are critical to the efficiency, security, and continuity of our operations.

A wide range of activities are being carried out, from projects contributing to digital transformation to investments aimed at improving data security, in order to achieve the institution's strategic goals.

Additionally, developments in Information Technology are closely monitored and integrated into systems to optimize business processes and increase efficiency.

A decision was made to establish a Digital Transformation Commission for improving digital maturity and systematically tracking digital transformation, and the relevant processes have been initiated. The goal is to complete the digital transformation and optimize institutional processes with the work and contributions of the commission.

Information Security and Risk Management

Processes within the scope of Information Security Management Systems have been updated as needed to comply with ISO 27001: 2022 version. Audit evidence has started to be stored in digital format in task management tools. Both the Risk Center (RM) and ISO 27001: 2022 audits have been successfully completed.

As the most important layer of information security, regular monthly information security bulletins are published under the 'employee awareness' category. Additionally, mandatory information security awareness training is provided to all employees via the training portal.

Social engineering and penetration tests have been conducted, and verifications have been provided.

As part of internal audit activities, vulnerability scans of systems have been conducted on a monthly routine. The identified findings have been closed with the necessary software patches.

Threat intelligence activities, based on data obtained from systems, are regularly reviewed and improved in log management tools. In necessary cases, new warning messages are added, and the security status of systems and applications is actively monitored.

In the privileged account management (PAM) topology, redundant systems have been activated, improving the availability and continuity of systems.



Network and Security

The hardware in our infrastructure that enables remote connections for employees (VPN) has been modernized. Both hardware and license capacity have been increased. To enhance security, authentication steps have been improved, ensuring that the infrastructure is ready to meet future demands that will diversify with the growing company structure.

Work has been initiated as part of the modernization of the access network infrastructure at the Istanbul Central Office and ODM. The target infrastructure system has been designed and implemented within a scheduled framework. The work is expected to be completed by 2025.

The use of load balancing systems (LoadBalancer) has been increased to improve the accessibility of applications in the infrastructure. Efforts to expand it are ongoing.

The capacity usage of redundant connection structures by internet providers has been optimized, resulting in increased availability.

System Infrastructure

Improvement activities have been carried out on the tools used for monitoring the 24/7 accessibility and capacity of systems and applications in our infrastructure. For this purpose, open-source software is used.

Aside from the annual audits and drills, the system infrastructure has been reviewed by a different company.

Due to the increase in capacity usage and business continuity, the server data capacity has been increased by 50%. Licenses in the existing infrastructure have been optimized, and the necessary capacity increase has been achieved.

ODM tests have been conducted as part of the business continuity plan and regulations. Improvement steps have been identified and plans have been made during the tests.

Upgrades have been planned and applied for operating systems nearing the end of their lifecycle in the existing infrastructure to transition to the latest versions.

Support Service Processes

In the management of service processes, incoming requests have been classified into categories of request-issue-problem-change, and optimized based on key ITIL4.0 practices. These practices have been integrated into the existing request management tool, and tracking is performed.

99% of the records received by our support services have been resolved within the SLA timeframe.

All operations performed have been documented and a knowledge base has been created. These documents have been recorded and made available in the task management tool.

Software Processes

The year 2024 has been a year in which significant steps were taken in line with the goals of improving our department's software development processes, promoting a data-driven decision-making culture, deepening the internal digital culture, and increasing corporate efficiency. In the coming years, we will continue to contribute to corporate strategies with the principles of data-driven focus, sustainability, and open innovation.

As in previous years, new Credit Rating processes, many business processes, and external Official Institution integrations have been included in the JCR-ER Analytics application, which is developed and updated by the software unit within the institution.

Business Intelligence and Data Analytics

The year 2024 witnessed significant developments in software processes and data analytics with the acceleration of digital transformation and the maturation of artificial intelligence (AI) and machine learning (ML) technologies. In light of these dynamics, our department has carried out strategic projects to increase corporate efficiency, support innovation, and strengthen the data-driven decision-making culture.

By continuing to integrate new business units into the Data Warehouse (Data Warehouse), ETL Project, which was launched last year, significant progress has been made in terms of data deduplication and meeting reporting needs.

Business Planning Processes

By holding process evaluation meetings within the department at certain intervals, internal processes have been made more efficient and usable, making time management more measurable and explainable, and this will continue.

Some implementations, innovations, and integrations carried out in

- 2024 have included adjustments and improvements in internal applications under the inflation accounting regulation.
- By ensuring the integration of the Public Disclosure Platform (PDP), special situations and other disclosures made to PDP have been monitored through the internal JCR-ER Analytics system.
- The Trade Registry Gazette Service has been integrated into the institution's internal application, allowing any changes or anomalies related to companies to be monitored through the application and generating alerts accordingly.
- The monthly reports manually prepared for the TBB Risk Center have been automatically sent by the system.
- Emerging technologies in the field of artificial intelligence (AI) have been monitored. Hardware investments have been made within the institution;

a project has been designed and initiated for an artificial intelligence module that will be integrated into the JCR-Analytics system to assist users in decision-making processes.

- A joint data warehouse project (DWH) has been initiated to deduplicate and improve the quality of the data, and thus improve the quality of reports, with significant progress made. New reports requested based on the needs of the departments have been prepared through the data warehouse.
- Screen developments have been implemented to allow for closer and more detailed tracking of companies. Some of these include: Company Location Information, Debt/Credit Concentration, Detailed Partnership and Group Company Tracking
- The HR application has been integrated with the online training platform.
- As in the previous year, this year as well, the necessary workflows and processes for the request management of different departments on the Electronic Document Management System have been provided and made live.
- By analyzing processes, an e-signature project has been launched in line with the goal of complete digitization in signature processes, focusing on time-consuming tasks.



Fundamental Principles and Internal Control & Quality Assurance System

JCR Avrasya Derecelendirme A.Ş. conducts its activities in full compliance with the 'Regulation on the Authorization and Activities of Rating Agencies' issued by the Banking Regulation and Supervision Agency (BRSA), the 'Communiqué on Rating Activities in the Capital Market and the Principles Relating to Rating Agencies' by the Capital Markets Board (CMB), and other relevant regulations.

For our company and employees, full compliance is ensured with the Ethical Principles Guidelines, established to ensure high ethical standards in business processes, and the provisions of the Code of Ethical Conduct Guidelines, which will be followed in rating activities. Additionally, the company continues its activities in line with international standards by adhering to the 'Fundamental Principles of the Code of Conduct for Credit Rating Agencies' issued by IOSCO (International Organization of Securities Commissions).

In line with the fundamental principles of impartiality, transparency, reliability, confidentiality, data security, and legal compliance, our company has established control and quality assurance systems independent of the rating process to ensure the effective and independent conduct of the rating process, ensure the accuracy of the assigned ratings, maintain compliance with internal and external regulations, ensure the confidentiality of client-related information, and create secure physical and digital environments for storing such data. An Internal Audit/Quality Assurance System Committee, composed of two members of the Board of Directors, has been established to monitor the functioning and efficiency of these mechanisms.

In order to monitor and control the risks the company is exposed to, it has structured its organization with a focus on creating and implementing a control, internal audit, and quality assurance system that is in compliance with the procedures and principles outlined in the relevant regulations, aligned with the scope and

structure of its activities. In this regard, our company's objective is to oversee compliance with goals, strategies, and policies, monitor the compliance of our organization and employees with the rating methodology, ethical conduct rules, ethical guidelines, and internal regulations, as well as relevant rating regulations and provisions, conduct model validation (validation) activities, and evaluate the organization's risk management, control, and corporate governance processes. These processes are developed, and all findings from these activities are submitted to the Audit Committee and Board of Directors through the Control and Compliance Directorate, which operates under the Board of Directors. While carrying out its activities, the Directorate ensures compliance with International Internal Audit Standards, the COSO Internal Control Framework, and national/international best practices.

The quality assurance system is periodically reviewed and evaluated for compliance with regulations, taking into account the adherence to the principles of 'Professional Qualification,' 'Professional Requirements,' 'Task Distribution,' 'Guidance,' 'Feedback,' 'Task Acceptance and Continuity,' 'Retrospective Testing,' 'Monitoring,' and 'Rating Monitoring.' In this context, a 'Quality Assurance System Report' is prepared and shared with the BRSA after being approved by the Board of Directors.

Audits are conducted with a risk-based audit approach within the framework of the annual audit plan approved by the Internal Audit Committee. The results of the audit activities are shared with the Internal Audit Committee, and the Board of Directors is informed accordingly.

Rating processes are continuously reviewed, and rating reports are monitored within the framework of the established methodologies. In this context, compliance checks with both internal and external regulations, including international standards, are also carried out, and reports are prepared in compliance with the regulations as a result of these checks. The prepared reports are shared with the Internal Audit Committee, and the Board of Directors is informed accordingly.

Validation activities are carried out in accordance with regulatory provisions, covering qualitative and quantitative elements, with validation tools being updated according to changing market and operational conditions, and carried out on a continuous basis. Reports prepared within this framework are shared with the Internal Audit Committee, and the Board of Directors is informed accordingly. Additionally, the relevant reports are shared with regulators in compliance with the regulations.





Sustainability

JCR-ER Sustainability Activities

The year 2024 was a year in which developments in sustainability accelerated further, and progress was made in sustainability reporting obligations. While the Turkish Sustainability Reporting Standards (TSRS) were put into practice, the European Sustainability Reporting Standards (ESRS) were also implemented in the European region, which is the country's largest trading partner. Thanks to these developments, companies have made their sustainability steps more concrete. Service providers have continued to invest in sustainability services to improve their capabilities in this area and gain a competitive advantage in order to respond to the needs of companies.

All these efforts have also spread across the entire 2024 year in the field of sustainable finance. Actors in the money and capital markets have made their best efforts to meet the increasing demand by offering sustainable finance products. For sustainable finance to continue growing, the need for the presence of independent organizations is increasing alongside the efforts of fund seekers and fund providers. These organizations contribute significantly to the sustainable finance ecosystem with the objective external evaluations they provide.

As JCR Avrasya Derecelendirme, we continue our efforts to strengthen the presence of independent organizations in this field. Throughout 2024, we intensified our sustainability activities to integrate them with international best practices.

This process will continue intensively in line with the institution's goal of being a significant player in the sustainable finance market.

With the help of our high internal integration capabilities, we plan to implement our services as quickly as possible, focusing on the sustainability goal we have set with our teams specialized in different areas. We make sure to keep our internal capacity active regarding new developments and applications, taking encouraging steps for our employees. At the same time, we ensure a continuous flow of information by holding regular consultation meetings with external stakeholders involved in the sustainable finance ecosystem. As JCR Avrasya Derecelendirme, we will continue our work in the field of sustainable finance with full awareness of the responsibilities entrusted to us, without slowing down.



Sustainability

Quality Management Systems

In 2024, the certification audit carried out under the ISO 9001:2015 Quality Management System, ISO/IEC 27001:2022 Information Security Management System, and ISO 10002:2018 Customer Satisfaction Management System was successfully completed.

Legal Disclosures:

No legal action of significant size has been filed against our organization that could affect its financial condition or operations.

Statement of Responsibility:

Based on the information we hold in our areas of responsibility, authority, and duties within our organization, we confirm, declare, and undertake that the 2024 Annual Report does not contain any deficiencies that could create false information, misleading statements, or misjudgments on significant matters, and that the financial and other information contained in the report accurately reflects the reality for the period it pertains to.

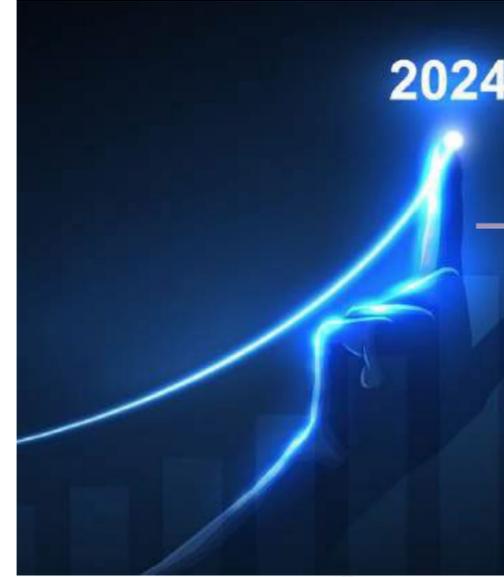
On behalf of the Board of Directors

**Prof. Dr. Feyzullah
YETGİN**

*Vice Chairman of the Board of
Directors and General Manager*



Metin Recep ZAFER
Chairman of the Board

2024 Independent Audit Report

The Independent Audit Report for the year 2024, prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., is provided on the following pages.

2024 Independent Audit Report





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

To the General Assembly of JCR Avrasya Derecelendirme A.Ş.

1. Opinion

We have audited the annual report of JCR Avrasya Derecelendirme A.Ş. (the "Company") for the period 1 January - 31 December 2024.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (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. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 10 April 2025 on the full set financial statements for the period 1 January - 31 December 2024.



4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 are as follows:

- to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- to include the matters below in the annual report:
 - events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements and with the information obtained in the course of audit.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özge Arslan Yılmaz, SMMM
Independent Auditor

Istanbul, 10 April 2025



JCR AVRASYA DERECELENDİRME A.Ş.

**FINANCIAL STATEMENTS
ON 1 JANUARY – 31 DECEMBER 2024 AND INDEPENDENT
AUDITOR’S REPORT
“Convenience translation of a report originally issued in Turkish”**

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

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of JCR Avrasya Derecelendirme A.Ş

A. Audit of the financial statements

1. Our opinion

We have audited the accompanying financial statements of JCR Avrasya Derecelendirme A.Ş (the “Company”) which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company 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 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 Financial Statements” section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; 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 matter

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

*PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Kılıçalı Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul
T: +90 212 326 6060, F: +90 212 326 6050, www.pwc.com.tr Mersis Numaramız: 0-1460-0224-0500015
The accompanying notes are an integral part of these financial statements*



Key Audit Matter	How the key audit matter was addressed in the audit
<p>Revenue Recognition</p> <p>The Company has obtained sales revenue of TL 1,294,867,884 during the period from January 1, 2024, to December 31, 2024. Explanations regarding the Company's accounting policies and amounts related to revenue are provided in Note 2 and Note 14.</p> <p>The Company's revenue consists of income from credit and corporate governance rating services. Due to the nature and size of the Company's operations, there is a risk that revenue may not be recognized when service obligations are fulfilled and may not be recorded in the correct period.</p> <p>According to the above mentioned explanations, the revenue recognition has been determined as a key audit matter in accordance with the accrual principle of sales, volume of sales and the risk of being not recorded in the correct period.</p>	<p>During our audit, the following procedures were applied to ensure the completeness and accuracy of revenue recognition:</p> <ul style="list-style-type: none"> - Contracts with customers were reviewed, and the impact of contract terms on revenue recognition was evaluated. - Within the scope of our audit work, service sales data and records were tested on a sample basis. Additionally, substantive procedures and data analytics tools were used to perform correlation and analysis procedures related to the relevant accounts. - To test the integrity and accuracy of the data used, data obtained from accounting systems was compared with collection information. - Test of details has been performed to ensure that transactions recognized as revenue occurring just before and after the reporting period were recorded in the correct period in accordance with the accrual principle. - The adequacy and consistency of the related footnotes in the financial statements were checked.

The accompanying notes are an integral part of these financial statements

4. Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's responsibilities for the audit of the 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 financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

The accompanying notes are an integral part of these financial statements



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- 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

B. 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.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özge Arslan Yılmaz, SMMM
Independent Auditor

Istanbul, 10 April 2025

The accompanying notes are an integral part of these financial statements

“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

		Audited	Audited
	Notes	31 December 2024	31 December 2023
Assets			
Current assets			
Cash and cash equivalents	4	379.736.731	383.687.956
Financial investments	5	106.620.115	10.736.398
Trade receivables	6	133.869.879	75.623.475
- Trade receivables from third parties	6	133.869.879	75.623.475
Other receivables	7.a	7.573	82.647
- Other receivables from third parties	7.a	7.573	82.647
Prepaid expenses	7.b	9.531.232	9.813.182
Total current assets		629.765.530	479.943.658
Non-current assets			
Financial investments	5	1.720.368	481.598
Property, plant and equipment	8.a	13.093.872	19.932.760
Right of use assets	8.b	19.755.617	9.293.418
Intangible assets	9	15.867.123	21.059.938
Prepaid expenses	7.b	4.418.696	1.767.615
Deferred tax assets	19.b	12.808.745	8.021.563
Total non-current assets		67.664.421	60.556.892
Total assets		697.429.951	540.500.550

The accompanying notes are an integral part of these financial statements

“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

		Audited	Audited
	Notes	31 December 2024	31 December 2023
LIABILITIES			
Current liabilities			
Short term liabilities	11	83.509	416.662
Lease payables	11	17.656.171	9.497.294
Trade payables	6	7.629.206	3.273.371
- Trade payables to unrelated parties	6	7.629.206	3.273.371
Employee benefit obligations	10.a	41.279.554	31.605.219
Period profit tax liability	19.a	50.890.403	43.036.450
Other current liabilities	12	30.142.289	20.323.489
Total current liabilities		147.681.132	108.152.485
Non-current liabilities			
Lease payables	11	6.064.451	-
Long term provisions	10.b	34.691.719	20.779.574
- Provisions for employee benefits	10.b	34.691.719	20.779.574
Total non-current liabilities		40.756.170	20.779.574
EQUITY		40.756.170	20.779.574
Company shareholders' equity			
Paid in capital	13.a	100.000.000	50.000.000
Paid in capital adjustment differences		87.074.780	81.009.034
Other comprehensive income (loss) not to be reclassified to profit or loss		(9.029.253)	(8.217.777)
- Actuarial gain / loss arising from defined benefit plans	13.b	(9.029.253)	(8.217.777)
Reserves on retained earnings	13.c	39.754.328	28.779.820
Prior period profits/losses		136.891.205	190.675.237
Net profit for the year		154.301.589	69.322.177
Total equity		508.992.649	411.568.491
Total liabilities		697.429.951	540.500.550

The accompanying notes are an integral part of these financial statements

“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

		Audited	Audited
	Notes	1 January- 31 December 2024	1 January- 31 December 2023
Revenue	14	1.294.867.884	919.380.230
Cost of sales (-)	14	(598.271.084)	(487.998.076)
Gross profit		696.596.800	431.382.154
General and administrative expense (-)	15	(347.678.317)	(127.402.533)
Marketing, sales and distribution expenses (-)	15	(30.145.036)	(15.275.101)
Other operating income	16	1.536.549	1.734.025
Other operating expenses (-)	16	(108.733.613)	(57.620.616)
Operating profit		211.576.383	232.817.929
Income from investment activities	17.c	15.760.059	101.504
Operating profit before financing income (expense)		227.336.442	232.919.433
Financial income	17.a	164.216.403	117.775.563
Financial expense (-)	17.b	(10.353.036)	(284.783)
Gain/Loss on net monetary position	18	(93.718.865)	(158.651.033)
Profit before taxation		287.480.944	191.759.180
Current period tax expense (-)	19.a	(137.618.761)	(113.738.102)
Deferred tax income (expense)	19.a	4.439.406	(8.698.901)
Net profit for the year		154.301.589	69.322.177

The accompanying notes are an integral part of these financial statements

“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

**STATEMENT OF OTHER COMPERHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

		Audited	Audited
	Notes	1 January- 31 December 2024	1 January- 31 December 2023
Net Profit/Loss for the Period		154.301.589	69.322.177
Other Comprehensive Income Not to be Reclassified to Profit or Loss, Pre-Tax	10.b	(811.477)	(7.600.119)
Defined benefit plans remeasurement gains (losses)		(1.159.253)	(11.481.275)
Taxes on other comprehensive expense that will not be reclassified to profit or loss		347.776	3.881.156
Total Other Comprehensive Income		(811.477)	(7.600.119)
Total Comprehensive Income		153.490.112	61.722.058

The accompanying notes are an integral part of these financial statements

“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

	Paid in Capital	Capital Adjustment Differences	Revaluation and measurement gains/losses	Restricted reserves allocated from profit	Previous years' profits	Net profit/loss for the period (+/-)	Total equity
Balances as of 1 January 2023	30.000.000	67.749.568	(617.658)	16.442.813	63.756.304	196.344.845	373.675.872
Dividends	-	-	-	-	(41.574.330)	-	(41.574.330)
Capital increase from internal sources	20.000.000	13.259.466	-	-	(33.259.466)	-	-
Transfers	-	-	-	12.337.007	184.007.839	(196.344.846)	-
Total comprehensive income	-	-	(7.600.119)	-	69.322.178	61.722.059	61.722.059
Other	-	-	-	-	17.744.890	-	17.744.890
Balances as of 31 December 2023	50.000.000	81.009.034	(8.217.777)	28.779.820	190.675.237	69.322.177	411.568.491
Balances as of 1 January 2024	50.000.000	81.009.034	(8.217.777)	28.779.820	190.675.237	69.322.177	411.568.491
Dividends	-	-	-	-	(56.065.955)	-	(56.065.955)
Capital increase from internal sources	50.000.000	6.065.746	-	10.974.508	(67.040.254)	-	-
Transfers	-	-	-	-	69.322.177	(69.322.177)	-
Total comprehensive income	-	-	(811.477)	-	154.301.589	153.490.112	153.490.112
Balances as of 31 December 2024	100.000.000	87.074.780	(9.029.253)	39.754.328	136.891.205	154.301.589	508.992.649

The accompanying notes are an integral part of these financial statements

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“Convenience translation of a report originally issued in Turkish”
JCR AVRASYA DERECELENDİRME A.Ş.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed as of Turkish Lira (“TL”) unless otherwise stated.)

	Nite	Audited 1 January- 31 December 2024	Audited 1 January- 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		134.708.800	119.321.520
Profit for the period		154.301.589	69.322.177
Adjustments related to the reconciliation of net profit for the period		136.097.223	133.455.075
Adjustments related to depreciation and amortization expenses	8,9	30.706.153	19.340.373
Adjustments related to impairment (cancellation)		1.684.883	-
Adjustments related to provisions		23.177.581	16.382.919
Adjustments related to interest (income) and expenses	10	(154.444.131)	(116.133.585)
Adjustments related to interest income		(164.760.457)	(116.133.585)
Adjustments related to interest expense		10.316.326	-
Adjustments for fair value losses (gains)		(14.884.231)	(101.504)
Adjustments related to tax expense (income)		133.179.355	122.437.003
Adjustments for Losses (Gains) on Disposal of Tangible Fixed Assets		268.925	21.229
Adjustments for monetary position gains (losses)		116.408.688	91.508.641
Changes in working capital		(38.664.147)	409.791
(Decrease)/Increase in trade receivables		(60.219.060)	(12.741.458)
Decrease (increase) in trade receivables from unrelated parties		(60.219.060)	(12.741.458)
Adjustments for decreases (increases) in other receivables related to activities		75.074	(80.907)
Decrease (increase) in non-trade receivables from unrelated parties		75.074	(80.907)
Increase (decrease) in trade payables		4.355.835	594.417
Decrease (increase) in trade payables to unrelated parties		4.355.835	594.417
Adjustments related to increases (decreases) in other liabilities related to activities		-	-
Decrease (increase) in other payables to unrelated parties		-	-
Increase (decrease) in liabilities under employee benefits		9.674.335	2.187.419
Decrease (increase) in prepaid expenses		(2.369.131)	(6.640.965)
Adjustments related to other increases (decreases) in working capital		9.818.800	17.091.285
Decrease (increase) in other assets related to activities		-	1.314.830
Increase (decrease) in other liabilities related to activities		9.818.800	15.776.455
Net cash flow from operations		251.734.665	(83.100.849)
Tax payments (refunds)		(113.128.510)	(107.882.373)
Payments made within the scope of provisions for employee benefits	10.B	(3.897.355)	(764.674)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(103.356.227)	(16.387.500)
Cash outflows from the purchase of tangible and intangible fixed assets	8	(3.359.681)	(16.387.500)
Cash inflows from sales of tangible and intangible fixed assets		-	-
Cash Outflows for Acquisition of Shares or Debt Instruments of Other Businesses or Funds	5	(100.872.374)	-
Interest received	17	875.828	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		68.237.512	66.143.082
Cash outflows from leasing transactions		(24.851.892)	(3.227.916)
Dividends paid		(56.065.955)	(41.574.330)
Interest received		149.488.512	110.604.068
Other		(333.153)	341.260
D.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		99.590.085	169.077.102
Cash outflows from leasing transactions		(117.937.428)	(115.300.628)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(18.347.343)	(53.776.474)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		375.203.763	321.427.289
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	4	356.856.420	375.203.763

The accompanying notes are an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024**

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

1. ORGANIZATION AND NATURE OF ACTIVITIES

JCR Avrasya Derecelendirme Anonim Şirketi (“Company”), was established on 20 February 2007, Istanbul, for rating of credit and corporate governance. The Company is the first local capitalized company which authorized by Capital Market Board in credit rating sector. The company became partner with Japan Credit Rating Agency Ltd. (JCR) on 12 November 2007 and the Company changed its title as JCR Avrasya Derecelendirme A.Ş.

Also, the Company is authorized by BRSA for conducting obligatory rates on 1 October 2009. The company has made an application on 21 June 2012 and based on this BRSA’s renewed the authorization of the Company on 25 April 2013.

The Company received “Corporate Governance Compliance Rating” license from Capital Market Board on 29 April 2010.

In March 2010, the Company became the founder of EACRA- European Association of Credit Rating Agencies, which was occurred of 16 different countries in EU – European Union and nearby.

According to 8th entry’s 3rd section of Regulations for measuring Insurance, Reassurance and Retirement Companies’ Capital Adequance, the rating of Reassurance Companies are involved to authorized rating boards list by Secreteriat of Treasury’s B.02.1.HZN.0.10.03.01-46974 numbered publish, dated 6 October 2010.

The Company has joined ACRAA- The Association of Credit Rating Agencies in Asia which operates in 15 Asia country with 33 credit rating company members on 17 April 2015. On 17 January 2020, under the leadership of Borsa Istanbul A.Ş., Turkey’s leading banks and financial institutions bought 85.05% the shares of JCR Avrasya A.Ş.

21 February 2020 date and the banking regulation and supervision board decision No. 8876 “ in accordance with Article 8 of the regulation on loan transactions of banks, accurate measurement of the risk by expanding the rating activities, and increasing the transparency of financial sector depth, in order to reduce credit costs and use capital effectively, companies with a turnover of 500 million Turkish Lira and above must obtain a rating rating from an authorized rating agency by 20 June 2021 in order to use loans.” By the decision of the banking regulation and supervision board dated 10 September 2020 and numbered 9133, the turnover criterion was changed to 500 million TL credit risk.

JCR Avrasya Derecelendirme A.Ş. is the only rating organization authorized by the BRSA.

By decision of the banking regulation and supervision board dated on 21 February 2020 and numbered 8875, JCR Avrasya Derecelendirme A.Ş. has been decided to match the credit rating ratings of the banks for use in capital adequacy calculations.

The company's General Directorate is located at Maslak Mahallesi Taşyoncası Sokak No:1/F F2 Blok Kat: 2 34485 Sarıyer/Istanbul/Turkey. Partnership structure of the company is in Note 13. The Company has 235 employees as of 31 December 2024 (31 December 2023:169).

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The accompanying financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, “Principals of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, financial statements are prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS” / “TFRS”) and its addendum and interpretations (“IFRIC”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POAASA”) Turkish Accounting Standards Board. It is also presented in accordance with the 2024 TFRS taxonomy published by the Public Oversight Authority (POA).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024**

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

The Company maintain their accounting records and prepares their 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. The financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost convention in TL. These financial statements are based on the statutory records, which are maintained under historical cost conversion, with required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS/TFRS.

The General Assembly has the authority to change and approve the Company's financial statements. The Company's financial statements are approved for publication by the Board of Directors.

The Company's financial statements for the period ending on 31 December 2024 were approved for publication by the Company's Board of Directors on 10 April 2025.

Financial reporting in hyperinflationary economy

The Company, POA, made a statement on 23 November 2023 regarding the application of inflation accounting in Türkiye, and according to the said announcement, the financial statements of the companies applying TFRS for the annual reporting period ending on or after 31 December 2023 must be presented by adjusting them according to the effect of inflation in accordance with the relevant accounting principles in TAS 29. In accordance with the decision of the CMB dated 28 December 2023 and numbered 81/1820, it has been decided that the issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 “Financial Reporting Standard in Hyperinflationary Economies” starting from their annual financial reports for the accounting periods ending as of 31 December 2023. Based on the aforementioned CMB decision and the KGK announcement and the “Implementation Guide on Financial Reporting in High Inflation Economies” published by the KGK, the Company made inflation adjustments in accordance with TAS 29 while preparing its financial statements for the period dated 31 December 2024 and ending on the same date.

TAS 29 requires that financial statements prepared in the currency of hyperinflationary economies be presented in the unit of measurement at the balance sheet date and that balances from previous periods be presented in the same unit using the general price index. One of the conditions that necessitates the application of TAS 29 is that the three-year cumulative inflation rate is approximately 100% or above. Based on the consumer price index (“CPI”) published by the Turkish Statistical Institute (“TÜİK”) in Türkiye, the cumulative rate in question was 291% for the three-year period ending on 31 December 2024.

Even if there is no increase in price indices at the level mentioned above, if there are signs of high inflation such as people holding their savings mainly in foreign currency, prices of goods and services being determined in foreign currency, interest rates, wages and prices being linked to general price indices, and prices being determined by adding a maturity difference to cover losses in purchasing power, including short-term transactions, TMS 29 should be applied.

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	Conversion Factor
31 December 2024	2.684,55	1,0000
31 December 2023	1.859,38	1,4437
31 December 2022	1.128,45	2,3789

In the inflationary period, a company that holds more monetary assets than monetary liabilities loses purchasing power, and the excess of monetary liabilities over monetary assets gains purchasing power to the extent that assets and liabilities are not tied to a price level. The gain or loss on the net monetary position is included in the profit or loss statement as net monetary position gains/(losses).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

With the statement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023, inflation accounting has started to be applied in accordance with TAS 29 Financial Reporting Standard in Hyperinflationary Economies starting from the financial statements of the annual reporting period ending on or after 31 December 2023. TAS 29 is applied to the financial statements, including the financial statements, of the enterprises whose functional currency is the currency of a hyperinflationary economy. The accompanying financial statements are prepared in accordance with the historical cost principle, except for the assets and liabilities measured at fair value and the classes of tangible fixed assets or intangible assets measured at their revalued amounts. The financial statements in question and all comparative amounts belonging to the previous periods have been adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with TAS 29 and finally expressed in terms of the purchasing power of the Turkish lira on 31 December 2024. In order to make the necessary adjustments in the financial statements in accordance with TAS 29, assets and liabilities were first separated as monetary and non-monetary, and non-monetary assets and liabilities were subject to an additional separation as those measured at current value and those measured at cost value. Monetary items (except those linked to an index) and non-monetary items measured at current values at the end of the reporting period were not subject to inflation adjustment since they were already expressed in the current measurement unit as of 31 December 2024. Non-monetary items not expressed in the measurement unit as of 31 December 2024 were subject to inflation adjustment using the relevant coefficient. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or net realizable value, the carrying value is reduced by applying the relevant TFRS. In addition, inflation adjustments were made in all items in the equity items and profit or loss and other comprehensive income statements.

2.2 Measurement currency and reporting currency

Financial statements are presented in TL, which is the functional and reporting currency of the company.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will realize the benefits from its assets and settle its liabilities within the next year and in the normal course of business.

2.4 Comparable financial information and reclassification of prior year financial statements

The Company complies with the principles and conditions issued by the CMB, the applicable commercial and legislation, and the communiqués of the CMB in keeping accounting records and preparing statutory financial statements. In order to enable the determination of financial status and performance trends, the Company's financial statements are prepared comparatively with the previous period. The Company has prepared the statement of financial position as of 31 December 2024, the statement of financial position prepared as of 31 December 2023, and the statement of profit or loss and other comprehensive income, cash flow statement, and statement of changes in equity for the accounting period of January 1 – 31 December, 2024 in comparison with the accounting period of 1 January – 31 December 2023. If deemed necessary, comparative information is rearranged in order to ensure compliance with the presentation of the current period financial statements.

- The monetary gain/loss effect of TL 17,397,802, which was classified under “deferred tax expense/income” in the income statement items in the accounting period of 1 January – 31 December 2023, has been reclassified under “Net monetary position gains and losses”.
- The monetary gain/loss effect of TL 24,781,524, which was classified under “Net monetary position gains and losses” in the income statement items in the accounting period of 1 January – 31 December 2023, has been reclassified under “current period tax provision”.
- In the accounting period of 1 January – 31 December 2023, cash flows from operating activities in the cash flow statement increased by a total of TL 1,006,549, due to TL 70,273 classified as cash flows from investment activities and TL 936,564 classified as cash flows from financing activities.
- Interest income from financial investments amounting to TL 101,504, which was included in “financial income” in the income statement items in the accounting period of 1 January – 31 December 2023, was reclassified under “income from investment activities”.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Declaration of Conformity to TMS

Financial statements have been prepared in accordance with Turkish Accounting Standards (TMS) / Turkish Financial Reporting Standards (TFRS)

New Standards, amendments and interpretations applicable as at 31 December 2023:

2.6 Changes in Accounting Policies

Significant changes in accounting policies and significant accounting errors detected are applied retrospectively and the previous period financial statements are restated. Changes in accounting estimates, if they are related to only one period, are applied in the current period in which the change is made, and if they are related to future periods, they are applied prospectively in both the period in which the change is made and the future period. There has been no change in accounting policies in the current period.

2.7 Changes and Errors in Accounting Estimates

In preparing the financial statements, the Company's management is required to make assumptions and estimates that will affect the reported asset and liability amounts, determine the possible liabilities and commitments as of the balance sheet date and the income and expense amounts as of the reporting period. Actual results may differ from the estimates. Estimates are reviewed regularly, necessary corrections are made and reflected in the income statement in the period they are realized. There has been no significant change in the Company's accounting estimates in the current period.

2.8 New standards, amendments and interpretations

a. New standards in force as of 31 December 2024 and amendments and interpretations to existing previous standards:

IFRS 16, Sale and leaseback transactions; is effective for annual reporting periods beginning on or after 1 January 2024. These amendments include the sale and leaseback provisions that explain how an entity accounts for a sale and leaseback transaction in IFRS 16 after the transaction date. Sale and leaseback transactions where a portion or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected. It is not applicable to the Company and does not have an impact on the Company's financial position or performance.

TMS 1, Amendment regarding long-term liabilities with contractual terms; effective for annual reporting periods beginning on or after 1 January 2024. These amendments clarify how the conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve the information provided by the entity regarding liabilities subject to these conditions. It is not applicable to the Company and does not have an impact on the Company's financial position or performance.

Changes in TMS 7 and TFRS 7 regarding supplier financing agreements; It is effective for annual reporting periods beginning on or after 1 January 2024. These changes require disclosure to increase transparency about supplier financing arrangements and their impact on businesses' liabilities, cash flows and liquidity risks. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are insufficiently clear and hinder investors' analysis. They do not apply to the Company and have no impact on the Company's financial position or performance.

TSRS 1, “General Provisions for Disclosure of Financial Information Related to Sustainability” It is valid for annual reporting periods starting on or after 1 January 2024. This standard includes the basic framework for the disclosure of all significant risks and opportunities that a company is exposed to regarding sustainability within its value chain. The implementation of this standard is mandatory for the enterprises that meet the relevant criteria in the announcement of the KGK dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria, in annual reporting periods starting on or after 1 January 2024. Other enterprises may report in accordance with the “Turkish Sustainability Reporting Standards (TSRS)” on a voluntary basis.

Since the threshold values of at least two of the criteria specified in the KGK's announcement dated January 5, 2024 and numbered 2024-5 are not exceeded in two consecutive reporting periods, the Company is not necessarily subject to the standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 New standards, amendments and interpretations (Continued)

Since the threshold values of at least two of the criteria specified in the KGK's announcement dated 5 January 2024 and numbered 2024-5 are not exceeded in two consecutive reporting periods, the Company is not necessarily subject to the standard.

TSRS 2, “Climate-related disclosures”; It is valid for annual reporting periods beginning on or after 1 January 2024. This standard is the first standard to determine companies' disclosure requirements for climate-related risks and opportunities. However, the Board Decision of the KGK published in the Official Gazette dated 29 December 2023 announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. In order to determine the businesses that will be subject to sustainability reporting within the scope of the “Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)” dated 5 January 2024, businesses that fall within the scope of sustainability application are counted. On the other hand, according to the “Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)” dated 16 December 2024, a change has been made to the scope of businesses that will be subject to sustainability reporting.

Since the threshold values of at least two of the criteria specified in the KGK's announcement dated 5 January 2024 and numbered 2024-5 are not exceeded in two consecutive reporting periods, the Company is not necessarily subject to the application of the standard.

a. Standards, amendments and interpretations published but not yet effective as of 31 December 2024:

IFRS 17, 'Insurance Contracts'; is effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently allows a wide range of applications. IFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in its letter dated 6 April 2023 sent to the Insurance, Reinsurance and Pension Companies Association of Turkey, the Public Oversight Authority (KGK) stated that it has reached the conclusion that it would be appropriate to apply TFRS 17 to individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies, as of 1/1/2024. On the other hand, due to the change of the effective date of TFRS 17 from “1 January 2024” to “1 January 2025” in accordance with the subparagraph (a) of the first paragraph of Article 13 of the “Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies” issued by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), in its letter dated 15 February 2024 sent to the Banks Association of Turkey, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies has been postponed to 1 January 2025. However, due to the change of the effective date of TFRS 17 from “1 January 2025” to “1 January 2026” in accordance with the subparagraph (a) of the first paragraph of Article 13 of the “Regulation on Amendments to the Regulation on Financial Reporting of Insurance, Reinsurance Companies and Pension Companies” issued by SEDDK, in the letter sent by KGK to the Banks Association of Turkey dated 14 January 2025, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies has been postponed to 1 January 2026. It is not applicable to the Company and does not have an impact on the financial position or performance of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 New standards, amendments and interpretations (Continued)

IAS 21 Lack of Interchangeability; It is effective for annual reporting periods beginning on or after 1 January 2025. An entity is affected by these changes when it has a transaction or activity in a foreign currency that cannot be converted into another currency at a specified measurement date for a specified purpose. A currency can be converted when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or exchange mechanism that creates enforceable rights and obligations. It is not expected to have a significant impact on the financial position or performance of the Company.

Changes in TFRS 9 and TFRS 7 regarding the classification and measurement of Financial Instruments;

Effective for annual reporting periods beginning on or after 1 January 2026. (Early application permitted.) These changes:

- Clarification of timing requirements for the recognition and derecognition of certain financial assets and liabilities, together with a new exemption for certain financial liabilities paid through the electronic cash transfer system;
- Providing further guidance and clarification on assessing whether a financial asset meets the criteria of principal and interest only payments;
- Adding new disclosures for certain instruments with contractual terms that could alter cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) objectives); and,
- Updating disclosures for equity instruments at fair value through other comprehensive income.

Annual Improvements to IFRSs Annual improvements are limited to amendments that clarify statements in an Accounting Standard or correct relatively minor unexpected results, oversights or inconsistencies between provisions in an Accounting Standard. The 2024 amendments are made to the following standards:

- IFRS 1 Initial Adoption of Turkish Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and the Guidance on the Application of IFRS 7 Accompanying the Standard;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements
- IAS 7 Statement of Cash Flows

IFRS 18 Presentation and Disclosure in Financial Statements; It is effective for annual reporting periods beginning on or after 1 January 2027. This is the new standard on the presentation and disclosure of financial statements, focusing on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the profit or loss statement • The disclosure requirements in the financial statements for specific profit or loss performance measures reported outside the financial statements of the entity (i.e. performance measures defined by management); and
- Enhanced principles for aggregation and disaggregation generally applicable to the basic financial statements and notes.

The impact of this change on the financial position and performance of the Company is being assessed.

IFRS 19 Non-Publicly Accountable Subsidiaries: disclosures; effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. This new standard is applied in conjunction with other IFRSs. A qualifying subsidiary shall apply the requirements of other IFRS Accounting Standards, except for the disclosure requirements, and instead apply the reduced disclosure requirements in IFRS 19. The reduced disclosure requirements of IFRS 19 balance the information needs of users of the financial statements of eligible subsidiaries with the cost savings for financial statement preparers. IFRS 19 is a voluntary standard for qualifying subsidiaries. A subsidiary shall meet the relevant requirements if:

- It is a subsidiary that is not publicly held or publicly traded, and
- It has a parent or intermediate parent that produces consolidated financial statements in accordance with IFRS that are publicly available.

It is not applicable to the Company and has no impact on the financial position or performance of the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024**

(All amounts in Turkish Lira (“TL”)) unless indicated otherwise.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 New standards, amendments and interpretations (Continued)

Financial assets and liabilities are shown at their net values in the balance sheet if there is a legal right to offset them, if they can be paid or collected on a net basis, or if the acquisition of the asset and the fulfillment of the liability can occur simultaneously.

2.9 Accounting evaluation, estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Estimates are reviewed periodically, adjusted if necessary, and are reflected in the income statement in the period in which they are realized.

Interpretations that may have a significant effect on the amounts recognized in the financial statements and assumptions and evaluations made by considering the main sources of estimates that exist at the balance sheet date or that may be realized in the future:

- Property, plant and equipment and intangible assets (except for rating software programs) are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided on a straight-line basis over the useful lives of the assets. Useful lives are based on management’s best estimates, reviewed at each balance sheet date and adjusted if necessary.
- The allowance for doubtful receivables reflects the amounts that the Company management believes will cover future losses on receivables that exist as of the balance sheet date but that have a risk of not being collected under current economic conditions. In assessing whether receivables are impaired, the past performance of debtors other than related parties and key customers, their creditworthiness in the market, their performance from the balance sheet date to the date of approval of the financial statements and the renegotiated terms are also taken into consideration. In addition to the collaterals obtained as of the balance sheet date, the collaterals obtained during the period until the approval date of the financial statements are also taken into consideration while determining the provision amount. Provisions for doubtful receivables as of the related balance sheet date are disclosed in Note 6.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the accompanying financial statements are as follows:

Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows, cash and demand deposits with maturities of 3 months or less than 3 months from the date of purchase, and are convertible to cash without a substantial change in value that have high liquidity risk other short-term investments.

Financial Assets

"Financial assets at fair value through other comprehensive income" consist of equity instruments and debt instruments. The Company measures these financial assets at fair value. Gains or losses arising from the related financial assets, other than foreign exchange gains or losses, are recognised in other comprehensive income. When the equity instruments are sold, the valuation differences recognised in other comprehensive income are reclassified to retained earnings. When debt instruments are derecognised, gains and losses previously recognised in other comprehensive income are reclassified from equity to the income statement.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024**

(All amounts in Turkish Lira (“TL”)) unless indicated otherwise.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

"Financial assets at fair value through profit or loss" consist of financial assets other than financial assets measured at amortised cost and financial assets at fair value through other comprehensive income. Gains and losses arising from the valuation of such assets are recognised in the income statement.

Trade receivables / payables

Trade receivables/trade payables arising from the company arising directly from the service/sale to a borrower/buyer within the main subject of activity were evaluated at their discounted cost using the effective interest method. Short-term trade receivables/trade payables that do not have a specified interest rate are assessed from the invoice amount if the interest accrual effect is negligible.

The company allocates doubtful accounts receivable for related accounts receivable if there is an objective finding that there is no possibility of collection. The amount of this provision is the difference between the carrying amount of the receivable and the amount that can be collected. The amount that can be collected is the discounted value of all cash flows, including amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the resulting commercial receivables. If the amount of impairment decreases due to a situation that will occur after writing down a loss, this amount is reflected in other income in the current period.

Financial investments

"Financial assets measured at amortized cost", held under a business model that aims to collect contractual cash flows and the balance due on specific dates and principal only principal in the terms of the contract, cash flows, including interest payments where there are non-derivative financial assets. Financial assets of the company accounted for at amortized cost, "cash and cash equivalents", "trade receivables". Related assets at their fair value at their initial entry into the financial statements; in subsequent accounting, it is measured at discounted prices using the effective interest rate method. Gains and losses incurred as a result of the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

"Financial assets whose fair value difference is reflected in other comprehensive income" consists of equity-based financial assets and debt instruments. The Company measures these assets at fair value. Gains or losses arising from related financial assets, other than exchange rate difference income or expenses, are reflected in other comprehensive income. In the case of the sale of equity-based financial assets, valuation differences classified into other comprehensive income are classified into past year profits. In the case where debt instruments are excluded from the financial statement, gains and losses previously recognized in comprehensive income are classified from equity to income statement.

"Financial assets with fair value difference reflected in profit or loss" are financial assets other than financial assets measured at amortized cost and whose fair value difference is reflected in other comprehensive income. Gains and losses resulting from the valuation of these assets are recognized in the income statement.

Tangible assets

Property, plant, and equipment (vehicles, flooring, and fixtures) are shown at their registered values at their net value after deducting accumulated depreciation and impairment, if any. Depreciation is divided by the adjusted values of tangible assets over their useful lives using the linear depreciation method. Tangible fixed assets generally consist of furnishings and fixtures and their estimated useful lives are between 4-10 years.

Intangible assets

Intangible assets consist of rating software programs, website, and other specific rights. Intangible assets are amortized based on their useful lives are between 4-15 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”)) unless indicated otherwise.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rental Transactions

The Company applies "IFRS 16 - Leases" standard in the accounting of lease transactions. In accordance with "IFRS 16 - Leases", the Company calculates the amount of "right of use" based on the present value of the lease payments of the leased fixed asset at the beginning of the lease and includes it in "property, plant and equipment". The Company leases vehicles. As a lessee, the Company has now recognised right-of-use assets and lease liabilities for most of its leases in accordance with IFRS 16, whereas previously the lease was classified as an operating or finance lease based on the assessment of whether all risks and rewards incidental to ownership of the asset were transferred. In other words, these leases are presented in the statement of financial position.

The Company leases vehicles. As a lessee, the Company has now recognised right-of-use assets and lease liabilities for most of its leases in accordance with IFRS 16, whereas previously the lease was classified as an operating or finance lease based on the assessment of whether all risks and rewards incidental to ownership of the asset were transferred. In other words, these leases are presented in the statement of financial position.

The Company has presented its lease liabilities under the heading “Payables from Leases” in the statement of financial position. The Company recognizes the right of use asset and lease liability in its financial statements on the effective date of the lease. The right of use asset is initially measured at cost and subsequently measured at its adjusted cost after deducting accumulated depreciation and accumulated impairment losses and remeasurement of the lease liability. The right of use asset is initially measured at cost and measured at its fair value in accordance with the Company’s accounting policies after the effective date of the lease.

At the commencement date of the lease, the lease obligation is measured at the present value of the lease payments outstanding at that date. Lease payments are discounted using the interest rate implicit in the lease, or, if not readily determinable, the Company's incremental borrowing rate. In general, the Company uses the incremental borrowing rate as the discount rate.

After the commencement date of the lease, the lessee increases the carrying amount of the lease obligation to reflect interest on the lease obligation and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, a change in the amounts expected to be paid under the residual value commitment and a change in such payments as a result of a change in the index or rate. The Company has used its own judgment to determine the lease term for certain lease agreements that include renewal options. The Company's assessment of whether it is reasonably certain to exercise such options affects the lease term, which in turn significantly affects the amounts of lease liabilities and right-of-use assets recognized.

Effect of Foreign currency change

Transactions in foreign currencies during the period have been translated into TL at the exchange rates prevailing at dates of these transactions. Financial position items denominated in foreign currencies have been translated at the exchange rates prevailing at the financial position dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the income or expense accounts as appropriate.

As of the financial position dates, the major foreign exchange rates used by the Company are given below;

	31 December 2024	31 December 2023
US Dollar	35.2803	29,4382
EUR	36.7362	32,5739
GBP	44.2073	37,4417

Impairment of assets

The company evaluates whether there is any indication of an asset's depreciation at each balance sheet date. If such an indicator exists, the recoverable amount of that asset is estimated. If the carrying amount of that asset or any cash-generating unit of that asset is higher than the amount to be recovered through use or sale, an impairment has occurred.

The recoverable amount is determined by selecting the net sale price of the asset and the one higher than the use value. Use value is the estimated present value of cash flows that are expected to be derived from the continued use of an asset and its disposal at the end of its useful life. Impairment losses are recognized in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”)) unless indicated otherwise.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and cost of service

Revenues are recognized when it is probable that economic returns will be provided to the Company in relation to the activities and when the return can be measured reliably. Revenue is measured at the fair value of the receivable and represents the net receivable amounts for goods and services provided in the normal course of business after deducting discounts and sales taxes. Service revenues are not recorded at the time the services are provided.

Sales are recorded on an accrual basis based on the fair value of the consideration received or receivable upon delivery of the product or provision of the service, transfer of risks and benefits related to the product, reliable determination of the amount of income and the strong probability that the Company will obtain economic benefits related to the transaction. The Company's revenues generally consist of rating services.

Related parties

In the presence of one of the following criteria, the party shall be deemed to be associated with the company:

- The party in question, directly or indirectly, through one or more intermediaries:
- Control, control, or co-control the business with the business (including parent partnerships, subsidiaries, and subsidiaries in the same business branch)
- Have a share that will have a significant impact on the company, or
- Have joint control over the company
- The party is a subsidiary of the company;
- The party in question, directly or indirectly, through one or more intermediaries:
 - Control, control, or co-control the business with the business (including partnerships, subsidiaries, and subsidiaries in the same business)
 - Have a share that will have a significant impact on the company, or
 - Have joint control over the company
- The party is a subsidiary of the company
- Party is a business partnership in which the company is a co-entrepreneur
- Be a member of the key executive staff of the party, the company or its parent partnership
- The party is a close family member of any individual mentioned in (a) Or (d)
- A party is a business controlled, jointly controlled or under significant influence, or in which any individual referred to in (d) or (e) directly or indirectly has significant voting rights

Employees of a party, business, or business that is a party associated with the business must have benefit plans provided after retirement.

Employee benefits

According to applicable law, the company is obliged to pay a certain lump sum to employees whose employment is terminated due to retirement or for reasons other than resignation and behavior specified in the labor code. These payment amounts are calculated based on the severance pay ceiling effective as of the balance sheet date. Provision for severance pay, the amounts of liabilities arising in the future due to the retirement of all employees are calculated according to their current net value and reflected in the accompanying financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Tax expense / (income) consists of current period tax expense / (income) and deferred tax expense / (income). Corporate tax liability is calculated on the basis found after the period result is adjusted taking into account expenses and discounts that are not accepted by law.

Tax provision was calculated by taking into account the profit for the period and deferred tax was taken into account in the calculation.

Deferred tax assets and liabilities are caused by significant timing differences (future taxable timing differences) as a result of different treatment of accounting and taxation and are calculated at the current tax rate using the “borrowing” method.

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 2022, Law No. It has been enacted with the number 7532 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2022 and 2023 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2024, and the profit/loss difference arising from the inflation adjustment will be shown in the previous years' profit/loss account and will not be taxed.

As of 31 December 2024, the corporate income tax rate applied in the financial statements is 30%. In accordance with the Law numbered 7316 published in the Official Gazette dated 22 April 2021, starting from the declarations that must be submitted starting from 1 July 2021 and to be valid for the taxation period starting from 1 January 2021, corporate tax rate will be applied as 25% for enterprises' corporate income belonging to the taxation periods of 2021 and 23% for enterprises' corporate income belonging to the taxation periods of 2022. With the publication of Law No. 7394 in the Official Gazette dated 15 April 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate has been permanently increased to 25%, and the respective alteration will be valid for declarations submitted after 1 July 2022. Therefore, as of the first quarter of 2022, the tax rate to be considered for corporate tax calculations is 23%, while for cumulative earning of 2022 in the second quarter and subsequent periods, the tax rate to be applied is considered as 25%. In accordance with Article 21 of Law No. 7456 published in the Official Gazette dated 15 July 2023, and numbered 32249, starting from 1 October 2023, for the declarations that need to be submitted, the corporate income tax rate applicable to the gains obtained in the fiscal year 2023 and subsequent fiscal periods for banks and other institutions mentioned in the law has been increased from 25% to 30%. The Company calculates and accounts for deferred tax in accordance with TAS 12 “Turkish Accounting Standard on Income Taxes” for temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation. As of 31 December 2024, the corporate income tax rate applied in the financial statements is 30%. A deferred tax asset is recorded only when it is expected that a taxable profit will occur in the future, where this asset can be redeemed. Net deferred tax assets arising from timing differences are reduced in relation to tax deductions in cases where it is not certain that they can be used in the coming years in the light of the available data.

Turkey has started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with a Bill submitted to the Turkish Grand National Assembly on 16 July 2024. These regulations entered into force with Law No. 7524 published in the Official Gazette dated 02.08.2024 and numbered 32620. The implementation in Türkiye is largely in line with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. The secondary regulation regarding the calculation details and application method has not yet been published, and specific issues such as Türkiye's unique circumstances and existing incentives are expected to be clarified with the Ministry's secondary legislation. These amendments did not have a significant impact on the Company's financial position or performance.

In addition, Article 32/C titled “Domestic minimum corporate tax” was added to the Corporate Tax Law with Article 36 of Law No. 7524. According to this regulation regarding the domestic minimum corporate tax application, the corporate tax calculated within the framework of Articles 32 and 32/A will not be less than 10% of the corporate income before the application of deductions and exceptions. The regulation in question entered into force on the date of publication to be applied to corporate income for the taxation period of 2025. The Corporate Tax General Communiqué No. 23 was published in the Official Gazette No. 32676 dated 28 September 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

4. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash in hand	-	-
Bank deposits (*)		
- Demand deposit	9.347	50.928
- Time deposit	379.727.384	383.637.028
Cash and cash equivalents shown in cash flow statements	379.736.731	383.687.956
Interest income accruals from cash and cash equivalents	(22.880.311)	(8.484.194)
Total cash and cash equivalents included in the cash flow statement	356.856.420	375.203.763

The maturity of the futures business is January and April 2024. As of 31 December 2024, annual interest rates for TL time deposits are in the range of 48%-50% for TL deposits. (31 December 2023: %18-%28.)

5. FINANCIAL INVESTMENTS

Short-Term Financial Investments

	31 December 2024	31 December 2023
Short-Term Financial Investments		
Financial investments at fair value through profit or loss (*)	106.620.115	10.736.398

(*) Consists of a portfolio of investment funds.

The period movement table of financial investments whose fair value differences are reflected in profit/loss is as follows:

	31 December 2024	31 December 2023
Balance as of 1 January	10.736.398	13.469.827
Valuation Differences	14.884.231	101.504
Interest accruals	875.828	-
Interest received	(875.828)	-
Entry for the period (+)	100.872.374	-
Monetary gain/loss	(19.872.888)	(2.834.933)
Balance as of 31 December	106.620.115	10.736.398
31 December 2024	Nominal	Fair Value
Investment Fund	106.619.174	120.497.538
	106.619.174	120.497.538
31 December 2023	Nominal	Fair Value
Investment Fund	8.298.531	10.736.398
		10.736.398

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

5. FINANCIAL INVESTMENTS (Continued)

Long Term Financial Investments

The details of the shares classified as financial assets whose long-term fair value difference is reflected in the other comprehensive income statement are as follows:

	Affiliate Rate (%)		Amount	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Long Term Financial Investments				
Jcr Latam Empresa Clasificado De Riesgo S.A.*	%15	%15	1.720.368	481.598

(*) At the board meeting held at the headquarters of the company on 3 August 2017; Accuratio Credit Ratings ECR S.A., which is located in the Republic of Peru and accredited in Chile, Panama, Colombia, Argentina, Ecuador and Paraguay, has decided to sign a business partnership agreement and become a 15% partner in order to strengthen the quality of economic and financial integration between Latin American economies and Turkey, to reduce information asymmetry, to contribute to the strengthening of capital and fund flows between Latin America and the Countries of the Region has been reached. The company in question was established after this decision.

6. TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term trade receivables		
- Trade receivables from unrelated parties	133.869.879	75.623.475
- Doubtful trade receivables	2.363.338	390.682
	136.233.217	76.014.157
Provision for doubtful receivables (-)	(2.363.338)	(390.682)
	133.869.879	75.623.475

The movements in the allowance for doubtful receivables during the period are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance, 1 January	390.682	678.828
Provisions released in the current period Note (16)	-	(21.296)
Provisions made in the current period Note (16)	1.684.883	-
Monetary gain/loss	287.773	(266.850)
Closing balance, 31 December	2.363.338	390.682

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

6. TRADE RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Short-term trade payables		
Trade payables to suppliers		
- Trade payables	7.629.206	3.273.371

7. OTHER RECEIVABLES AND PREPAID EXPENSE

7.a Other Short-Term Receivables

	31 December 2024	31 December 2023
Other receivables from unrelated parties	7.573	82.647

7.b Prepaid Expenses

	31 December 2024	31 December 2023
Prepaid expenses – short term		
Prepaid insurance and other expenses (*)	9.531.232	9.813.182
Prepaid expenses – long term		
Prepaid insurance and other expenses (*)	4.418.696	1.767.615

(*) It consists of the invoice for professional liability, health insurance expenses and consultancy services received regarding the risk model application, which the Company paid in advance in 2024.

8. TANGIBLE FIXED ASSETS AND RIGHT OF USE ASSETS

8.a Propert, plant and equipment

The details of tangible fixed assets are as follows:

	1 January 2024	Additions	Disposal	31 December 2024
Cost				
Fixtures	44.976.857	3.136.022	(4.522.675)	43.590.204
Special Costs	211.788	10.092	-	221.880
	45.188.645	3.146.114	(4.522.675)	43.812.084
Accumulated depreciation (-)				
Fixtures	25.044.097	9.715.181	(4.253.750)	30.505.528
Special Costs	211.788	896	-	212.684
	25.255.885	9.716.077	(4.253.750)	30.718.212
Net book value	19.932.760			13.093.872

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

8. TANGIBLE FIXED ASSETS AND RIGHT OF USE ASSETS

8.a Propert, plant and equipment

	1 January 2023	Additions	Disposal	31 December 2023
Cost				
Fixtures	37.087.434	7.924.490	(35.067)	44.976.857
Special Costs	211.788	-	-	211.788
	37.299.222	7.924.490	(35.067)	45.188.645
Accumulated depreciation (-)				
Fixtures	15.419.004	9.649.550	(24.457)	25.044.097
Special Costs	141.191	70.597	-	211.788
	15.560.195	9.720.147	(24.457)	25.255.885
Net book value	21.739.027			19.932.760

8.b Right of use assets

Details of right-of-use assets are as follows:

Cost	Vehicles	Total
1 January 2024 Opening	13.075.573	13.075.573
Purchases	26.045.893	26.045.893
	39.121.466	39.121.466
31 December 2024 Closing	39.121.466	39.121.466
Accumulated Depreciation		
1 January 2024 Opening	(3.782.155)	(3.782.155)
2024 Opening period expense	(15.583.694)	(15.583.694)
	(17.888.816)	(17.888.816)
31 December 2024 Closing	(17.888.816)	(17.888.816)
Net book value	19.755.617	19.755.617
Cost	Vehicles	Total
1 January 2024 Opening	-	-
Purchases	13.075.573	13.075.573
	13.075.573	13.075.573
31 December 2024 Closing	13.075.573	13.075.573
Accumulated Depreciation		
1 January Opening	-	-
Periof expense	(3.782.155)	(3.782.155)
	(3.782.155)	(3.782.155)
31 December 2024 Closing	(3.782.155)	(3.782.155)
Net book value	9.293.418	9.293.418

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

9. INTANGIBLE

	1 January 2024	Additions	Disposal	31 December 2024
Cost				
Other	37.894.791	213.567	-	38.108.358
	37.894.791	213.567	-	38.108.358
Accumulated depreciation (-)				
Other	16.834.853	5.406.382	-	22.241.235
	16.834.853	5.406.382	-	22.241.235
Net book value	21.059.938		-	15.867.123
	1 January 2023	Additions	Disposal	31 December 2023
Cost				
Other	29.466.846	8.463.010	(35.065)	37.894.791
	29.466.846	8.463.010	(35.065)	37.894.791
Accumulated depreciation (-)				
Other	11.021.234	5.838.070	(24.451)	16.834.853
	11.021.234	5.838.070	(24.451)	16.834.853
Net book value	18.445.612			21.059.938

10. EMPLOYEE TERMINATION BENEFITS

10.a Employee Benefit Obligations

	31 December 2024	31 December 2023
Employee benefit obligations		
Debts to personnel	34.648	181.648
Social security premiums to be paid	10.927.090	16.505.565
Summary debts	30.317.816	14.918.006
	41.279.554	31.605.219

10.b provisions for employee benefits

	31 December 2024	31 December 2023
Provision for employment termination benefits	8.387.366	9.122.915
Proviison for employment vacation	26.304.353	11.656.659
	34.691.719	20.779.574

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

10. EMPLOYEE TERMINATION BENEFITS(Continued)

10.b provisions for employee benefits (Continued)

In accordance with the current labor law in Turkey, the company is obliged to pay a certain amount to employees who leave their jobs due to retirement or are terminated for reasons other than resignation and bad behavior. The company accounts for its obligations related to severance pay and leave rights in accordance with the provisions of the “Turkish Accounting Standard for Employee Benefits” (“TAS 19”) and classifies it in the “Employee Rights Obligation Equivalent” account on the balance sheet. According to the current labor law in Turkey, the company is obliged to pay a certain lump sum to employees who are terminated due to retirement or resignation and for reasons other than the behavior specified in the Labor Law. The provision for severance pay is calculated at its present value using certain actuarial estimates and recognized in the financial statements. Actuarial losses and gains incurred after 1 January 2013 are accounted for under equity in accordance with the revised TAS 19 Standard.

One of the basic assumptions is that the severance pay ceiling, which is valid for each year of service, will increase in proportion to inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, as of 31 December 2023, the ceiling of full TL 35,058.58 effective from 1 January 2024 has been taken into consideration in calculating the reserve for employment termination benefits of the company. (31 December 2022, the ceiling of full TL 19,982.83 effective from 1 January 2023 has been taken into consideration in calculating the reserve for employment termination benefits of the company. One of the basic assumptions is that the severance pay ceiling applicable for each year of service will increase in proportion to inflation. Thus, the applied discount rate will represent the real rate adjusted for the expected effects of inflation. The severance pay ceiling is revised every six months and as of 31 December 2024, in the calculation of the Company's severance pay provision, it is calculated over the severance pay ceiling of TL 41,828.42 effective as of 31 December 2024 (as of 31 December 2023, in the calculation of the Company's severance pay provision, 31 December 2023: TL 35,058.58, nominal).

TAS 19 "Employee Benefits" requires companies to estimate the present value of the future probable obligation by using statistical valuation methods. Accordingly, the present value of the Company's contingent liability has been calculated using the assumptions in the table below.

	31 December 2024	31 December 2023
Discount rate (%)	3.50	2,72
Turnover rate to estimate the probability of retirement (%)	93,14	95,48

The basic assumption is that the ceiling provision for each year of service increases in proportion to inflation. Thus, the discount rate applied represents the real rate, adjusted for the expected effects of inflation.

Movement table of the liability for employment termination benefits is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance, 1 January	9.122.915	3.865.758
Current service cost	3.094.230	5.338.731
Interest cost	1.852.651	3.250.530
Paid	(3.897.356)	(764.674)
Actuarial Gain/Loss	1.159.253	11.481.275
Monetary Gain/Loss	(2.944.327)	(14.048.705)
Closing balance, 31 December	8.387.366	9.122.915

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
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(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

10. EMPLOYEE TERMINATION BENEFITS(Continued)

The movement table of the leave provision is as follows:

	1 January- 31 December 2024	1 January - 31 December 2023
Opening balances, 1 January	11.656.659	9.099.315
Period expense	18.230.700	7.793.658
Monetary gain/loss	(3.583.006)	(5.236.314)
Closing balances, 31 December	26.304.353	11.656.659

10.c Other provisions, contingent assets and liabilities

Other Provisions

None as of 31 December 2024 and 31 December 2023.

Guarantees

None as of 31 December 2024 and 31 December 2023.

Custody Items

None as of 31 December 2024 and 31 December 2023.

11. BORROWINGS

	31 December 2024	31 December 2023
Short term borrowings		
Credit card debts	83.509	416.662
	83.509	416.662
Short-term lease obligations		
Lease obligations*	17.656.171	9.497.294
	17.656.171	9.497.294
Long-term lease obligations		
Lease obligations*	6.064.451	-
	6.064.451	-

(*) As of 31 December 2024, interest rates are 49% (31 December 2023: 18.98%) and the maturity will expire in 2027.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

11. BORROWINGS (Continued)

	1 January- 31 December 2024	1 January- 31 December 2023
Lease Obligations		
Opening balance, January 1	9.497.294	-
Intra-term entries	26.045.893	13.075.573
Payments made during the period	(24.851.892)	(3.227.916)
Interest expenses	10.316.326	-
Monetary gain/loss	2.713.001	(350.363)
Closing balance, 31 December	23.720.622	9.497.294

12. OTHER SHORT-TERM LIABILITY

	31 December 2024	31 December 2023
Other short term liability		
VAT to be paid	29.150.090	19.953.388
Other	992.199	370.102
	30.142.289	20.323.490

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

13. EQUITY

13.a Paid in capital

As of balance sheet date, the composition of shareholders and their respective percentage ownership are summarized as follows:

	Share (%)		Amount	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Borsa İstanbul Anonim Şirketi	%18,50	%18,50	18.500.000	9.250.000
Japan Credit Rating Agency, Ltd	%14,95	%14,95	14.950.000	7.475.000
Türkiye Sermaye Piyasalar Bir.İkt.İşl.	%6,00	%6,00	5.999.900	2.999.950
Finansal Kurumlar Birliği	%6,00	%6,00	5.999.900	2.999.950
Türkiye Sigorta, Reastirans ve Emeklilik Şirketleri Birliği	%6,00	%6,00	5.999.900	2.999.950
TC. Ziraat Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye Halk Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye Vakıflar Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Vakıf Katılım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Ziraat Katılım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye Kalkınma ve Yatırım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye İhracat Kredi Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Akbank T. A.Ş.	%2,86	%2,86	2.855.900	1.427.950
QNB Finansbank A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türk Ekonomi Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye Garanti Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye İş Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
TSKB A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Yapı ve Kredi Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Albaraka Türk Katılım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Kuveyt Türk Katılım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Türkiye Finans Katılım Bankası A.Ş.	%2,86	%2,86	2.855.900	1.427.950
Total	%100	%100	100.000.000	50.000.000
Capital Inflation Adjustment			87.074.780	81.009.034
Total Capital			187.074.780	131.009.034

As of 31 December 2024, the Company's fully paid nominal capital is TL 100,000,000 (31 December 2023: TL 50,000,000). In the ordinary General Assembly of the Company held on 6 June 2024; it was decided to increase the Company's paid capital from TL 50,000,000 to TL 100,000,000 and the said General Assembly Decision was registered and announced in the Trade Registry Gazette dated 2 July 2024 and numbered 11113. The entire capital of TL 50,000,000, which was committed free of collusion, was covered from the Company's previous year profits.

As of 31 December 2023, the Company's nominal capital is TL 50,000,000, fully paid. In response, at the Company's ordinary General Assembly held on 4 August 2023; it was decided to increase the Company's paid capital from TL 30,000,000 to TL 50,000,000, and the said General Assembly Decision was registered and announced in the Trade Registry Gazette dated 28 August 2023 and numbered 10902. This time, the entire capital of TL 20,000,000, which was committed free of collusion, was covered from the Company's previous year profits.

13.b Actuarial gain / loss

	31 December 2024	31 December 2023
Actuarial gain / (loss) arising from defined benefit plans	(9.029.253)	(8.217.777)
	(9.029.253)	(8.217.777)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

13. EQUITY (Continued)

13.c Reserves on retained earnings

	31 December 2024	31 December 2023
Legal reserves	39.754.328	28.779.820
	39.754.328	28.779.820

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company’s share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital, but may be used to absorb losses in the event that the retained earnings are exhausted.

At the Ordinary General Assembly Meeting dated 6 June 2024, it was decided that from the net profit of TL 148,740,374 obtained from the Company's 2023 operations in accordance with the Tax Procedure Law, TL 4,731,355 would be set aside as I. Series Legal Reserves, TL 50,000,000 would be distributed as a nominal dividend to all shareholders entitled to receive dividends, and TL 4,750,000 would be set aside as II. Series Legal Reserves, corresponding to 10% of the total dividend to be paid exceeding five percent of the Company's current paid-in capital, and the remaining TL 50,000,000 would be transferred to prior year profits to be used in bonus capital increase. The dividend distribution was made on 30 July 2024.

At the Ordinary General Assembly Meeting dated 4 August 2023, it was decided that from the nominal net profit of TL 135,992,663 obtained from the Company's 2022 operations in accordance with the Tax Procedure Law, a nominal amount of TL 5,068,644 be set aside as I. Series Legal Reserve Fund, to distribute a nominal amount of TL 25,000,000 as dividend to all shareholders entitled to receive dividends, and to set aside a nominal amount of TL 2,350,000 as II. Series Legal Reserve Fund, corresponding to 10% of the portion of the total dividend to be paid exceeding five percent of the Company's current paid-in capital, and to transfer the remaining TL 20,000,000 to the retained earnings to be used in the bonus share capital increase. The dividend distribution was made on 18 July 2023.

13.d Retained Earnings

As of 31 December 2024, the company's accumulated retained earnings amount to TL 136.891.205 (31 December 2023: TL 190.675.237)

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated 30 December 2023 and numbered 32415 (2nd Duplicate), the balance sheet dated 31 December 2024 prepared in accordance with the Tax Procedure Law has been adjusted by using the Producer Price General Indexes (“PPI”) published by the Turkish Statistical Institute within the scope of inflation accounting application. The accompanying financial statements have been subject to inflation adjustment by using the CPI published by the Turkish Statistical Institute in accordance with TAS 29 and ultimately the amounts pertaining to the current and previous reporting period have been expressed in terms of the purchasing power as of 31 December 2024. Due to the use of different indexes in the Tax Procedure Law and TAS 29 inflation accounting application and the adjustment of the amounts pertaining to previous reporting periods in the TAS 29 application and bringing them to the purchasing power as of 31 December 2024; There have been differences between the amounts in the balance sheet prepared in accordance with the Tax Procedure Law and the amounts in the financial statements prepared in accordance with TAS/IFRS regarding the items “Capital Adjustment Differences” and “Restricted Reserves Allocated from Profits”. The differences in question have been reflected in the “Previous Years’ Profits or Losses” item in the TAS/IFRS financial statements, and the details of these differences are provided below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

13. EQUITY (Continued)

13.d Retained Earnings (Continued)

31 December 2024	According to TMS/IFRS Financial Statements	According to VUK	Difference
Capital adjustment differences	87.074.780	74.631.858	(12.442.922)
Restricted reserves allocated from profit	39.754.328	41.483.717	1.729.389

14. REVENUE AND COST OF SALE

	1 January- 31 December 2024	1 January- 31 December 2023
Revenue	1.297.874.308	921.728.296
Returns from sale (-)	(3.006.424)	(2.348.066)
Net sales revenue	1.294.867.884	919.380.230
Cost of sales (-) (Note 15)	(598.271.084)	(487.998.076)
Gross profit	696.596.800	431.382.154

The details of the cost of sales calculation for the accounting periods ending on 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	(584.035.789)	(478.708.092)
Education and research expenses	(5.148.983)	(1.117.602)
Vehicle expenses	(4.900.386)	(4.426.248)
Subscription and licence expenses	(1.974.237)	(963.124)
Information technology expenses	(1.438.005)	(2.363.378)
Travel and transportation expenses	(773.684)	(419.632)
Total	(598.271.084)	(487.998.076)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

15. EXPENSES ACCORDING TO THEIR QUALITIES

5.a. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses for the accounting periods ending on 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	(264.367.557)	(75.491.855)
Depreciation expenses	(30.706.153)	(18.527.260)
Leave allowance expenses	(18.230.700)	(7.793.658)
Representation and entertainment expenses	(11.978.434)	(6.965.945)
Conculty expenses	(7.764.405)	(2.742.333)
Severance pay expenses	(4.946.881)	(8.589.261)
Other expenses (*)	(9.684.187)	(7.292.221)
Toplam	(347.678.317)	(127.402.533)

(*) Includes office, energy, maintenance and repair, dues, communication, distribution and vehicle expenses incurred by the company.

15.b. MARKETING, SALES AND DISTRIBUTION EXPENSES

Marketing, sales and distribution expenses for the accounting periods ending 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	(29.538.307)	(11.968.294)
Education expenses	(240.120)	(43.169)
Other expenses	(366.609)	(3.263.638)
	(30.145.036)	(15.275.101)

16. OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

	1 January- 31 December 2024	1 January- 31 December 2023
Other income from main activities		
Other	1.536.549	1.712.729
Provisions no longer required	-	21.296
	1.536.549	1.734.025
Other expense from main activities		
Donations and aids	(91.329.744)	(54.109.900)
Vehicle constraint expenses	(15.155.882)	(2.457.208)
Provision for doubtful trade receivables expense	(1.684.883)	-
Other	(563.104)	(1.053.508)
	(108.733.613)	(57.620.616)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

17. INCOME FROM INVESTMENT ACTIVITIES AND FINANCING INCOME AND EXPENSES

17.a Financing Income

	1 January- 31 December 2024	1 January- 31 December 2023
Financing income		
term deposit interest income	163.884.629	116.133.585
exchange rate interest income	331.774	1.641.978
	164.216.403	117.775.563

17.b Financing expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Financing expenses		
Interest expenses	(10.316.326)	-
Exchange rate difference expenses	(10.658)	(229.086)
Bank commission expenses	(26.052)	(55.697)
	(10.353.036)	(284.783)

17.c Income from Investment Activities

	1 January- 31 December 2024	1 January- 31 December 2023
Income from Investment Activities		
Financial investments valuation income	14.884.231	101.504
Interest income from financial investments	875.828	-
	15.760.059	101.504

18. MONETARY GAIN AND LOSSES

	1 January- 31 December 2024	1 January- 31 December 2023
Monetary position Gain/Loss (Net)	(93.718.865)	(158.651.033)
	(93.718.865)	(158.651.033)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

18. MONETARY GAIN AND LOSSES (Continued)

Financial statement items	31 December 2024
Prepaid expenses	1.429.606
Tangible fixed assets and intangible fixed assets	40.066.196
Right-of-use assets	(2.981.377)
Financial investments	1.210.570
Deferred tax	13.404.933
Paid in capital	(46.335.106)
Restricted reserves allocated from profit	(10.339.451)
Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	2.624.065
Profits from previous period	(78.916.354)
Total statement of financial position impact	(79.836.918)
Profit or loss statement items	31 December 2024
Revenue	(135.828.150)
Cost of sales	75.083.321
General administrative expenses	35.778.299
Marketing expenses	3.545.987
Other income from main activities	(167.056)
Other expense from main activities	11.384.086
Income from investment activities	(1.996.027)
Financing income	(20.798.172)
Financing expenses	2.477.467
Current period tax provision	16.638.298
Total Profit or loss statement items Effect	(13.881.947)
Net monetary position gains/(losses)	(93.718.865)

19. TAX ASSET AND LIABILITIES

a) Current tax

	1 January- 31 December 2024	1 January- 31 December 2023
Current year corporation tax expense	(137.618.761)	(113.738.102)
Deferred tax income / (expense)	4.439.406	(8.698.901)
Total tax expense	(133.179.355)	(122.437.003)

The company is subject to the corporate tax applicable in Turkey.

Net income in the determination of taxable income accrued on the tax base corporate tax rate goes from post and inclusion of deductible expenses tax-exempt income that are not subject to income tax and other discounts (if available previous years' losses and used when it is desirable investment discounts) remaining after deduction will be calculated on the basis of.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

19. TAX ASSET AND LIABILITIES(Continued)

a) Current Asset (Continued)

In Turkey, advance tax is calculated and accrued on a quarterly basis. In 2024, the advance tax rate is 30% (31 December 2023-30%). Losses can be carried forward for a maximum of 5 years to be deducted from future taxable income. However, losses incurred cannot be deducted retrospectively from the profits of previous years.

Within the scope of Article 298 of the Tax Procedure Law, the necessary conditions for the financial statements to be subject to inflation adjustment have been met as of 31 December 2021. However, in accordance with the “Law on Amendments to the Tax Procedure Law and the Corporate Tax Law” numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734 and the temporary article 33 of the Tax Procedure Law numbered 213: In accordance with the “General Communiqué on Tax Procedure Law No. 555” published in the 2nd bis Official Gazette dated 31 December 2023 and numbered 32415 and Article 298 of the Tax Procedure Law numbered 213, it is essential that the financial statements of the enterprises operating in Türkiye for the 2023 accounting period be subject to inflation adjustment. The financial statements adjusted for inflation in question will constitute an opening balance sheet basis for tax returns to be prepared as of 1 January 2024, and inflation effects will not be taken into account in the calculation of the period tax for 2023. In accordance with this law, for the VUK basis for the years 2024 and 2023 in the calculation of deferred tax, deferred tax calculations were made based on the figures to which inflation accounting was applied.

Income Tax Withholding

In addition to corporate tax, income tax withholding must also be calculated on dividends, except for those distributed to full taxpayer institutions and branches of foreign companies in Turkey, which receive dividends if they are distributed and declare these dividends by including them in the corporate earnings. Income 24 July April 2003 – 22 July 2006 income tax withholding was applied at 10% in all companies. This rate is applied as 15% as of 22 July 2006 by the decision of the Council of Ministers No. 2006/10731. Dividends that are not distributed and added to the capital are not subject to income tax withholding. 19.8% tax deduction must be made on the amount of investment deduction used in accordance with investment incentive documents obtained before 24 April 2003. After this date, tax withholding is not made from investment expenditures without incentives.

As of the balance sheet dates, the Company's tax liability is as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Beginning of period profit tax liability	43.036.450	37.180.721
Period tax expense	137.618.761	113.738.102
Intra-term payment	(113.128.510)	(83.100.849)
Monetary gain/loss	(16.636.298)	(24.781.524)
End of period profit tax liability	50.890.403	43.036.450

The effective corporate tax rate on 31 December 2024 is 30% (31 December 2023: 30%).

b) Deferred tax

The deferred tax liability or asset is determined by calculating the "timing differences" between the values of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation according to the balance sheet method, and the tax effects are calculated by the legal tax rates.

As of 31 December 2024, the tax rate of 30% is used for the temporary differences expected to occur/close in the deferred tax calculation. (31 December 2023: %30)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

19. TAX ASSET AND LIABILITIES(Continued)

b) Deferred tax (Continued)

The breakdown of accumulated temporary differences and deferred tax assets and liabilities as of the balance sheet dates using the Provision for severance current tax rates is as follows:

	Cumulative temporary differences		Deferred tax	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Deferred tax assets				
Net difference between the recorded values and tax bases of tangible and intangible fixed assets	7.406.616	6.411.682	2.221.985	1.923.505
IFRS 16 correction	1.047.027	-	314.108	-
Severance pay provision	8.387.366	9.122.915	2.516.210	2.736.874
Adjustments related to financial investments	1.248.101	-	374.430	-
Prepaid expenses inflation adjustment	56.261	-	16.878	-
In return for permission	26.304.353	11.656.659	7.891.306	3.496.998
Total deferred tax assets	44.449.724	27.191.256	13.334.917	8.157.377
Deferred tax liability				
Prepaid expenses adjustment	-	(452.713)	-	(135.814)
Other	(1.753.908)	-	(526.173)	-
Total deferred tax liability	(1.753.908)	(452.713)	(526.173)	(135.814)
Deferred tax asset/(liability), net	42.695.816	26.738.543	12.808.745	8.021.563
		1 January-31 December 2024	1 January-31 December 2023	
Opening balance, 1 January		8.021.563	12.839.308	
Deferred tax related with equity		347.776	3.881.156	
Deferred tax expense / (income)		4.439.406	(8.698.901)	
Closing balance, 31 December		12.808.745	8.021.563	
		31 December 2024	31 December 2023	
Pre-tax Profit		287.844.646	191.759.180	
Theoretical tax expense based on legal tax rate		(86.353.394)	(57.527.754)	
Non-deductible expenses and non-temporary differences		(4.571.137)	(816.556)	
Discounts and exclusions		2.353.794	2.514.681	
Monetary gain/loss (*)		(44.717.729)	(66.607.374)	
Continuing operations tax expense		(133.179.355)	(122.437.003)	

(*) It also includes the effect of the adjustments made regarding inflation accounting within the scope of the Tax Procedure Law's circular dated 30 December 2023 and numbered 32415.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

20. RELATED PARTY DISCLOSURE

The sum of compensations (office, rent, salaries) paid to key managers is TL 45.219.830 (31 December 2023: TL 3.177.507)

21. NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial instruments

Financial risk management policies

As a result of companies activities, the company has focused on managing various financial risks, including the effects of changes in debt and capital market prices, exchange rates and interest rates. The company aimed to minimize the potential negative effects of market fluctuations through its risk management program.

Credit risk

The company is exposed to credit risk due to commercial receivables arising from futures sales, deposits in banks and other receivables.

Ownership of financial assets carries the risk that the counterparty will not fulfill the contract. Trade receivables are evaluated by considering the experience and the current economic situation by the company's management and are presented net of allowances for doubtful provision in the balance sheet when necessary.

Credit risks incurred by types of financial instruments are as follows:

	Receivables				Bank Deposit
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables	
31 December 2024	Related Party	Other Party	Related Party	Other Party	
A. Net book value of financial assets that are neither past due nor impaired	-	133.869.879	-	-	379.736.731
- The part of the maximum risk that is secured by collateral, etc.	-	-	-	-	-
B. The book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired.	-	-	-	-	-
C. The net book value of assets that are overdue but not impaired.	-	-	-	-	-
D. The net book value of assets that are impaired.	-	-	-	-	-
- Past due (gross book value)	-	2.363.338	-	-	-
- Impairment (-)	-	(2.363.338)	-	-	-
- Part of net value secured by collateral, etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-
Maximum credit risk exposure as of 31 December 2024 (A+B+C+D+E)	-	133.869.879	-	-	379.736.731

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

21. NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	Receivables				Bank Deposit
	Trade Receivables		Other Receivables		
	Related Party	Other Party	Related Party	Other Party	
31 December 2023					
A. Net book value of financial assets that are neither past due nor impaired	-	75.623.475	-	-	383.687.956
- The part of the maximum risk that is secured by collateral, etc.	-	-	-	-	-
B. The book value of financial assets whose terms have been renegotiated and which would otherwise be considered overdue or impaired.	-	-	-	-	-
C. The net book value of assets that are overdue but not impaired.	-	-	-	-	-
D. The net book value of assets that are impaired.	-	-	-	-	-
- Past due (gross book value)	-	390.682	-	-	-
- Impairment (-)	-	(390.682)	-	-	-
- Part of net value secured by collateral, etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-
Maximum credit risk exposure as of 31 December 2024 (A+B+C+D+E)	-	75.623.475	-	-	383.687.956

Liquidity risk

Liquidity risk consists of the risk of the company not being able to make the payments it is supposed to make. The company manages liquidity risk by carefully tracking long-term repayment dates, as well as providing the necessary cash within the framework of the daily workflow. As liquidity needs are determined separately for each day, weekly and monthly cash needs are constantly revised, and their forecasts are prepared. In addition, forward-looking 180-day and 360-day cash requirement forecasts are prepared each month.

As of the balance sheet dates, the distribution of the company's liabilities based on maturity is as follows:

	Book value	Total cash outflows as per the contract	Total cash outflows as per the contract		
			up to 3 months	3 months to 12 months	More than 1 year
31 December 2024					
Lease obligations	23.720.622	20.797.400	2.756.200	13.371.700	4.669.500
Trade payables	7.629.206	7.629.206	7.629.206	-	-
Short term borrowings	83.509	83.509	83.509	-	-
Payables under employee benefits	41.279.554	41.279.554	41.279.554	-	-
Non-derivative financial liabilities	72.712.891	69.789.669	51.748.469	13.371.700	4.669.500
31 December 2023					
Lease obligations	9.497.294	10.764.718	1.141.644	5.479.309	4.143.765
Trade payables	3.273.371	3.273.371	3.273.371	-	-
Short term borrowings	416.662	416.662	416.662	-	-
Payables under employee benefits	31.605.219	31.605.219	31.605.219	-	-
Non-derivative financial liabilities	44.792.546	46.059.970	36.436.896	5.479.309	4.143.765

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1 JANUARY-31 DECEMBER 2024

(All amounts in Turkish Lira (“TL”) unless indicated otherwise.)

21. NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

The effects of exchange rate movements in the case of having foreign currency assets, liabilities and off-balance sheet items constitute the exchange rate risk. The following tables summarize the foreign currency position risk by showing the recorded amounts of foreign currency assets and liabilities held by the Company in TL as of 31 December 2024 and 31 December 2023.

	31 December 2024			31 December 2023		
	TL	US Dollar	EUR	TL	US Dollars	EUR
Cash and cash equivalents	8.114.469	230.000	-	1.174.143	39.885	-
Total assets	8.114.469	230.000	-	1.174.143	39.885	-
Short term borrowings	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net position	8.114.469	230.000	-	1.174.143	39.885	-

Exposure to exchange rate risk

The effect of a 10 percent appreciation/(loss) of TL against the following currencies on the profit/loss or equity (excluding tax effect) for the accounting periods ending on 31 December 2024 and 2023 is shown in the table below:

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
31 December 2024				
US Dollar exchange rate changes by 10%				
1-US Dollar net asset/liability	811.447	(811.447)	811.447	(811.447)
2-Part protected from US Dollar risk (-)	-	-	-	-
3-US Dollar net effect (1+2)	811.447	(811.447)	811.447	(811.447)
Euro exchange rate changes by 10%				
4-Euro net asset/liability	-	-	-	-
5-Part protected from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	-	-	-	-
TOTAL (3+6)	811.447	(811.447)	811.447	(811.447)

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(All amounts in Turkish Lira (“TL”)) unless indicated otherwise.)

21. NATURES AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	Profit/(Loss)		Equity	
	Foreign Currency Appreciation	Foreign Currency Depreciation	Foreign Currency Appreciation	Foreign Currency Depreciation
31 December 2023				
US Dollar exchange rate changes by 10%				
1-US Dollar net asset/liability	117.414	(117.414)	117.414	(117.414)
2-Part protected from US Dollar risk (-)	-	-	-	-
3-US Dollar net effect (1+2)	117.414	(117.414)	117.414	(117.414)
Euro exchange rate changes by 10%				
4-Euro net asset/liability	-	-	-	-
5-Part protected from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	-	-	-	-
TOTAL (3+6)	117.414	(117.414)	117.414	(117.414)

Capital Risk Management

While trying to ensure the continuity of its activities in capital management, the company also aims to increase its profitability by using the debt and equity balance in the most efficient way.

The risks associated capital with class, together with the Company's cost of capital, are evaluated by the senior management. Based on senior management assessments, it is aimed to keep the capital structure in balance through the acquisition of new debt or repayment of existing debt as well as dividend payments.

The company has no net debt deposits.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best determined by an established market price, if any.

The estimated fair values of financial instruments have been determined by the Company 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 Company could obtain in a current market transaction.

The following methods and assumptions were used to estimate the fair value of financial instruments whose fair value can be determined:

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate their respective carrying values.

The carrying values of financial assets carried at cost, including cash and cash equivalents, are considered to approximate their fair values due to their short-term nature.

The carrying values of trade receivables, together with the related allowances for impairment losses, are considered to approximate their fair values.



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