



Merkezi Kayıt Kuruluşu

**2023**

Integrated Annual Report



**MERKEZİ KAYIT  
İSTANBUL**

Central Securities Depository  
& Trade Repository of Türkiye

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## ABOUT THE REPORT

This Integrated Annual Report has been prepared in accordance with the provisions of the Turkish Commercial Code (TCC) and covers the activities of Merkezi Kayıt Kuruluşu A.Ş. (MKK) in 2023. According to the relevant legislation, the information which should be included in the report has been evaluated to be important and is presented in the report.

This report has been prepared in accordance with the International Integrated Reporting Framework.

In determining the scope of the report, the effects of relevant issues on the MKK strategy, on our company's financial and operational performance and on the value it creates for its stakeholders were taken into account.

The financial indicators included in the report comprise the data disclosed in MKK's independently audited financial statements. The financial statements and explanatory notes to the independent audited financial statements dated 31 December 2023 constitute a complementary and integral part of this report.

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## ABBREVIATIONS

INSTITUTIONS	
BIST	Borsa İstanbul
PMC	Pension Monitoring Center
TRA	Revenue Administration
GYODER	Real Estate Investors Association
ISE	İstanbul Stock Exchange
KGK	Public Oversight, Accounting and Auditing Standards Authority
MASAK	TR Ministry of Treasury and Finance Financial Crimes Investigation Board
MDM	National Depository Center of the Republic of Azerbaijan
MKK	Merkezi Kayıt Kuruluşu (Central Securities Depository of Türkiye)
OeKB	Oesterreichische Kontrollbank AG
SGK	Republic of Türkiye Social Security Institution
CMB	Capital Markets Board of Türkiye
SPL	Capital Markets Licensing, Registry and Training Agency of Türkiye
TAKASBANK	İstanbul Settlement and Custody Bank
TBB Risk Center	The Banks Association of Türkiye Risk Center
CBRT	Central Bank of the Republic of Türkiye
TKYD	Turkish Institutional Investment Managers Association
CGAT	Corporate Governance Association of Türkiye
TMO	Turkish Grain Board
SDIF	Savings Deposit Insurance Fund of Türkiye
TCMA	Turkish Capital Markets Association
TMEX	Turkish Mercantile Exchange (TMEX)
TIB	Tax Inspection Board
ICC	The Investor Compensation Center

SERVICES AND PRODUCTS OF MKK	
e-GEM	Electronic General Meeting System
e-COMPANY	Companies Information Portal
e-TR	Electronic Trade Repository System
e-BDS	Electronic Board of Directors System
REFIS	Real Estate Based and Developing Financial Instruments Information System
BSRS	Bearer Shares Registry System
PDP	Public Disclosure Platform
CFS	Crowdfunding System
CDS	Central Dematerialized System
CDSP	Central Database Service Provider
COMPASS	Intermediary Institutions MKK Data Analysis Platform
EDRC	Early Detection of Risk Committee
RISE	Investor Risk Appetite Index
DAP	Data Analysis Platform
IRMS	Investor Risk Monitoring System

OTHERS	
EU	European Union
ADNKS	Address Based Population Registration System
AECSD	The Association of Eurasian Central Securities Depositories
AMEDA	Africa and Middle East Depositories Association
DİBS	Government Debt Securities
e-WR	Electronic Warehouse Receipts
TRNC	Turkish Republic of Northern Cyprus
KSEI	The Indonesia Central Securities Depository (Kustodian Sentral Efek Indonesia)
MERNİS	Central Population Management System
MERSİS	Central Registration System
CSD	Central Securities Depository
ODVM	Disaster Data Center
TADEBİS	Real Estate Evaluation Information System
TDUB	The Turkish Association of Appraisers
TCC	Turkish Commercial Code
TÜYİD	Turkish Investor Relations Society
ÜPAK	Commodities Market Intermediary Institutions
FCSD	Foreign Central Securities Depositories

## MANAGEMENT MESSAGES

**LETTER FROM THE CHAIRMAN**

We are committed to enhancing trust in our capital markets, which are critical for Türkiye's growth and the development of our institutions, which are the primary actors in our economy.

MKK has effectively maintained its critical function as the central securities depository and trade repository institution of our Turkish capital markets in 2023. Our organization is committed to delivering innovative financial technology products and services through our R&D center and highly skilled workforce, continually addressing changing needs and demands. Despite the devastating effects of the February 6 earthquakes, the disaster of the century that profoundly shook our country in 2023, we managed to overcome numerous challenges through the collective efforts of our state and nation. These initiatives enabled our capital markets to recover swiftly in 2023, with a significant rise in investor numbers and portfolio sizes reaching record highs. In 2023, a total of 56 companies successfully went public and began trading on the stock exchange. This achievement is of great significance for the development of the Turkish economy, the growth of our markets, and the expansion of capital to a wider base. It is worth noting that the number of investors participating in these public offerings exceeded an impressive 123 million. Over the course of the year, 4.29 million individuals obtained an MKK registration number, granting them access to the investment ecosystem and the benefits of our organization's services.

With this growth, MKK has ensured that all these processes run smoothly in the background and has become the trusted partner of Turkish capital markets, providing many critical benefits directly to investors through its depository services and to companies through its corporate governance services.

We have all observed that the markets are experiencing historically high levels of interest, as evidenced by the 8.6 million shares that were purchased directly in December by investors. We are committed to enhancing trust in our capital markets, which are critical for Türkiye's growth and the development of our institutions, which are the primary actors in our economy. We maintain our operations in harmony and integrity with our stakeholders, particularly the Capital Markets Board, as well as Borsa İstanbul, Takasbank and the Turkish Capital Markets Association.

I extend my sincere congratulations to all our capital markets employees on their exceptional performance this year, with a particular emphasis on our esteemed managers and MKK employees.

I would like to conclude by once again wishing God's mercy upon our citizens who were deceased during the 6 February earthquakes, extending my condolences to their grieving families and our nation, and emphasize that as MKK, we remain steadfast in our commitment to supporting our state and nation in the ongoing efforts to heal the wounds of our citizens affected by the earthquake, just as we did from the very first day.

**Ali İhsan Güngör**  
**Chairman of the Board of Directors**

## MANAGEMENT MESSAGES

## LETTER FROM THE CEO



As we entered the Century of Türkiye, celebrating the 100<sup>th</sup> anniversary of our Republic and the 150<sup>th</sup> anniversary of the Stock Exchange, it is a shared achievement and a source of pride that Turkish capital markets have continued to grow stronger.



Dear Stakeholders,

In 2023, a variety of challenges were encountered at both the regional and global scales. The financial markets globally experienced a contraction as a result of the tight monetary policy implemented by numerous central banks following the pandemic, amidst the ongoing uncertainties resulting from the Russia-Ukraine War. Additionally, earthquakes struck Türkiye in February, causing significant devastation and grief for us all. Unfortunately, the unceasing human tragedy in Gaza continues to be a source of tremendous sorrow for all of us.

While the global economy faced the risks of recession and contraction, the Turkish economy managed to continue its robust outlook, recording 4.5% growth in 2023, despite the negative impact of the earthquake on the budget balance, inflation and growth.

As we entered the Century of Türkiye, celebrating the 100<sup>th</sup> anniversary of our Republic and the 150<sup>th</sup> anniversary of the Stock Exchange, it is a shared achievement and a source of pride that Turkish capital markets have continued to grow stronger.

2023 was a year in which numerous records were broken in our capital markets, and the number of investors surged by almost 300% compared to the corresponding period of the previous year. As of the end of the year, the total value of securities amounted to TL 13.31 trillion, while the number of investors with a balance reached 10,676,764 individuals.

In 2023, the number of investors with a stock balance peaked at 8.6 million individuals, while the number of accounts with a balance exceeded 15 million. In terms of investment funds, a portfolio value of TL 1.8 trillion was achieved. MKK, the first R&D center of Turkish Capital Markets, has strived to meet the requirements of our growing responsibilities in the best way possible by utilizing our domestic and national infrastructure and financial technology solutions.

In 2023, public offerings had a highly productive year, playing a crucial role in expanding capital to a wider base and fueling market growth. With 56 companies making their debut on the Stock Exchange, the number of participants in public offerings soared to over 123 million. With a total of 79 billion TL in public offering revenue, we at MKK were able to successfully complete share distribution to an average of 2.21 million investors for each company that went public. Within that timeframe, a grand total of 4,292,472 individuals became investors in our capital markets, obtaining a registry number from MKK for the first time. We also successfully continue our central depository services with our Electronic Warehouse Receipts (e-WRs), Bearer Shares Registry System (BSRS), and Crowdfunding System (CFS) platforms. By the end of 2023, the e-WR transaction volume that we have kept increased to 6,882,425. Additionally, the number of investors who actively traded was recorded at 7,074. The total licensed storage capacity surpassed 10 million tons. During this period, there were 3,134 active companies registered in BSRS, with a total of 11,182 shareholders. The number of companies successfully funded in CFS exceeded 107, and thus the number of investors increased to 34,914 people.

The Risk Propensity Index (REKS) was created through the collaborative efforts of our organization's experts and academicians from the İstanbul Financial Risk Management Laboratory at Özyeğin University. Through REKS, investors' balance data is analyzed and represented in the index at the right rates, and investors' propensity to engage in equity markets is measured using up-to-date statistics and econometric models. In order to shed light on investments, we aim to further expand the scope of use of this index.

## MANAGEMENT MESSAGES

## LETTER FROM THE CEO

During the year, 3 new companies started to conduct T+1 reporting with the Electronic Trade Repository System (e-TR). As of the end of 2023, the number of e-TR members reached 233, comprising 51 brokerage firms, 52 banks, 1 central counterparty, and 129 legal entities.

We have completed the improvement and development works on the Public Disclosure Platform (PDP), which we operate and consider to be critical in terms of information sharing and transparency in our capital markets. Approximately 144,000 notifications are published annually on the PDP platform, while an average of 40 thousand visits are received per day. The system, which is operational on a 24/7 basis, encompasses over 930 companies, over 2,300 funds, and over 3,700 users.

Our Corporate Governance Services are experiencing a growing demand for our applications on a daily basis. A total of 579 general meetings were conducted in 2023 using the Electronic General Meeting System (e-GEM). The meetings were monitored, and stakeholders (businesses, shareholders, representatives, etc.) were provided guidance and support services through the use of e-GEM. A grand total of 18,736 individuals participated in the meetings through e-GEM. These participants included shareholders and representatives from 38 countries, particularly the United States, the United Kingdom, and Canada. A total of 1,507 hours of general meetings were live-streamed in 458 different locations across 30 provinces during the year. In Indonesia, where we have exported our financial technology, the use of e-GEM continues, and in 2023, 848 companies held 1,399 general meetings electronically.

By the end of 2023, the use of the Electronic Board of Directors System (e-BDS<sup>+</sup>) continued to increase, with a total of 169 companies adopting it. e-BDS<sup>+</sup> is extensively utilized in the majority of holding companies that encompass the largest companies of Türkiye. Based on the findings of the Customer Satisfaction Survey, e-BDS<sup>+</sup> has emerged as one of our products with the highest satisfaction.

In 2023, a total of 2,908 companies that meet the technical and security criteria outlined in the relevant regulations have been provided with Central Database Services via the e-COMPANY platform. Since 2013, a total of 3,639 companies

have fulfilled their obligations without the need to conduct any transactions on their websites by receiving this service from MKK.

As of the end of 2023, over 350 thousand users have completed the membership process in our e-INVESTOR application, and our mobile application has been downloaded onto more than 170 thousand devices. The number of users has increased significantly by approximately 160% in comparison to the previous year.

The MKK Communication Center (MCC), which we offer to our members and investors, has responded to nearly 420 thousand calls in 2023, with an increase of more than 100% compared to the previous year. In order to implement it with a more efficient and environmentally friendly approach and to expand its scope, development studies have been carried out for our MCC360 application, and our application has been successfully put into operation during the preparation of this report. It will serve more than 6,000 members in total.

The 85% member/customer satisfaction rate in 2023 reflects the high level of satisfaction with our services, which is a noteworthy outcome of our efforts.

Within the scope of Borsa İstanbul Group External Training Programs, in 2023, a total of 389 participants were provided with paid training in 10 separate training sessions covering topics such as “Using the PDP system, public disclosure regulations, financial reporting, corporate governance, rights exercise processes for share and debt instrument issuances” for our members.

We continue to strengthen our presence on the international stage. With the transfer of the Term Chairmanship of the Association of Eurasian Central Securities Depositories to MKK, our responsibilities and sphere of influence have expanded further. In this context, we are enthusiastically preparing to bring together the depository institutions of Eurasian, African, and Middle Eastern countries in Istanbul, the crossroads of continents, in October 2024, and to host the AECSD and AMEDA (Association of Africa and Middle East Depositories) İstanbul 2024 Summit and Annual General Meetings.

We successfully represented our Institution at the World Forum of Central Securities Depositories (WFC2023) event, which was organized by the European Central Securities Depositories Association (ECSDA) in Prague, the capital of the Czech Republic, from 24th to 26th May.

We signed a Memorandum of Understanding (MoU) with the Central Securities Depository of Tajikistan (CJSC) in Dushanbe, Tajikistan. Furthermore, we signed an MoU with the Central Securities Depository of Saudi Arabia (Edaa), aiming to promote cooperation and share expertise in securities and investor services. We also participated in the AECSD 2023 program in Kazakhstan and signed an MoU with the Central Securities Depository of Ukraine (NDU).

We are continuously expanding our network to further promote the adoption of our financial technology solutions in global markets. With our growing international influence, we are committed to achieving significant successes in this field in the near future.

In 2023, we had constructive engagements with our sectoral stakeholders. We attended conferences at various universities with the Association of Financial Institutions, Turkish Institutional Investment Managers Association (TKYD), and Turkish Capital Markets Association (TCMA). During these events, we exchanged information regarding our markets and operations. We have disseminated data to 17 universities, a range of academics and researchers, as well as economists and financial industry participants, through our organization's public communication tools. Through our regularly updated screens on our website and Data Analysis Platform (DAP), as well as our social media accounts and other communication channels, we have transparently shared all capital markets data, particularly investor data that the markets closely monitor. We have endeavored to establish a sense of confidence in "MKK Data," particularly among our investors, who constantly monitor the markets and the general public.

As the Central Securities Depository & Trade Repository of Türkiye that securely keeps both the current and historical records of Turkish capital markets, we continue to move forward with a strong sense of responsibility and in alignment with our vision for the İstanbul Finance Center.

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As we leave behind a year full of achievements, I would like to express my gratitude to my valued colleagues for their efforts and dedication. I am fully confident that we will achieve significant progress for both our capital markets and our Institution in 2024 and beyond. I am pleased to share the 2023 Integrated Annual Report of the Central Securities Depository & Trade Repository of Türkiye with the relevant institutions, organizations, and markets. On this occasion, I would like to express my sincere appreciation to our esteemed stakeholders, particularly the Capital Markets Board (CMB), Borsa İstanbul, Takasbank, and TCMA, for their invaluable cooperation and support.

Lastly, I wish God's mercy upon our citizens we tragically lost in the devastating 6 February earthquakes and extend my deepest condolences to their grieving families and our entire nation. As MKK, we will continue to fulfill our responsibility in helping to heal the wounds and address the issues faced by those affected by the disaster.

**Dr. Ekrem ARIKAN**  
**CEO**  
**Board Member**





## 2023 PERFORMANCE

2023 was a record-breaking year for Turkish capital markets, with a significant increase of approximately 300% in the number of investors compared to the same period of the previous year. By the end of the year, the total value of securities reached TL 13.31 trillion, while the number of investors holding a balance rose to 10,676,764 individuals.

## FINANCIAL CAPITAL AND PERFORMANCE

Balance Sheet			
	2023	2022	2021
Total Assets	1,036,048,193	535,227,963	314,293,351
Current Assets	744,701,355	401,696,747	270,179,690
Non-Current Assets	291,346,838	133,531,216	44,113,661
Total Liabilities and Equity	1,036,048,193	535,227,963	314,293,351
Total Liabilities	492,592,761	243,630,243	109,410,273
Equity	543,455,432	291,597,720	204,883,078
Income Statement			
	2023	2022	2021
Revenues	1,263,961,570	443,796,103	238,243,391
Operating Expenses	-1,009,516,225	-339,929,350	-161,610,485
Operating Profit	254,445,345	103,866,746	76,632,906
Income from Investment Activities	-	-	2,825,411
Operating Profit Before Financial Income/Expenses	254,445,345	103,866,746	79,458,317
Financial Income/Expenses	107,697,215	48,001,419	34,787,853
Profit/Loss Before Tax	362,142,560	151,868,165	114,246,170
Taxes	-39,236,624	-18,019,148	-26,146,133
Net Profit for the Period	322,905,936	133,849,017	88,100,037
Financial Ratios			
	2023	2022	2021
<b>Liquidity Ratio</b>			
Current Assets/Short-Term Liabilities	1.65	1.81	2.71
<b>Profitability Ratios</b>			
Profit Before Tax/Total Assets	0.35	0.28	0.36
Profit Before Tax /Equity	0.67	0.52	0.56
Operating Profit / Revenues	0.20	0.23	0.32
Net Profit for the Period / Revenues	0.26	0.30	0.37
<b>Financial Leverage</b>			
Total Liabilities/Total Assets	0.48	0.46	0.35
<b>Financing Ratios</b>			
Equity/ Total Liabilities	1.10	1.20	1.87
Equity /Total Assets	0.52	0.54	0.65

**Realizations and Disclosures Related to Operating Income:**

Operating Income			
	2023	2022	Change
<b>Custody Operations Revenues</b>	<b>1,152,933,129</b>	<b>385,737,144</b>	199%
- Custody Service Fees	386,111,033	149,493,229	158%
- Transfer Transaction Fees	278,577,490	69,556,696	301%
- Account Transaction Income	270,890,365	61,984,129	337%
- Corporate Actions Fees	89,321,741	28,898,814	209%
- Cash Payment Transaction Fees	40,470,657	28,980,330	40%
- Issuer Transaction Revenues	29,863,221	21,172,631	41%
- Issuance Fees	22,935,773	13,322,217	72%
- Contribution Fees	16,437,078	6,507,150	153%
- e-WR Transaction Revenues	9,439,281	1,654,208	471%
- Administrative and Legal Income	4,970,589	2,764,334	80%
- CFS Revenues	875,306	339,166	158%
- BSRS Revenues	801,364	356,425	125%
- Other Custody Operations Revenues	2,239,231	707,815	216%
<b>Corporate Governance Service Revenues</b>	<b>74,495,900</b>	<b>33,595,965</b>	122%
- PDP Service Income	40,855,443	18,520,212	121%
- e-GEM Service Income	19,836,363	8,890,453	123%
- e-COMPANY Service Income	7,959,319	3,751,856	112%
- e-BDS Service Income	5,844,775	2,433,444	140%
<b>Trade Repository and Reporting Service Revenues</b>	<b>8,374,539</b>	<b>4,424,380</b>	89%
- Data Dissemination Services Revenues	5,817,494	3,317,671	75%
- e-TR Service Revenues	2,137,045	1,016,709	110%
- Data Platform Services Revenues	420,000	90,000	367%
<b>Other Income</b>	<b>28,848,291</b>	<b>21,530,620</b>	34%
- Hosting Service Revenues	5,201,592	2,873,887	81%
- IT Infrastructure Revenues	1,410,936	736,400	92%
- GABİM Commission Revenues	21,399,595	17,848,179	20%
- Training Services Revenues	836,168	72,154	1059%
Sales Returns	-690,289	-1,492,006	-54%
<b>Total</b>	<b>1,263,961,570</b>	<b>443,796,103</b>	<b>185%</b>

**Custody Services**

Due to the significant rise in the number of investors and accounts in our capital markets, along with increased transaction volumes and index growth, our Custody Service revenues experienced a remarkable 199% increase in 2023.

**Data Services**

In 2023, our operating revenues under this heading experienced a significant 89% increase, which can be attributed to our state-of-the-art applications that provide reliable data repository and reporting services to our growing and developing markets.

**Corporate Governance Services**

Our Corporate Governance Services have witnessed a notable increase in the adoption of our digital solutions. Due to the growing demand from market participants, the utilization of remote meeting systems experienced a significant rise. This led to a remarkable 122% increase in product/service revenue in 2023, driven by the effective promotion and marketing efforts of e-BDS\*.

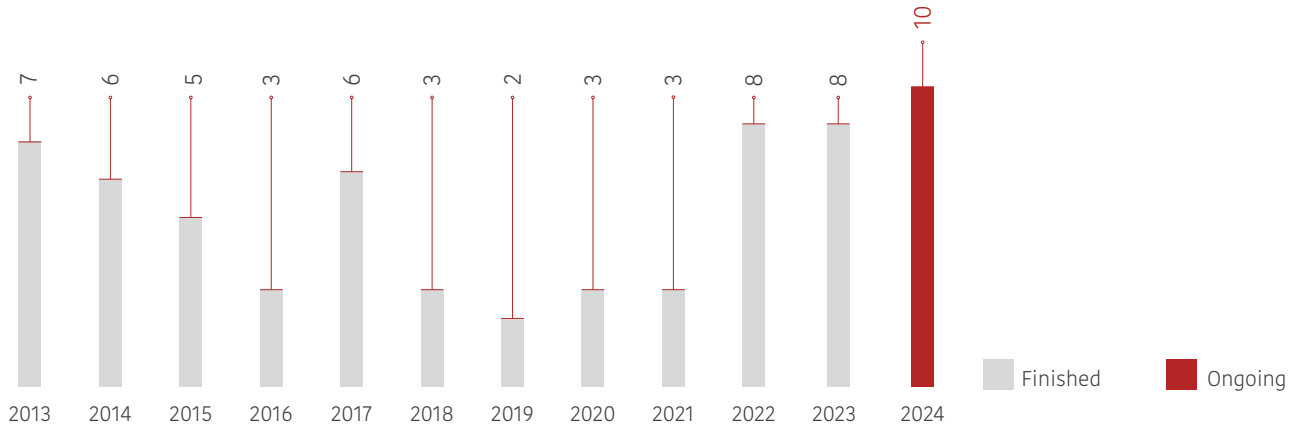
## INTELLECTUAL CAPITAL AND R&D ACTIVITIES



The capacity of institutions developing Financial Technology (FinTech) to leverage information technologies efficiently determines their effectiveness in both domestic and global markets, the quality of their products and services, and their ability to respond quickly to changing circumstances by creating innovative solutions. As the first official R&D Center of the Turkish capital markets, MKK executes all its projects, developed in line with its dynamic and innovative vision, through the highest levels of teamwork and cutting-edge technologies. These projects are managed in accordance with project, program, and portfolio management methodologies, with the Project Management Office (PMO) responsible for providing project reports.

In addition to R&D activities, as part of the Sector on Campus Program initiative conducted under the National Technology Academy of the Republic of Türkiye Ministry of Industry and Technology to generate social added value, the 'Cyber Resilience and Operational Sustainability' course was introduced at Gümüşhane University in 2023. The course covered various topics including Information Security, Cyber Security, Cyber Resilience, Operational Sustainability, Business Continuity, Process Management, and Enterprise Risk Management over a 14-week period during the fall semester. The MKK Information Security and Risk Management Directorate coordinated a workshop on Global Cyber Attack Case Studies on 09.11.2023 as part of this training program.

### Number of R&D Projects by Years



In 2023, our R&D activities have continued to expand with the implementation of infrastructure transformation projects based on the philosophy of building the infrastructures of our products and applications developed within the framework of R&D activities on the cutting-edge and the most secure technologies, while prioritizing the essential enhancement and maintenance tasks in light of the globally emerging approaches. The widespread utilization of open source has also been a point that has been carefully observed throughout the transformation efforts.



## Our R&D Projects Finalized in 2023

### The Commencement of the Calculation and Publication of The Risk Propensity Index (REKS)

REKS, developed to measure the investment tendencies of capital market investors, has begun publication. In addition to identifying current investment tendencies by analyzing investor behaviors in response to changing market conditions, REKS offers several advantages, including customization and period-based comparisons across different investor groups.

### Public Disclosure Platform (PDP) - Data Transfer for Fund Limitation Control at Takasbank

Improvements have been concluded within the Capital Markets Board's (CMB) assignment to provide data from the PDP system for limitation controls regarding investment fund portfolio investment limitations to be implemented by Takasbank. Thus, as of 2023, data collection and sharing with Takasbank through the data transfer function of the PDP system have commenced.

### Transformation of PDP Mobile Infrastructure

The necessary transformation has been ensured with the aim of redesigning the application in terms of user experience and aligning it with contemporary software technologies.

### Renewal and Improvement of e-COMPANY Infrastructure

The e-COMPANY application has been rewritten utilizing cutting-edge technologies and globally recognized standards, thereby minimizing the risks associated with the existing application.

### Renewal and Development of the e-BDS+ Media Infrastructure

The integration of the e-BDS+ product with existing media infrastructures has resulted in enhanced value-added functions, leading to increased customer satisfaction and product improvements.

### Open Source Monitoring and Automation

By automating the IT operations through improvements in applications and processes, data on the operational status of applications and infrastructure products is enabled to be traced from a single point via Open Source Technologies.

### Document Management System Infrastructure Renewal and Development

The Document Management System application has been rewritten and developed to align with contemporary technologies and globally recognized standards.

### Real Estate Collateral Certificate

Within the scope of establishing a new collateral alternative for financing access, where the real estate owners are able to request the securitization of the real estate in their possession, allowing them to provide it as collateral to multiple banks and use the appreciation in the value of the real estate as supplementary collateral, the relevant developments in the Central Dematerialized System (CDS) have been finalized. The application shall be utilized subsequent to the fulfillment of the necessary legislative provisions.

### MKK Real Estate Information Center Inc. (GABİM) Activities

Maintenance, support, and new development work on the Turkish Appraisers Association (TDUB) Member Management System (MMS) project continued. Existing modules have been upgraded with the addition of new modules. MMS is now utilized by 14,819 users and serves 160 valuation organizations.

The Real Estate Valuation Information System (TADEBİS) application continues to go through maintenance, support, and new development activities. The application currently provides services for Sales to Foreigners and Restricted Immovables, Construction Servitude / Property Ownership processes.

Control processes for reporting have been integrated into TADEBİS, and an error scoring system has been developed. In addition, ANKET (SURVEY) and e-OFİS applications have been developed within the software house. The e-OFİS application comprises the following modules:

- User Management Module
- Leave Tracking Module
- Inventory Management Module
- Document Registration and Tracking Module

## SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

### DEPOSITORY SERVICES

MKK functions as the central securities depository for all dematerialized capital market instruments. In this particular context, electronic monitoring and custody of capital market instruments defined by the CMB, and agricultural products determined by the Ministry of Trade, Electronic Warehouse Receipts (e-WR) issued by Licensed Warehouses and the associated rights are provided by MKK in electronic form.

#### Important Developments Related to Depository Services in 2023

##### CDS Improvements

In 2023, improvements were made to the technological infrastructure in order to enhance the performance of the CDS application, improve its security and usability, and comply with the new regulations, taking into account the requests received from member surveys and member interviews. Deployed implementations are as follows:

- **Development of Online Integration Rest API Services**

Work has been initiated to provide our Online Integration Services by integrating a REST API infrastructure alongside our existing SOAP framework. So far, Investment Fund Purchase and Sale, Inquiry for Investment Fund Purchase and Sale Status, Investment Fund Issuer Institution Acceptance, Securities Transfer Services, Public Offering Transfer Order Transmission, and Inquiry for Public Offering Transfer Order Result services have been implemented with the Rest API infrastructure.

- **Enhancing the Efficiency of Public Offering Transfer Transactions**

In response to the increasing prevalence of public offerings and the growing demand from investors for them in recent years, the required functionalities for “Public Offering Transfer File Transfer Transactions” Entry and Approval CSV, as well as “Public Offering Transfer Order Transmission” and “Public Offering Transfer Order Result Inquiry” web services and reports, have been established to effectively monitor the relevant transfers, ensuring the expedited processing of transactions associated with public offerings conducted outside the Stock Exchange.

- **Enhancing the Efficiency of Transactions in both Primary and Secondary Market Share Purchases and Sales Processes**

Developments have been made to ensure the efficiency of settlement processes related to shares offered to the public in both primary and secondary market transactions.

- **Improving Corporate Actions Processes**

The efficiency of the processes involved in the transfer of shares to beneficiary accounts in bonus issues has been improved.

- **Enhancements to Facilitate Account Opening and Identity Transmission Processes**

During the process of transmitting identity information for account transactions, records that receive a “Partial Match” error in CDS are systematically updated with the information from the Central Population Management System (MERNIS). Once the arrangement is in place, if the transmitted identity information aligns with the MERNIS records, the system automatically initiates the matching procedure without requiring any action from the member.

MKK stands as the sole central securities depository designated by law for dematerialized capital market instruments.



### Crowdfunding System (CFS)

In the course of registering company shares for projects successfully completed in CFS, the information pertaining to the “Beneficiary Owner” is transmitted as a file through system integration. Should there be any discrepancies in the information provided by CFS member platforms for the identification of institutional investors involved in projects, the registered title information will be presented accordingly.

The efficiency of obtaining qualification information from CDS has undergone an enhancement, leveraging investor identity data submitted by CFS member platforms.

### Private Custody Service

Within the scope of CMB approval, arrangements have been made for the electronic monitoring of the shares belonging to companies listed on the Turkish Republic of Northern Cyprus (TRNC) Stock Exchange, and in this context, the monitoring of the shares of the Turkish Bank of Northern Cyprus Limited Company on the CDS has been started.

### MCC360 - MKK Communication Center Improvements

The MCC360 MKK Communication Center Project has been initiated to facilitate the applications required for utilizing the services and applications provided by our organization to be made with e-signatures, to eliminate the physical document circulation, and to enable our members to execute processes such as IP Notification, Certificate transactions, Representative Identification, System Connection Time Extension Requests, etc. processes through the application by defined users.

In the initial phase of the project, the announcement module has been implemented in the application, following the completion of its analysis and software development, and user acceptance testing of other modules and processes is currently underway.

### Renewal of e-WR Spot Purchase and Sale Market Processes

As part of the renewal of e-WR Spot Purchase and Sale Market processes to include Commodities Market Intermediary Institutions (ÜPAK), TÜRİB e-WR Market Intermediary System Transition integration activities were conducted.

### Enhancements to Electronic Warehouse Receipts (e-WR)

According to the Communiqué on Amendments to the Communiqué on Licensed Warehousing for Cereals, Legumes, and Oil Seeds, published in the Official Gazette dated 30/07/2022 and numbered 31908, the specified product types will be subject to a 12-month application period starting from the harvest period. Furthermore, this duration will extend to 24 months for products related to the Soil Products Office (TMO). Within the scope of the aforementioned communiqué, the e-WR “Last Storage Date” information pertaining to TMO has been revised.

Arrangements have been made to track the warehouse number of days information of e-WR with the pledge reference number in notifications submitted through the Pledge Collateral function in the CDS application. With the authorization of the Ministry of Trade, the merger and transfer transactions for 2 Licensed Warehouse that are members of our Organization have been executed in the CDS.

### Improvements in the Bearer Shares Registry System (BSRS)

Foreign individuals defined in MERSIS (individuals defined by their passport numbers) who previously could not access the BSRS application via e-GOVERNMENT have been granted access to the application.

Companies registered in the BSRS have been enabled to carry out CANCELLATION transactions in cases where shares are converted into registered shares due to changes in the type of shares.



## SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

## Custody Services in Numbers

## 1. Number of Investors and Accounts

	2023*	2022*
Total Number of Accounts	77,305,981	59,606,786
Number of Accounts with a Securities Balance	14,509,074	8,591,944
Total Number of Investors	34,099,443	29,809,506
Number of Investors with a Securities Balance	10,656,280	6,671,621

## 2. Number of Accounts with a Securities Balance by Type of Securities

Security Type	2023*	2022*
Stocks	9,413,348	4,552,887
Government Debt Securities	17,700	16,961
Private Sector Debt Instruments	46,428	41,249
Mutual Funds	4,971,623	3,982,609
Exchange-Traded Funds	48,390	25,012
Structured Products	212,756	72,608
Other Securities	3,389	6,159

## 3. Number of Investors with a Securities Balance by Type of Securities

Security Type	2023*	2022*
Stocks	7,653,030	3,794,409
Government Debt Securities	17,722	16,894
Private Sector Debt Instruments	46,134	40,939
Mutual Funds	4,305,383	3,545,134
Exchange-Traded Funds	45,119	23,508
Structured Products	203,182	68,836
Other Securities	3,359	6,100

## 4. Nominal and Market Values of Dematerialized Securities (TL Million)

Security Type	Market Value		Nominal Value	
	2023*	2022*	2023*	2022*
Stocks	10,030,696	6,200,527	279,355	212,966
Government Debt Securities	383,156	247,066	186,067	124,678
Private Sector Debt Instruments	233,061	168,662	233,846	169,758
Mutual Funds	1,725,285	752,980	1,884,655	1,727,186
Exchange-Traded Funds	68,036	14,958	555	147
Structured Products	27,014	6,784	4,916	3,397
Other Securities	68,527	47,924	68,379	47,650
Total	12,535,773	7,438,902	2,657,773	2,285,782



## 5. Number of Securities Issued

Security Type	Number of Securities Issued		Total Number of Securities	
	2023*	2022*	2023*	2022*
Stocks	133	104	1,087	972
Stocks (Crowd-funding)	164	100	278	122
Private Sector Debt Instruments	1,440	1,591	750	715
Mutual Funds	499	569	1,791	1,428
Exchange-Traded Funds	6	-	20	15
Structured Products	12,416	8,402	3,059	2,266
Other Securities	518	537	274	236
Total	15,176	11,303	7,259	5,754

## 6. Nominal and Market Values of the Issued Securities

Security Type	Nominal Value of Securities (TL million)		Market Value of Securities (TL million)	
	2023*	2022*	2023*	2022*
Stocks	24,835	14,340	396,675	121,698
Stocks (Crowd-funding)	643	189	5,366	2,608
Private Sector Debt Instruments	368,043	308,792	368,043	308,792
Other Securities	128,819	107,934	128,819	107,934
Total	522,340	431,255	898,903	541,032

## 7. Corporate Actions

Transaction Type	Nominal Value (TL million)		Number of Companies	
	2023*	2022*	2023*	2022*
Rights Issue	9,084	8,159	17	21
Bonus Issue	32,045	14,774	76	54
Concurrent Capital Decrease		0	0	0
Squeeze-out Security		0	0	0
Share CDS Removal		0	0	0
Transaction Type	Currency (Nominal Value)		2023	2022*
Dividend Payment	TL million		86,411	45,728
Dividend Payment	EUR million		0	0
Squeeze-out Cash	TL million		0	0
Redemption Payment	TL million		377,017	305,770
Redemption Payment	EUR million		0	0
Redemption Payment	USD million		1.21	1.52
Coupon Payment	TL million		31,421	12,802
Coupon Payment	EUR million		11.34	1.43
Coupon Payment	USD million		3.80	2.28

\*Year-end data as of 31 December of the relevant year is taken as basis.

## SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

### DATA SERVICES

MKK provides data services to public institutions, market participants, companies, the press, academicians and the general public for the purposes of supporting the sound function and development of capital markets, monitoring systemic risk and contributing to the protection of financial stability, and developing value-added data products.

#### Electronic Trade Repository (e-TR)

The “Electronic Trade Repository System” is a transmission system in which derivative transactions in domestic and international organized and over-the-counter markets are reported by the relevant contracting parties in international standards. In accordance with the notifications regarding derivative transactions initiated in 2018, intermediary institutions engaged in organized and over-the-counter markets concerning debt instruments, as well as the initial issuance and redemption of securities, commenced reporting to MKK effective from 29.06.2020.

In 2023, within the framework of e-TR Platform applications, the following improvements were made in line with member demands and with a user-friendly perspective:

- Enhancements to the screen and reporting functionalities have been implemented to facilitate improved application usage for members, allowing for more detailed inquiries into their submitted reports. An automatic notification e-mail has been established to provide all relevant details of the contract for institutions that do not comply with this requirement regarding contracts that entail a matching obligation. Enhancements have been implemented to the “Update Contract Party Information” screen.
- As part of the actions taken to improve data accuracy and consistency, control rules and warning messages have been developed to ensure accuracy and consistency of reporting on the user end. In the Debt Instruments Reporting Notification Monitoring screen, a date range feature has been included, enabling users to conduct more detailed report checks, and improvements have been made to the Debt Instruments Reporting interest fields to enhance data quality.
- Automatic notification emails are issued to institutions whose invoice amounts reach the maximum threshold in order to improve user communication effectiveness.

Throughout the year, 3 new companies started to conduct T+1 reporting. As of the end of 2023, the number of e-TR members reached 233, consisting of 51 brokerage firms, 52 banks, 1 central counterparty, and 129 legal entity companies.



#### Investor Risk Monitoring System (IRMS)

To effectively monitor systemic risk and maintain financial stability, the Investor Risk Monitoring System (IRMS) conducted by MKK facilitates the measurement of risks associated with brokerage firms as well as the risks faced by customers (investors) engaging in margin trading, short selling, and securities lending transactions of brokerage firms.

In 2023, the IRMS Interest Rate Transfer Service was established as part of the IRMS application framework. As per the “CMB Bulletin” dated 14.02.2023 and numbered 2023/10, following the decision made by the Board Decision-Making Body on 14.02.2023 and numbered 9/176, it was stipulated that the interest rates applied by brokerage firms regarding margin trading, cash loans provided through banks, securities lending transactions, and settlement obligations that they notify within the scope of the IRMS will be reported to the IRMS on a daily basis for each customer.

As of 06.02.2023, brokerage firms, in accordance with the decision taken by the CMB, have been providing the interest rates and other related information concerning margin trading, cash loans provided through banks, securities lending transactions, and settlement obligations to their clients daily via the IRMS Interest Transfer Service.



#### Real Estate Based And Developing Financial Instruments Information System (REFIS)

In order for investors to diversify their real estate investment options through capital market instruments, REFIS is being improved with the vision of facilitating access to issuer and performance information of Lease Certificates, Real Estate Investment Trust Shares and Real Estate Investment Funds traded on Borsa İstanbul and improving transparency and effective functioning in the sector. REFIS provides access to data on investment instruments traded in the capital markets of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) member countries.



### Data Analysis Platform (DAP)

In DAP, regular developments and improvements are made in order to establish a data analysis platform that ensures all data in the capital and financial markets, particularly the data from the CDS and PDP, is represented in a secure, consistent, and accurate manner.



### COMPASS (Intermediary Institutions MKK Data Analysis Platform)

Regular developments and improvements are made in order to establish a platform that facilitates the reporting of the portfolio and investor data of the intermediary institutions and development and investment banks operating in the Borsa İstanbul Equity Market, allowing for various breakdowns of data and comparisons among institutions and their peer groups.



### The Risk Propensity Index (REKS)

Developed by our organization's experts and academicians from Özyeğin University İstanbul Financial Risk Management Laboratory, REKS analyzes investor balance information data and represents them in the index at the right rates, while assessing investors' propensity to invest in equity markets through up-to-date statistics and econometric models.

To establish the REKS calculation set, current macroeconomic data and portfolio dynamics are employed to ensure that the calculation set remains dynamic. REKS is refined from the return effect by utilizing the BIST100 index.

REKS is calculated through the application of level and change methodologies, with the index level being adjusted to reflect the unique structuring considerations for various investor groups in the calculation of both change and level methodologies.

The calculation of REKS for various investor groups considers the specific traits of investors in conjunction with the General Index, encompassing the entire calculation set.

### Data Support Contributing to Academic Studies

In 2023, data support was provided to 17 universities.

Data Sharing with the Third Parties				
TR Ministry of Treasury and Finance	TR Ministry of Trade	TR Ministry of the Interior	TR Ministry of Industry and Technology	Republic of Türkiye Ministry of Agriculture and Forestry
Presidency of the Republic of Türkiye Finance Office	The Central Bank of the Republic of Türkiye	Capital Markets Board of Türkiye	Banking Regulation and Supervision Agency of Türkiye	TR Ministry of Treasury and Finance Financial Crimes Investigation Board
General Directorate of the Mint and Stamp Printing	Revenue Administration	Savings Deposit Insurance Fund of Türkiye	Borsa İstanbul A.Ş. (BİAŞ)	İstanbul Takas ve Saklama Bankası A.Ş. (TAKASBANK)
Turkish Capital Markets Association	Turkish Mercantile Exchange (TURIB)	Capital Markets Licensing and Training Agency of Türkiye	The Banks Association of Türkiye Risk Center	Turkish Tax Inspection Board (VDK)
The Public Oversight, Accounting and Auditing Standards Authority	Republic of Türkiye Social Security Institution	Pension Monitoring Center	Investor Compensation Center	Turkish Grain Board
Turkish Investor Relations Society	Corporate Governance Association of Türkiye	Turkish Institutional Investment Managers Association	Real Estate Investors Association	e-GOVERNANCE
Central Registration Record System (MERSIS)	Address Based Identity Registry System (ADNKS)	Oesterreichische Kontrollbank AG (OeKB)	Issuers	Companies with Bearer Shares
Investment Enterprises	Crowdfunding Platforms and Trustees	Forensic and Administrative Institutions	Universities	Independent Audit Organizations
	Data Distribution Organizations	Investors	Investor Devisees	

## SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

### CORPORATE GOVERNANCE SERVICES

MKK offers a wide array of value-added products and services for companies to fulfill their public disclosure and information society obligations and to make their corporate governance processes more efficient in accordance with the Capital Markets legislation and TCC regulations. Summary information pertaining to our corporate governance products and services is provided below.

#### e-GEM: Electronic General Meeting System

e-GEM is a dynamic and unique information system that is accessible to all joint stock companies in Türkiye where all transactions prior to, during, and following the general meeting can be conducted with electronic signatures for companies, shareholders, proxies, investment institutions, and other stakeholders, and communication is facilitated through e-mail/SMS/SWIFT.

It can be used not only by companies listed on the stock exchange, but also by companies that would like to hold an electronic general meeting upon request and by other entities, including unions, foundations, cooperatives, sports clubs and debt instrument holders' boards.

Using e-GEM, 579 general meetings took place in 2023. All meetings were monitored, and guidance and support services were provided as necessary to all stakeholders (companies, shareholders, proxies, etc.) via e-GEM. The most frequent general meeting convened on the same date occurred on 29.03.2023, with 25 general meetings. A total of 18,736 individuals participated in the general meetings held during the year, either in person or through their proxies, and exercised their rights electronically via e-GEM.

In the same meetings, the total number of physical attendees was 6,839. In 2023, shareholders/representatives from 38 different countries, primarily from the USA, England, and Canada, engaged in the meetings using e-GEM. During the year, approximately 1,507 hours of general meetings were broadcast live in 458 different locations from 30 different cities.



#### Electronic General Meeting System Continues to Serve Indonesian Capital Markets

The Indonesian Central Securities Depository (KSEI) has been conducting general meeting processes through e-GEM since 2020.

In 2017, KSEI launched a tender to transition the general meeting processes to the electronic environment. MKK, having presented the best practice in this tender, completed the installation of the Electronic General Meeting System tailored for KSEI in Indonesian capital markets by the conclusion of 2018, as per our commitment. Following the establishment of the legal framework and subsequent developments in Indonesia during 2019-2020, the system was officially implemented in the country, marked by the occurrence of 5 general meetings on the same day, 14 May 2020. In 2023, a total of 848 companies held 1399 general meetings electronically, as shareholders exercised their corporate governance rights.

In 2024, MKK will continue to provide technical support and system development services as part of its cooperation with KSEI.





### e-COMPANY: Companies Information Portal

Under the TCC regulations, capital companies subject to audit are required to publish legally mandated announcements on their websites. Companies can fulfill their website-related obligations either on their own or by obtaining support services from Central Database Service Providers (CDSP) that have been licensed by the Ministry.

e-COMPANY, in accordance with Article 1524 of the Turkish Commercial Code (TCC), is an electronic platform provided by MKK in its role as a Central Database Service Provider (CDSP). It allows companies to upload content required to be published on their dedicated web pages with secure electronic signatures and time stamps. The platform ensures that the uploaded content is stored in a secure environment, made available for access, securely archived, and ready for use by companies.

In 2023, the CDSP service was extended to 2,908 companies that met the technical and security criteria outlined in the pertinent regulations via the e-COMPANY Portal.

Since the establishment of the e-COMPANY Portal in 2013, 3,639 companies fulfilled their obligations without being required to take any action on their websites. Companies uploaded 123,298 documents to the information society services-specific area on the e-COMPANY Portal, and made those documents available to third parties. The most uploaded document types were balance sheets (17,682 items), income statements (16,547 items) and minutes of general meetings (16,440 items).

In 2023, the e-COMPANY application infrastructure was renewed, resulting in a more user-friendly interface. Enhancements to its core functions were made, and the development was aligned with user feedback, requests, and needs, ultimately delivering an improved service to the members.



### e-BDS+: Electronic Board of Directors System

e-BDS, which is one of MKK's in-house developed corporate governance solutions, is an information system that allows the Board of Directors of joint-stock companies or the Board of Managers of other capital stock companies to meet in an electronic environment with legal effect. e-BDS allows members of Boards of Directors, wherever they are in the world, to legally participate in board meetings regardless of time or place, and to instantly sign Board of Directors decisions.

The e-BDS+ platform provides numerous advantages for companies, including the facilitation of meeting quorum through the removal of physical barriers, enabling high-participation meetings, allowing for immediate signing of decisions by members, contributing positively to sustainability efforts, enhancing efficiency by minimizing the resources allocated to board business processes, electronically disseminating decisions to relevant authorities, cutting down on travel, accommodation, etc. expenses, and securely sharing and archiving meeting documentation.

In 2023, numerous banks, groups, and companies within our markets have shown a strong preference for e-BDS+. Companies utilizing e-BDS+ can conduct board meetings, committee meetings within the board of directors, and other committee meetings through a secure infrastructure, eliminating the need for physical presence. As per Article 390 of the TCC, decisions can be signed by board members without convening a meeting.

Following the CMB's policy decision that e-BDS+ can be used as an "Electronic Credit Decision Book", which enables the archiving of intermediary institutions' credit committee decisions with a time-stamped electronic signature, the obligations of intermediary institutions arising from the CMB Policy Decision regarding the implementation of the second paragraph of Article 5 of the Communiqué Serial: V, No: 65 have begun to be fulfilled using e-BDS.



### Public Disclosure Platform (PDP)

PDP is an electronic system in which the notifications required to be disclosed to the public in accordance with the capital markets and stock exchange legislation are transmitted and published through electronic signatures. As per the Public Disclosure Platform Communiqué of the Capital Markets Board, all kinds of information and documents to be disclosed to the public must be submitted to PDP. The system operates on a 24/7 basis and encompasses over 930 companies across Türkiye, over 2,300 funds and over 3,700 users.

Independent audit firms electronically sign the financial reports for periods subject to mandatory independent audits and send them to the relevant company in electronic format for public disclosure. In addition to Turkish, it is also possible to publish notifications in English at PDP. Approximately 144,000 notifications are published annually and the website receives an average of 40 thousand visits per day. The system disseminates data on: [www.kap.org.tr](http://www.kap.org.tr). Also 24 data vendors disseminate PDP data simultaneously. Additionally, 6 regulatory and supervisory institutions are actively using the PDP data publication service.



## SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

### CORPORATE GOVERNANCE SERVICES

#### PDP - Activities / Projects Carried Out in 2023

##### MKK Indices and Financial Ratios

As part of the initiatives conducted for investors, analysts, academicians, and other stakeholders to access financial information faster and to compare data by year, the Corporate Governance Maturity Index started to be calculated and published on DAP in 2023. The Corporate Governance Maturity Index was developed to assess the corporate governance maturity of companies listed on Borsa İstanbul and that submit the Corporate Governance Compliance Reports to PDP in accordance with the Corporate Governance Communiqué. The “Corporate Governance Maturity Index Model” developed in the doctoral thesis titled “Analysis of Factors Affecting Corporate Governance Maturity Level: A Research on the Companies Traded on Borsa İstanbul” by Dr. Ekrem ARIKAN (2022, the CEO and Board Member of MKK, was used in the calculation of the index.

The index is calculated annually, subsequent to the final submission date of annual financial statements to PDP, and is published as of the end of April. Furthermore, within this framework, Periodic Financial Ratios, MKK Turnover Index, MKK Profit Index, MKK Dividend Payout Index and MKK Dividend Diffusion Index continue to be calculated and published in DAP.

##### Sustainability Report Template Development

As part of the “Sustainability in Capital Markets” studies coordinated by the CMB, the preparation of the “Sustainability Compliance Report” taxonomy in order to provide an analyzable and comparable data infrastructure concerning the environmental, social, and corporate governance activities of the companies listed on the Stock Exchange and subsequently to provide value-added data sets to the relevant parties using this data was completed in 2023. Companies traded on the BIST Star, Main Market, or BIST SubMarket have started to publish their sustainability compliance reports in an analyzable format on the Public Disclosure Platform (PDP).

##### PDP Mobile Application and Website Infrastructure Transformation Efforts

The infrastructure renewal and update of the PDP mobile application, initiated in 2022, have been successfully completed in 2023 and made available to users.

Furthermore, a comprehensive project was initiated in 2023 to modernize the infrastructure of the PDP website, update its interfaces, review its design, and implement several development requests submitted by PDP members.

##### PDP- Data Sharing for Takasbank’s Fund Limitation Control Service

As part of the assignment by the Capital Markets Board, developments to provide data from the PDP system to Takasbank for the limitation controls related to portfolio investment limits of investment funds were completed. As of 2023, data collection and sharing with Takasbank through the PDP system’s data transfer function have commenced.

##### PDP Data Publishing Service Infrastructure Transformation

As part of the goal to develop value-added projects from PDP data, the infrastructure transformation of the PDP data distribution service has been initiated. With the transformation of the data distribution service infrastructure, different data packages can be created based on notification type, member type, and notification topic, allowing for the development of various sales and marketing strategies for data distribution. Moreover, the infrastructure will be made suitable for generating XBRL data packages. The project is expected to be completed in 2024.

##### Trainings

In 2023, the Borsa İstanbul Group External Training Program provided paid training to 389 participants across 10 distinct sessions covering the PDP system, public disclosure regulations, financial reporting, corporate governance, and the processes for exercising rights related to share and debt instrument issuances.

Furthermore, trainings were provided to the experts of the Ministry of Treasury and Finance of the Republic of Türkiye, the Capital Markets Board, Borsa İstanbul, TÜYİD members, and several universities on the PDP system and public disclosure regulations.

### PDP Data

Number of PDP Members	2023	2022
Traded Company	650	596
Investment Institution <sup>(1)</sup>	77	72
Portfolio Management Company	66	59
Independent Audit Firm	93	87
Rating Company	3	3
Other	46	44
Funds	2,331	1,964
<b>Total</b>	<b>3,266</b>	<b>2,825</b>

<sup>(1)</sup> Investment institutions whose capital market instruments are listed on the Stock Exchange are categorized within the “traded company” group.

Number of Notifications Published on PDP		
Type of Notification	2023	2022
Fund Notification	61,024	49,014
Material Event Disclosure	29,167	25,131
Regulatory Authority Notification	28,030	15,594
Other	14,732	12,454
Financial Report	11,839	10,389
<b>Total</b>	<b>144,792</b>	<b>112,582</b>

PDP Mobile User Statistics <sup>(1)</sup>	2023	2022
iOS	57,813	60,975
Android	134,341	105,642
<b>Total</b>	<b>192,154</b>	<b>166,617</b>

<sup>(1)</sup> Since its launch, the mobile application has been downloaded 606,801 times from the Android Store and 449,474 times from the Apple Store.

PDP Help Desk Service	2023	2022
Number of Inquiries Addressed	7,149	6,817

### PDP Search Algorithm Statistics

The “PDP Quick Search” field processes on average 19,000 searches daily, with the primary searches focusing on news about companies listed on the stock exchange and notifications on corporate actions.

## INVESTOR SERVICES

Investors can obtain information about their records kept in MKK systems from applications provided through the phone and Internet channels, view all investment accounts held by different brokerage firms, access account details, execute investor blockage on their securities and remove these blockages, and also benefit from a range of information and reporting services offered free of charge.

### MKK Communication Center - 444 0 655 (MKK)

The MKK Communication Center (MCC), which was put into operation in September 2021, was developed by expanding its scope and support functions in order to provide centralized and integrated services to all the users, members and investors who benefit from the products and services of our organization.

MCC is a voice response and customer communication service that provides information to all stakeholders, members and investors in their daily operational processes, in technical support issues, and on general information regarding MKK services and our capital markets. It informs investors 24 hours a day, 7 days a week about their investment accounts, ensures that investor blockage transactions are carried out, and provides reporting services free of charge. Furthermore, investors can generate MKK registry numbers by meeting with MCC Call Center representatives during office hours and update their contact information (e-mail, GSM) registered in MKK.

Our members and stakeholders can receive support by telephone from the Communication Center hotline for all questions and support needs related to our products and services during working hours on weekdays. Support is provided for the following products and services from the MCC line:

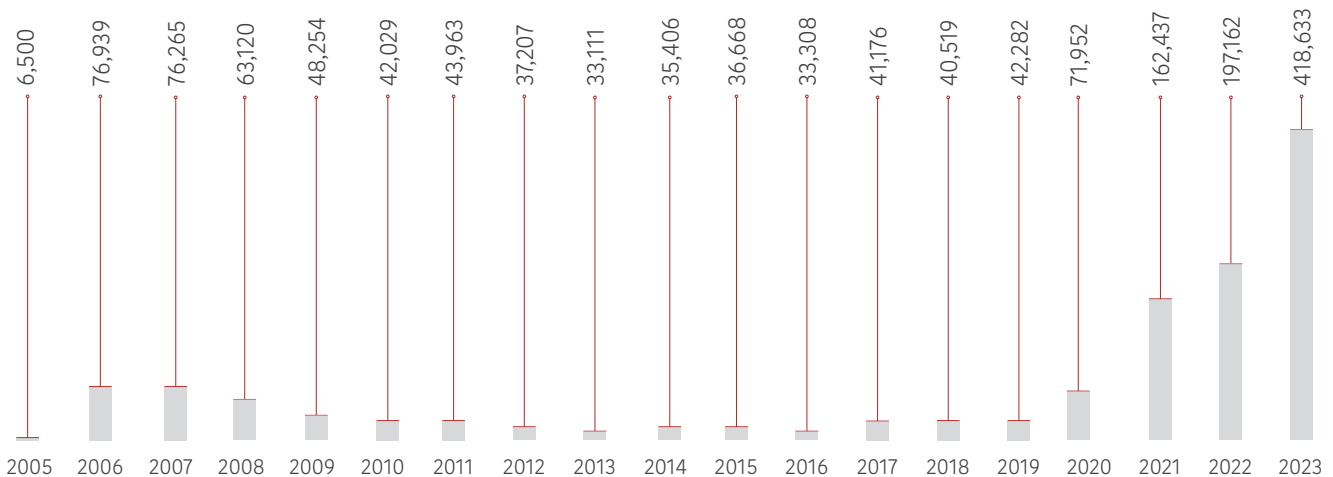
- e-INVESTOR - Investor Information Center,
- PDP - Public Disclosure Platform Support Services,
- e-BDS - Electronic Board of Directors Support Services,
- e-GEM - Electronic General Meeting Support Services,
- e-COMPANY - Companies Information Portal Service,
- BSRS - Bearer Shares Registry System Support Services,
- Dematerialized System - Custody Operations and Membership Support Services,
- e-WR - Electronic Warehouse Receipt Support Services,
- e-TR - Electronic Trade Repository Reporting Support Services,
- IRMS - Investor Risk Monitoring System Support Services,
- CFS - Crowdfunding System Support Services,
- Level 2 Technical Support/Installation Services

Alongside ongoing tasks, it is aimed to diversify and expand Investor Services operations through new projects and practices in 2024.

In 2023, MKK Communication Center responded to almost 420 thousand calls, reflecting an increase of over 100% compared to the prior year.

Below is the statistical information regarding the number of calls received by our MKK Communication Center across the years.

### Number of Calls by Years





### e-INVESTOR (Investor Information Center)

e-INVESTOR: Investor Information Center application has been designed and developed to serve as a communication channel where investors can access a wide range of current and historical information pertaining their portfolios, and the information set it contains has been expanded and diversified. Through the e-INVESTOR application, investors can access various information from a single center with a standard and holistic approach, both on the securities in their portfolios and on the securities they have not yet invested in, but which they follow for investment. Investors also have the option to request the delivery of desired information through email or short message service (SMS) using this application.

Furthermore, the same platform allows e-INVESTOR members to access Electronic Warehouse Receipt transactions, Crowdfunding System transactions, and Bearer Share Registry System transactions.

As of 31 December 2023, over 350 thousand users completed their membership processes in the e-INVESTOR application. Furthermore, the e-INVESTOR Mobile application was downloaded to over 170 thousand mobile devices and provided its users the services of secure, trouble-free transactions as well as up-to-date and transparent information.

When compared to the previous year, e-INVESTOR user numbers have climbed by around 160% in 2023.

### INS: Investor Notification Service

“Investor Notification Service (INS)” is an information service commissioned by MKK within the scope of investor information services. This service aims to enable investors to immediately detect potential errors and abuses related to the shares in their accounts. INS contributes to reducing or completely eliminating potential individual or systemic risks.

In 2023, approximately 7 million short message service (SMS) notifications and nearly 33 million electronic mail (e-mail) communications were delivered to investors via various messaging platforms. In comparison to the previous year, the number of short message notifications increased by 120%, while the number of e-mail notifications increased by 42%.

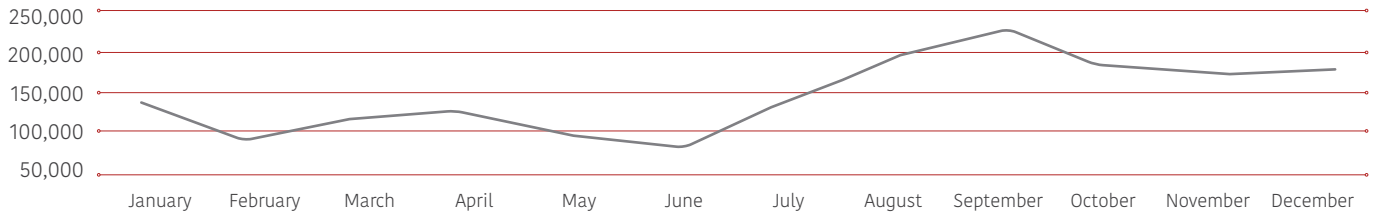
### Investor Blockage Statistics

Through the e-INVESTOR application, investors can immobilize their securities by applying investor’s blockage. Thus, they can safeguard their securities against unintended or unauthorized movements.

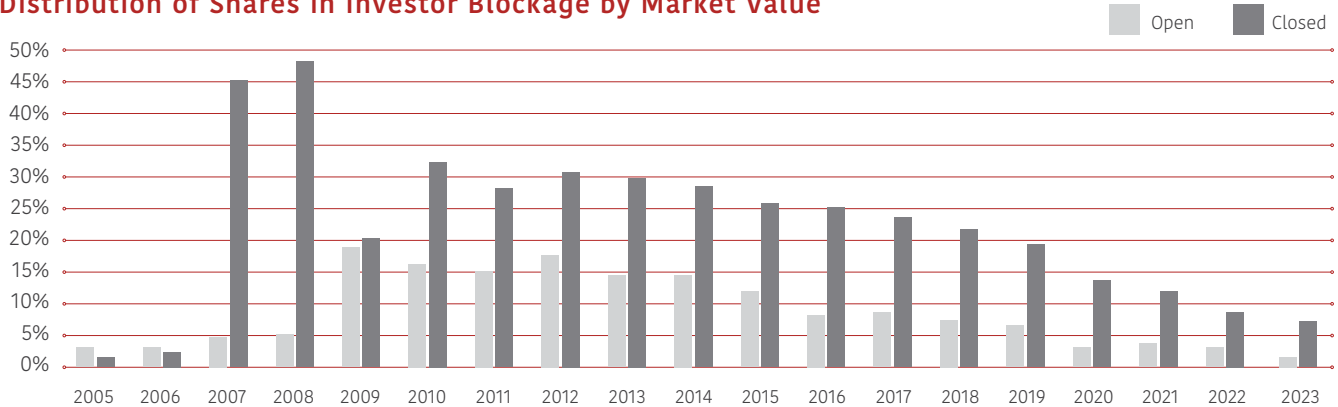
The average usage rate of our investor’s blockage service for the past 19 years is 7.99% for stocks with an Open additional identifier (tradable on the Exchange) and 21.12% for stocks with a Closed additional identifier (not traded on the Exchange).

The portfolio value ratios of the investors in the “Domestic Real” identity type regarding the stocks in the investor blockage are listed below.

### Number of e-YATIRIMCI Users (Cumulative)



### Distribution of Shares in Investor Blockage by Market Value





## PRODUCED CAPITAL AND INFORMATION TECHNOLOGIES MANAGEMENT

The improvement efforts in 2023 regarding our Produced Capital, which represents the acquired capital elements (building, equipment, IT infrastructure, etc.) that we benefit from while maintaining our services and activities, are summarized below.

### System Management Improvements

- To address contemporary technological demands, enhance agility, optimize resource utilization, facilitate effective communication among diverse functional teams, and improve operational efficiency, the most appropriate container-based platform was chosen and implemented in the Primary Data Center and Disaster Data Center (ODVM).
- Through the optimization analyses conducted on backup systems, the compression ratio improved by around 10%, capacity utilization decreased by 30%, and resource monitoring was executed in a more detailed and proactive manner.
- Object-based data storage systems were analyzed in line with the requirements of the applications developed by our organization, an open source solution was selected, installations of the Primary Data Center and ODVM were completed, and automated data transfer between the two data centers was established.
- Expanding the utilization of the open-source automation program resulted in the automation of around 20% of manual procedures on Linux-based servers.
- The corporate instant messaging application underwent an update and restructuring, and has become compatible across several operating systems.

### TO ENHANCE OPERATIONAL EFFICIENCY

The most appropriate container-based platform to be positioned within the MKK was selected and deployed in the Primary Data Center and the Disaster Recovery Data Center (ODVM).



### Network Management Improvements

- The initial phase of efforts to increase the capacity and performance of our network backbone has been completed, resulting in a 10-25 times increase in capacity and performance.
- The network and cabling infrastructure of ODVM has been renewed, resulting in a tenfold improvement in both capacity and performance.
- The network performance monitoring system has become operational, increasing proactive traceability for critical applications.
- As a result of the analyses, the capacities of the lines connecting the Primary Data Center and ODVM have been increased, effectively addressing capacity insufficiency issues.
- The redundant lines connecting the Primary Data Center and ODVM have been actively utilized, resulting in enhanced capacity.
- ATS devices have been installed in data centers for single-power input devices, ensuring power redundancy for all equipment.
- KVM devices are deployed in data centers to streamline the management of critical network and security devices remotely, allowing for rapid intervention in the event of issues, thereby minimizing downtime.
- The cable arrangement tasks have been executed in data centers and data rooms, facilitating efficient management and enabling faster problem resolution.

### IT Support and Operations Center Improvements

- The metrics of our IT infrastructure systems and all services provided by our organization have been collected on an open source monitoring system, correlation has been established, threshold levels have been defined, and alerts have been triggered when these thresholds are surpassed, and the team responsible for conducting 7x24 monitoring has been equipped to track and manage the entire process through a single application.
- The majority of the processes of the team responsible for 7x24 monitoring and operational tasks have been automated, resulting in an annual savings of 257 person-days.
- The Endpoint Privilege Management solution on end-user devices has been upgraded to a more efficient product and has become accessible to all users.

## CAPACITY AND PERFORMANCE INCREASE

The initial phase of the studies aimed at increasing the capacity and performance of our network backbone has been completed, resulting in a 10-25 fold capacity and performance increase.

- The installation architecture of the Corporate File Sharing System has been redesigned and deployed to enhance redundancy, bolster security, and improve effectiveness in disaster recovery scenarios.
- In order for technical support services provided outside the institution to be managed by outsourcing teams, the required infrastructure and processes have been established, deployed, and measurement has begun.
- A video conferencing system designed for international meetings and training sessions has been successfully deployed in our institution's data center.
- A terminal server infrastructure has been established to enable secure and uninterrupted access for employees and consultants to the institution's systems, with terminal servers deployed for numerous users.
- Reporting of data regarding technical support services in the Corporate Performance Development System has been ensured.

### Middle-Layer and Versioning Management Improvements

- DevOps and GitOps practices, which had been deployed for years for applications and platforms in traditional architecture within our organization, have been customized for container-based platforms.
- Two applications developed within our organization have been transitioned to a container-based corporate platform and have become operational in a live environment.
- Mobile applications were packaged and distributed via the automation system in accordance with corporate DevOps practices.

## PRODUCED CAPITAL AND INFORMATION TECHNOLOGIES MANAGEMENT

- The required architectural transformation was implemented to enable CDS services to be provided as REST APIs, and basic REST services were deployed.
- An automation application was developed to singularize and monitor configurations associated with API Gateway products from a centralized location.
- The source codes of the applications developed within our organization have been successfully migrated to the Git Source Code repository, preserving their history. This transition has facilitated a more modern structure in CI/CD processes and has led to the achievement of standardization.
- Studies on the design and installation of e-BDS+ modernization and the dissemination of the new structure to members were facilitated.
- Infrastructure for packing and dissemination was set up for 9 applications developed internally, test environments were configured, and 3 applications were deployed.

### Database Management Improvements

- Open source code database management systems have been utilized in software projects being developed within our organization.
- Improvement has been made in generating smaller test databases by extracting subsets from extensive live databases, thereby minimizing the utilization of data storage units.
- Integrated data masking studies have been conducted utilizing the Data and Business Dictionary, resulting in an elevation of the security level to its maximum standard.

### Data Warehousing and Business Intelligence Improvements

- By expanding the use of in-house Business Intelligence tools, an environment has been provided that will allow teams to generate their own reports.
- Applications have been implemented to facilitate the release of Corporate Indicators, Governance Indicators, and Market Data pertaining to MKK in a comprehensible and analyzable format within the institution using visualization tools.

### Project and Program Management Office (PPMO) Activities

- In 2023, a total of 8 R&D projects were completed, resulting in a significant enhancement of R&D activities. Additionally, the financial contribution made during this period exceeded three times the amount of incentives provided.
- A total of more than 30 projects were worked on.
- Out of the total of 1,042 application development requests that were open, a total of 549 requests were completed and closed.

### IT Service and Test Management Activities

- In-house testing and analysis training activities were carried out for Application Development and Business Units.
- The number of test scenarios has been increased and the scope and quality of test automation has been improved. 210 automation scenarios were developed, and 185 scenarios were maintained/updated.
- A total of 11 load and performance tests were conducted within the scope of e-GEM, e-COMPANY, DYS, PDP VYK and Container-Based Architecture transition projects.
- Monthly reports on application quality activities were generated and communicated to the teams. The activities conducted have resulted in an increase in the Total Quality Index (TQI) of our applications to 3.52 out of 4 (the previous value was 3.37).
- A total of 848 Change Management (DY) records were coordinated within the designated scope of DY.
- In the context of Problem Management, a total of 6 new Problem Records (PK) were opened, followed and coordinated, and the records were subsequently resolved and closed.
- Within the scope of the Configuration Management Process and Tools Implementation project, studies were conducted for the Central CMDB structure, and the GLPI product, which also facilitates inventory tracking, was deployed.

- IT Capacity and Performance Management activities within the institution have been sustained and regular reporting was provided.
- Studies on SLA (Service Level Agreement) and reporting were conducted.

#### Corporate Solutions Improvements

- The Corporate Site (mkk.com.tr) Financial Data Dashboard has undergone enhancements, and overall performance improvements have been implemented throughout the website.
- Transition studies for version upgrades have been executed for the core HR, personnel affairs, leave, and payroll modules of the Human Resources application of MKK, resulting in the migration of these modules to the web platform.
- A more stable and secure interface has been provided through a version transition on the application utilized for in-house workflows.
- Developments have been completed for the REFIS application service infrastructure to provide service from the MKK data center, eliminating reliance on external institutions.

#### IT Architecture Management Activities

- Technology review, product launches and testing, proof of concept, architectural review meetings were held with 43 companies.
- 4 different products were assessed for data governance and open source product transition was planned.
- IT Procurement processes were improved.
- IT Budget dashboard was created.
- 43 IT product/service contracts and specifications were reviewed and feedback was provided.

## 8 R&D PROJECTS

In 2023, the completion of 8 R&D projects has enhanced our R&D activities, resulting in a financial contribution that is greater than 3 times the previous incentives provided.



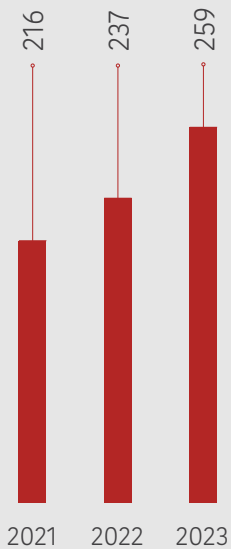
## HUMAN CAPITAL

MKK persistently enhances its human resources through a Human Resources Policy that embraces innovation and change, thereby augmenting its contribution to the growth of Turkish Capital Markets annually. Human resources practices are conducted through appropriate infrastructures and in the most contemporary manner, all while adhering to the corporate culture and core values of MKK. Training needs of our employees are meticulously identified through a commitment to innovation and change, enhancing their knowledge and skills to keep pace with the latest advancements in the business and technology world. Initiatives are undertaken to cultivate management skills in alignment with career plans. Our organization is progressing towards establishing itself as an organization that prioritizes environmental awareness,

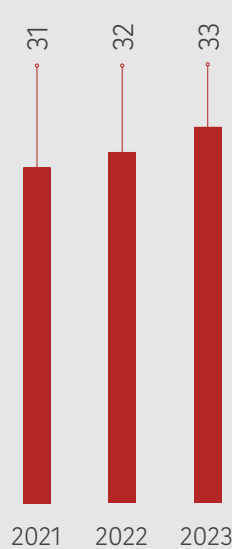
occupational health and safety, compliance with quality standards, and continuous development of its technology and takes strength from employee productivity through effective management of human resources.

The employees of our organization actively engaged in professional and personal development training courses throughout the year 2023. These courses encompassed multiple disciplines including finance, technology, and management. The training topics include titles such as Capital Markets, Project Management, IT Infrastructure Management, Enterprise Architecture Management, IT Service Management, Data Science, Software Development and Test Training, and Information Security.

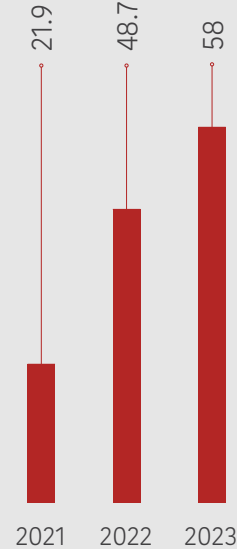
Number of Employees



Female Employee Rate (%)



Number of Employees in R&D Projects (Monthly Average)

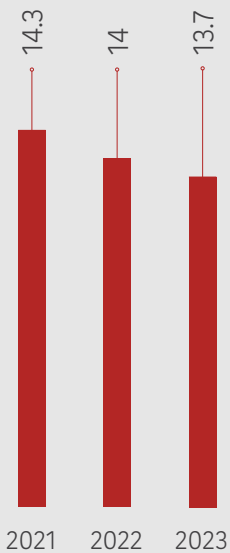




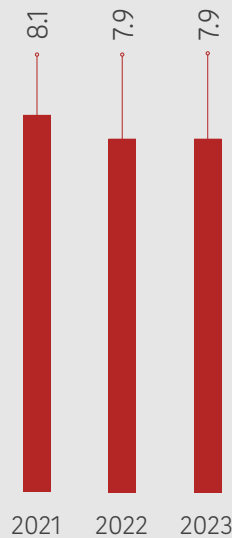
## HUMAN RESOURCES OPEN TO INNOVATION AND CHANGE

The primary objective of MKK's Human Resources Policy is to effectively implement contemporary human resources practices, supported by appropriate infrastructure, while maintaining consistency with the corporate culture and core values. It is ensured that the training needs of our employees are identified by fostering a culture of innovation and change, their knowledge and skills are enhanced, enabling them to keep up with the latest developments in business and technology world, and their management skills are developed in accordance with their career plans.

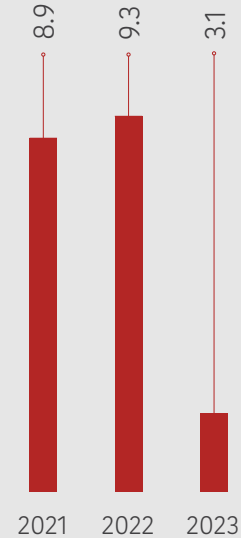
**Average of Total Working Years of Employees**



**Average of Working Years at MKK**



**Employee Turnover Rate (%)**



## EVENTS AND NEWS



### World Forum Of Central Securities Depositories (WFC2023)

Dr. Ekrem ARIKAN, our CEO and Board Member, participated in the World Forum of Central Securities Depositories (WFC2023) organized by the European Central Securities Depositories Association (ECSDA) in Prague, the capital of the Czech Republic, on 24-26 May. Addressing the participants in the session titled “Global Stability Threats and Systemic Risks in Post-Trade”, Dr. ARIKAN provided insights into the services and products developed by MKK regarding systemic risk management while also sharing his perspectives on the topic.

### Memorandum of Understanding (MOU) between MKK and Edaa

A Memorandum of Understanding (MOU) has been signed between the Merkezi Kayıt Kuruluşu A.Ş. (MKK) and the Central Securities Depository of Saudi Arabia (Edaa) to facilitate the exchange of expertise in securities and investor services, promote collaborative efforts, and bolster the integration of innovative applications.



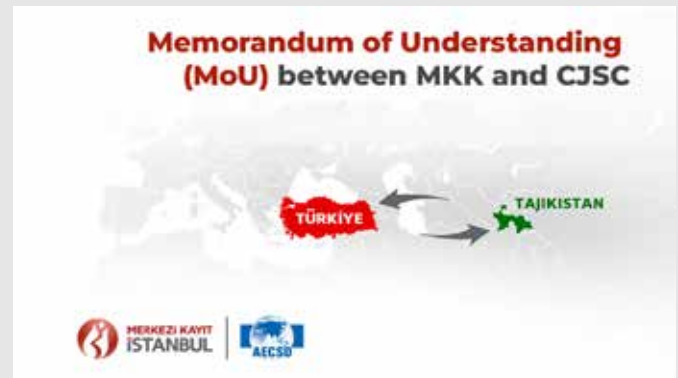
### Memorandum of Understanding (MoU) between MKK and NDU



### Memorandum of Understanding (MoU) between MKK and NDU

A Memorandum of Understanding was signed between our Organization and the National Depository of Ukraine (NDU).

### Memorandum of Understanding (MoU) between MKK and CJSC



### Memorandum of Understanding (MoU) between MKK and CJSC

A Memorandum of Understanding (MoU) was signed between our Organization and the Central Depository of Tajikistan (CJSC) in Dushanbe, Tajikistan. Dr. Ekrem ARIKAN, our CEO and Board Member, emphasized that the objective of this initiative is to elevate interaction between the capital markets of Türkiye and Tajikistan to new heights.

### Term Chairmanship of AECSD 2024

This year, the General Meeting of the Association of Eurasian Central Depositories (AECSD), of which MKK is a member, convened in Dushanbe, Tajikistan, where the responsibility of the 2024 term chairmanship was transferred to MKK. Dr. Ekrem ARIKAN, our CEO and Board Member, will assume the role of the term president of the organization. The AECSD General Meeting and Conference is scheduled to take place in our country in 2024, under the auspices of the Central Securities Depository of Türkiye.



### A visit from the Indonesian Central Securities Depository (KSEI)

A delegation of 5 representatives from the Indonesian Central Securities Depository KSEI visited our institution to engage with the relevant business units on collaboration and development projects regarding the implementation of the Electronic General Meeting System (e-GEM) in Indonesia.



### 26<sup>th</sup> Finance Symposium

This year, between 19-21 October, our CEO and Board Member Dr. Ekrem ARIKAN participated as the keynote speaker in the 26<sup>th</sup> Finance Symposium hosted by Sivas Cumhuriyet University and presented his address titled "Developments in Our Capital Markets, Financial Technologies, and Sustainability at the Beginning of the Second Century of Our Republic".

## EVENTS AND NEWS

**XV. International Corporate Governance Summit of TKYD**

At the 15th International Corporate Governance Summit hosted by the Corporate Governance Association of Türkiye (TKYD) and where our organization was the panel sponsor, our CEO and Board Member Dr. Ekrem ARIKAN participated as a speaker in the panel titled “Türkiye Corporate Governance Compass from the Board of Directors’ Perspective”.

Dr. Ekrem ARIKAN, our CEO and Board Member, presented his assessments with the attendees at the panel titled “Corporate Governance Assessment Report 2021: Corporate Governance Practices of Borsa İstanbul Companies” organized by the Corporate Governance Association of Türkiye (TKYD) on 5 October 2023.

**Visit of Chairman of the Supervisory Board of Baku Stock Exchange, Ferid AXUNDOV**

Mr. Ferid AXUNDOV, Azerbaijan Chairman of the Baku Stock Exchange Supervisory Board, paid a courtesy visit to our Organization.

**AECSO 2023 Program in Kazakhstan**

Dr. Ekrem ARIKAN, our CEO and Board Member who currently holds the Term Chairmanship of the Association of Eurasian Central Securities Depositories (AECSO), delivered the opening speech at the “AECSO Annual Training Seminar 2023” program held in Almaty, Kazakhstan. Dr. ARIKAN also provided an overview of MKK products and services, while our managers, Dr. Fatma Ayzer BİLGİÇ, Mr. İbrahim Oral EMÜL, and Mr. Murat ÇELEBİ, shared their knowledge and experiences with the participants across various sessions.



### Meeting with the President of the Kazakhstan Stock Exchange (KASE)

Dr. Ekrem ARIKAN, our CEO and Board Member who serves as the Term Chairman of the Association of Eurasian Central Securities Depositories (AECSD), engaged in a meeting with Ms. Alina ALDAMBERGEN, the Chairman of the Board of Directors of the Kazakhstan Stock Exchange (KASE), and presented her with a gift honoring the 30th anniversary of the Kazakh Stock Exchange in Almaty, where he was present for the event organized by the Association.



### Introduction Meeting for the FKB Economic Outlook Index

Dr. Ekrem ARIKAN, our CEO and Board Member, addressed the participants at the opening of the Economic Outlook Index Introduction Meeting of the Association of Financial Institutions (FKB).





## EVENTS AND NEWS

**TÜRK HUKUKU'NUN GEÇMİŞİ, BUGÜNÜ, GELECEĞİ**

**Anonim Şirketlerde Yönetim Kurulu ve Genel Kurul Toplantıları, Elektronik Yönetim Kurulu ve Elektronik Genel Kurul ile Ticaret Sicili Uygulamaları**

**15 Aralık 2023 Cuma / Saat: 10.30 - 16.30**

**Yer: AB3 150 Oditoryum (Özyeğin Üniversitesi Çekirdek Kampüsü)**

**1. Oturum 11.00 - 12.20**  
**Anonim Şirket Genel Kurul ve Yönetim Kurulu Toplantıları**  
**1. Oturum Soru-Cevap: 12.00 - 12.20**

**2. Oturum 13.30 - 14.30**  
**Elektronik Genel Kurul ve Yönetim Kurulu Toplantıları**  
**2. Oturum Soru-Cevap: 14.15 - 14.30**

**3. Oturum 15.00 - 16.00**  
**Anonim Şirket İşlemlerinin Tescil ve İlan Sürecinin Değerlendirilmesi**  
**3. Oturum Soru-Cevap: 15.45 - 16.00**

**Organizasyon:**

**Prof. Dr. Mustafa TOPALOĞLU**  
 (Genel Kurul ve Yönetim Kurulu Toplantıları, Elektronik Genel Kurul ve Yönetim Kurulu Toplantıları)

**Dr. Öğr. Üyesi İSAK DEĞİR**  
 (Elektronik Genel Kurul ve Yönetim Kurulu Toplantıları)

**Dr. Öğr. Üyesi Sener KOCABAYIK**  
 (Anonim Şirket İşlemlerinin Tescil ve İlan Sürecinin Değerlendirilmesi)

**100\*** **TÜRKİYE KURUMSAL TİCARET SİCİLİ** **ÖZYEGİN ÜNİVERSİTESİ** **MERKEZİ KAYIT İSTANBUL**



### Presentation of the 'Your First Day as a Public Company' Plaque to Our Member Companies that Have Gone Public

Plaques titled 'Your First Day as a Public Company,' prepared with the IPO data of companies that became our members through public offerings in 2023 and prior, were presented to the senior executives of these companies.

### Özyeğin University "Past, Present, and Future of Turkish Law" Program

Dr. Ekrem ARIKAN, our CEO and Board Member, delivered the opening speech at the program titled "Past, Present, and Future of Turkish Law: Board of Directors and General Meetings in Joint Stock Companies, Electronic Board of Directors and Electronic General Meeting, and Trade Registry Applications", hosted by Özyeğin University on 15 December 2023.

### AECSO & AMEDA 2024 İstanbul Summit

Planning, organization, promotion, and announcement activities have been initiated for the İstanbul Summit in 2024, where the General Meetings and Conferences of the AECSO and AMEDA will take place.

At the time of this report's preparation for publication, our CEO and Board Member, the Association of Eurasian Central Securities Depositories (AECSO) Term Chairman Dr. Ekrem ARIKAN, attended the 39th AMEDA Conference and General Meeting organized by the Africa and Middle East Depositories Association (AMEDA) on 1-2 May 2024, in Doha, the capital of Qatar, and conducted important meetings.

Dr. ARIKAN and the accompanying MKK delegation met with Turkish Official Authorities in Qatar, financial world representatives from Africa and the Middle East, and senior bureaucrats to discuss potential collaborations, developments, and prospects.

It was decided that the program planned as the AECSO Summit will be held in İstanbul in October in collaboration with AMEDA.







# VALUE GENERATION AND STRATEGY

In accordance with the goals outlined in our 2023-2025 Corporate Strategic Plan, a total of 128 initiatives have been established, with 29 initiatives completed and 53 initiatives currently underway by the end of 2023.

## OPERATING ENVIRONMENT AND EXTERNAL IMPACTS

MKK's strategy formulation and operational activities are influenced by national and international legal, technological, and economic developments, driving it to take appropriate steps. This section discusses the effects of recent developments in international and national financial markets on our organization and how we managed these processes during 2023.

Development/ Trend	Impact on the Markets and Our Organization	How We Took Action
<b>Natural/ Environmental Developments</b>	The major earthquakes that struck Kahramanmaraş on 6 February 2023, resulting in devastating consequences across 10 provinces, have had a profound impact on our country.	To address the aftermath of the earthquake, prompt measures were implemented, and aid was dispatched to the region within the Borsa İstanbul Group, in cooperation with the Disaster and Emergency Management Presidency (AFAD), alongside financial contributions to the Türkiye One Heart fundraising campaign.
<b>Economic/ Sectoral Developments</b>	Investor interest in our country's capital markets continued to increase throughout 2023, and the number of active accounts reached record levels. This situation has resulted in a surge in the demand for our products and services, consequently increasing our transaction volumes.	Our existing applications and services for investors, such as DAP, PDP, and e-INVESTOR, have been enhanced and expanded.  Besides, our information technology (IT) infrastructure has been strengthened to accommodate growing volumes and automated process has been increased. (see Important Developments Related to Depository Services)
<b>Globalization</b>	All CSDs globally adhere to prevailing trends driven by technological advancements, changes in national and international regulations, and a growing demand for investment. These global trends guide our endeavors to align our services with international standards, enhance cross-border transactions through the establishment of mutual account relationships, and render the Turkish Capital Markets attractive to foreign investments.	Our aim is to establish Turkish capital markets as a competitive and attractive hub for both domestic and international investors, thus contributing to the overall growth and stability of Türkiye's financial market ecosystem. In this context, we have responded to reports, question sets, and information requests from global custodian banks, as well as international associations, FCSDs, international rating agencies, and other foreign institutions of which we are members. New collaboration agreements have been established with these institutions through one-on-one meetings arranged with FCSDs, aimed at facilitating mutual membership and Omnibus custody accounts, as well as fostering the development of collaborative projects.  In 2023, Dr. Ekrem Arıkan, assumed the role of term chairmanship of AECSO. Our Organization will spearhead the establishment of working groups within AECSO and actively promote our capital markets, all within the framework of the upcoming AECSO and AMEDA conference and general meetings in İstanbul in 2024.  The process regarding the membership negotiations for the Asia-Pacific Central Securities Depository Group (ACG) has been initiated, with the intention of reaching a conclusion in the first half of 2024.
<b>Legal Regulations</b>	The Türkiye Sustainability Reporting Standards (TSRS) became effective on 29 December 2023, subsequent to its publication in the Official Gazette.	Our Organization will be under the purview of TSRS as of 2024. Sustainability Reporting will also be undertaken together with the 2024 Annual Report.



## CORPORATE STRATEGY

The corporate mission, vision and main objectives of MKK as stated in its strategic plan for 2023-2025 are as follows:

### Our Mission

To contribute to the development and sustainability of capital markets through central registry and depository, trade repository and reporting, corporate governance, public disclosure and investor services, to deliver customer-oriented, innovative, competitive data and technology solutions to both national and international financial markets.

### Our Vision

To be an effective central securities depository and trade repository, dedicated to the development of products and the provision of services that cater to capital markets on a global scale and standards, all while aligning with the vision of the Century of Türkiye and the goals of İstanbul International Finance Center.

### Our Goals

Main Goal	Sub Goals
<b>Employee Dimension:</b> <b>Learning and Improving Organization</b>	Supporting Employment and Enhancing Employee Competence
	Enhancing Employee Motivation and Satisfaction
	Strengthening Corporate Reputation
<b>Process Dimension:</b> <b>Effective Operation and Technology</b>	Enhancing Process Compliance with Best Practices
	Transforming and Improving Application Infrastructures
	Enhancing Integration and Automation
	Developing Technology Infrastructure
<b>Customer Dimension:</b> <b>Improving Services</b>	Boosting the Utilization of Data and Business Intelligence
	Elevating Member Engagement and Satisfaction
	Improving Existing Products and Services
<b>Financial Dimension:</b> <b>Strong Financial Structure</b>	Developing New Products and Markets
	Strengthening Financial Performance and Sustainability

Based on the targets outlined in our 2023-2025 Corporate Strategic Plan, a total of 128 initiatives (activities) were identified. The Institutional Architecture and Strategy Committee (KMSK) is responsible for overseeing the follow-up and reporting of our strategic plan and associated initiatives. As of the end of 2023, 29 initiatives have been completed and 53 initiatives are actively carried out.

In addition, in the role of Institutional Architecture, through Institutional Architecture and Strategy Committee, activity plans are carried out at the strategic and secondary tactical level in the focus areas of Strategy, Business, Information, Application, Data and Technology.

## VALUE CREATION MODEL

### INPUTS



#### Social Relational Capital

Our tasks and roles in the financial ecosystem  
(See: Our Core Activities and Business Model), Our  
Corporate Interactions and Collaborations, (See:  
Our Stakeholders)



#### Financial Capital

Paid-in Capital at the end of 2022 (TL 100 million)



#### Human Capital

Our employees (237 people by the end of 2022)



#### Intellectual Capital

R&D Center License and R&D Capability;  
Management Systems Certifications and  
Governance Maturity



#### Produced Capital

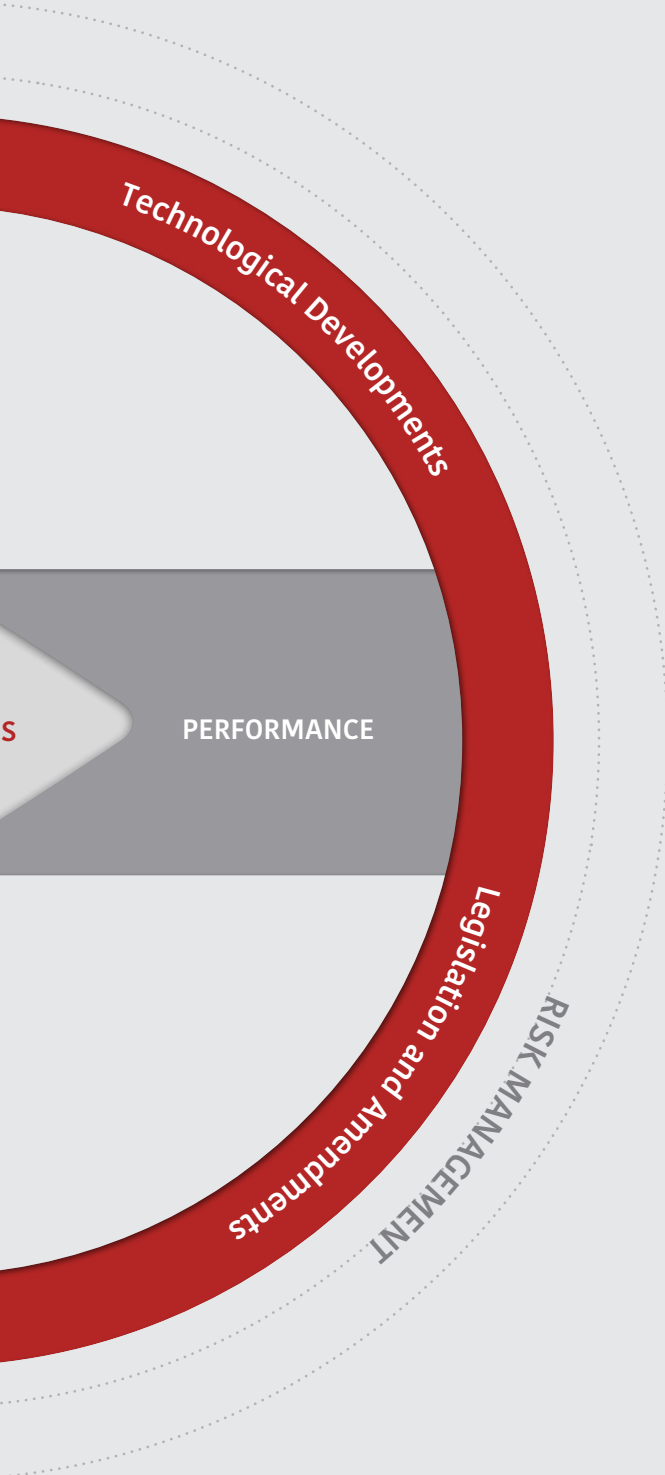
Our Campus and Building, our IT Infrastructure,  
our fixtures



#### Natural Capital

The natural resources we utilize in the execution  
of our operations





## ACTIVITIES AND OUTPUTS

### Activities

- Depository Operations
- Trade Repository and Reporting Operations
- Corporate Governance Operations
- Investor Services Operations

### Outputs

- Central Securities Depository Services for the Capital Markets and Agricultural Markets
- Derivative Transactions and Debt Instruments Notification and Reporting Services
- Analysis and Reporting of Market Data
- PDP Operations
- Corporate Governance Practices and Support Services
- Investor Notification and Information Services
- Investor Call Center Services Feedback

### Results of Our Activities

#### Social Relational Capital

85% customer satisfaction in 2023

#### Human Capital

Employees by the end of 2023 (259 people)

#### Intellectual Capital

In 2023, a total of 8 R&D projects were completed, and ISO 27701 Personal Data Management System and ISO 9001 Quality Management System certificates were obtained. The continuity of ISO 27001 Information Security Management System, ISO 22301 Business Continuity Management System, and ISO 20000-1 IT Service Management System certifications has been ensured..

#### Financial Capital

TL	2023	2022	2021
Net Sales	1,263,961,570	443,796,103	238,243,391
Operational Profit	254,445,345	103,866,746	76,632,906
Net Profit for the Period	322,905,936	133,849,017	88,100,037

## RISK MANAGEMENT

## CORE ACTIVITIES AND BUSINESS MODEL

MKK's legally defined duties and authorities, core services and products, along with the outputs and outcomes of these services, are outlined below.:

INPUTS	DUTIES AND AUTHORITIES	SERVICES AND PRODUCTS
<p><b>Financial Capital</b> Monetary capital</p> <p><b>Human Capital</b> Employees</p> <p><b>Produced Capital</b> Building and equipment</p> <p><b>Intellectual Capital</b> Software and intellectual assets</p> <p><b>Social and Relational Capital</b> Stakeholder relations</p> <p><b>Natural Capital</b> Natural resources used</p>	<ul style="list-style-type: none"> <li>• With the authority granted by the CMB, Central Securities Depository &amp; Registrar of Dematerialized Capital Market Instruments</li> <li>• With the authority granted by the CMB, Financial Accounts Center of Türkiye</li> <li>• With the authority granted by the CBOT, Securities Settlement System operator for all Dematerialized Capital Market Instruments</li> <li>• With the authority granted by the Ministry of Trade, the 'Electronic Registry Agency' for electronic warehouse receipts</li> <li>• "Developer of the system for conducting controls related to Crowdfunding, and dematerialization"</li> <li>• With the capacity under the TCC, "Registration Center for Bearer Shares of Unlisted Joint-Stock Companies"</li> <li>• "Platform provider for electronic monitoring of the shareholders" of companies listed at the TRNC Stock Exchange</li> <li>• With the authority granted by the CMB, Trade Repository for derivatives transactions</li> <li>• With the authority granted by the CMB, operator of PDP</li> <li>• With the authority granted by the Ministry of Trade, Electronic General Meeting Center (e-GEM) for all Borsa İstanbul listed companies</li> <li>• With the authority granted by the Ministry of Trade, Central Database Service Provider for Companies</li> <li>• With the authority granted by the Ministry of Trade, "Electronic Board of Directors System Provider" for companies</li> </ul>	<p><b>Depository Services</b></p> <ul style="list-style-type: none"> <li>• Account Maintenance Operations</li> <li>• Issuance Operations</li> <li>• Securities Transfer Operations</li> <li>• Corporate Actions Operations</li> <li>• Legal Operations</li> <li>• SWIFT Operations</li> <li>• e-WR Operations</li> <li>• Membership Operations</li> <li>• Crowdfunding System</li> <li>• Bearer Share Depository System</li> </ul> <p><b>Trade Repository and Reporting</b></p> <ul style="list-style-type: none"> <li>• e-TR: Electronic Trade Repository</li> <li>• MEVİTAS: Central Electronic Transmission Gathering and Analysis System</li> <li>• DAP: Data Analysis Platform</li> <li>• IRMS: Investor Risk Monitoring System</li> <li>• LRS: Leasing Registry System</li> <li>• COMPASS: Broker Institutions MKK Data Analysis Platform</li> <li>• REFIS: Real Estate Based and Developing Financial Instruments Information System</li> </ul> <p><b>Corporate Governance Services</b></p> <ul style="list-style-type: none"> <li>• PDP: Public Disclosure Platform</li> <li>• e-GEM: Electronic General Meeting System</li> <li>• e-BDS: Electronic Board of Directors System</li> <li>• e-COMPANY: Companies Information Portal</li> </ul> <p><b>Investor Services</b></p> <ul style="list-style-type: none"> <li>• e-INVESTOR: Investor Information Center</li> </ul>

## OUTPUTS

### Depository Services

- Investor accounts opened and monitored on a beneficial owner basis with omnibus account capability
- Issuance of securities
- Execution of securities transfers
- Dividend payments, new shares issuance, mergers
- Legal services (prohibition notices, securities conversions, sales restrictions)
- SWIFT reporting
- Records and reports of licensed warehouses and e-WR
- CFS entrepreneur registrations
- Bearer share records
- Shareholder tables

### Data Services

- Derivative and debt instrument notifications reporting
- Reporting to regulatory and supervisory institutions
- Data preparation and dissemination
- Data requests and reports
- Indices and financial ratios
- Systems and platforms developed

### Corporate Governance Services

- Reliable, accurate, and analyzable data is distributed to a wide audience at low cost, quickly, and in real-time. via PDP
- Compliance with mandatory public disclosure via PDP
- PDP Training Programs
- Electronic General Meetings
- Central Database Service Provider
- Electronic Board of Directors meetings
- Enhancing transparency and efficiency in capital markets

### Investor Services

- Inbound and Outbound Calls
- Notifications, Announcements and Reporting
- Investor Blockage Service

## RESULTS OF OUR ACTIVITIES



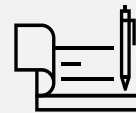
**National central securities depository**  
(Social relational capital)



**Contribution to financial literacy**  
(Social relational capital)



**Systemic risk, market risk monitoring and reporting**  
(Social relational capital)



**Transparent, timely and complete public disclosure**  
(Social relational capital)



**Contribution to institutionalization**  
(Social relational capital)



**Income increase**  
(Financial capital)



**Increase in the number of employees and their competence**  
(Human capital)



**Increase in value of our software and intellectual assets**  
(Intellectual capital)



**Institutional awareness and prestige**  
(Social relational capital)



**Stakeholder satisfaction**  
(Social relational capital)



## HISTORICAL MILESTONES

### 2001-2010

- Regulatory Framework and Establishment of MKK,
- Completion of the “Central Dematerialized System (CDS)” project,
- Dematerialization of shares,
- Dematerialization of mutual funds
- First dematerialized issue of private sector debt instruments,
- First dematerialized issue of commercial papers,
- Received Information Security Management System Certificate ISO 27001,
- First dematerialized issue of bank bills,
- First dematerialized issue of warrants,
- Opening an account at a foreign CSD and issuing the first foreign capital market instrument in dematerialized form,
- Representation and administration of the Investors Protection Fund (continued until 2013)

### 2011- 2018

- TEFAS developed with Takasbank (İstanbul Settlement and Custody Bank) was launched.
- First initial public offering benefit practice was completed,
- Completion of the e-WR software,
- e-GOVERNANCE portal was launched,
- MKK became a 5% shareholder in the Sarajevo Stock Exchange (SASE),
- MKK became a 10% founding shareholder of Capital Markets Licensing and Training Agency of Türkiye(SPL),
- Dematerialization of Government Debt Securities was completed,
- e-GEM Project was launched,
- RISE was computed and published on our corporate website,
- Issuance of the first dematerialized cotton e-WR,
- Launch of the “e-COMPANY Central Database Service Provider” service,
- Received Business Continuity Management System Certificate ISO 22301,
- MKK received the “R&D Center” authorization from the Turkish Ministry of Science, Industry and Technology,
- Public Disclosure Platform handover from Borsa İstanbul,
- Launch of e-TR
- Export of e-GEM to Indonesia,
- Development of e-BDS and its introduction as a new generation Board of Directors system,
- PDP Mobile was developed,

## 2019 and Beyond

- Commissioning of e-WR trading through CDS,
  - Launch of Omnibus accounts and the first Foreign Central Securities Depository membership,
  - CFS project was developed and became live
  - BSRS for dematerialization of bearer shares was developed,
  - Launch of T+0 reporting,
  - Initiation of debt instruments reporting,
  - Investor Risk Monitoring System (IRMS) was developed,
  - Data Analysis Platform (DAP) was developed,
  - Introduction of e-GEM to Indonesian capital markets,
  - e-INVESTOR web and mobile applications were developed,
  - Shares of Real Estate Information Center were acquired (MKK GABIM),
  - Development of the PDP search algorithm,
  - Commencement of MKK Profit and Turnover Indices publication on DAP,
  - COMPASS Intermediary Institutions MKK Data Analysis Platform was developed,
  - Obtaining ISO 20000-1:2018 IT Service Management System Certificate,
  - The MKK Communication Center (MCC) became operational,
  - First issuance of a lease certificate based on agreement for work,
  - Signing of a contract with Türk Bankası Limited, which is listed on the TRNC Stock Exchange
  - Establishing membership and a direct link with MDM,
  - Realization of the issuance of lease certificates based on the first green management contract,
  - Establishing integration for debt instruments and lease certificates between PDP and CDS applications,
  - Dematerialization of the securitized Mint gold in CDS as Mint Certificate,
  - Commencement of MKK Dividend Indices and Financial Ratios publication on DAP,
  - Development of PDP Participation Finance Principles Information Form,
  - REFIS starts publishing data,
  - Execution and finalization of compliance efforts with the COBIT framework.
  - Calculation and publication of the Risk Propensity Index (REKS),
  - Calculation and publication of the Corporate Governance Maturity Index on DAP,
  - Development of the Sustainability Report Template and starting disclosure on PDP,
  - Commencement of PDP disclosures within the scope of Takasbank Fund Constraint Control Service,
  - Acquisition of the ISO 27701 certification for Personal Data Management System,
  - Acquisition of the ISO 9001 certification for Quality Management System.
-

## STAKEHOLDER RELATIONS

As one of the financial market infrastructure institutions of critical importance for capital markets, MKK is in close and continuous relationship with the markets it serves, its members and its stakeholders within the ecosystem. In this context, understanding the expectations and demands of our stakeholders and creating value for ourselves and our stakeholders by meeting their expectations is one of the most important goals for MKK. Information and brief data about our main stakeholders are presented below, along with an outline of their expectations from our organization and the actions we take in this regard.

### Our Employees

Employee and Work Data	2023	2022
Number of Employees	259	237
Female Employee (%)	33	32
Number of R&D project employees (monthly average)	58	48.7
Average total working year of employees	13.7	14.0
MKK average working period	7.9	7.9
Employee Turnover	3.1	9.3

#### What We Do and Our Goals

We measure employee and IT service satisfaction and take action to maintain thereof at high levels.

We organize training on personal development and professional expertise and encourage employees to partake in academic studies.

We are working with the aim of raising the brand value and public awareness of MKK.

### Our Customers/Members

Issuers (issuers of securities such as shares, debt instruments, etc.), Investment Institutions (Banks, Intermediary Institutions, Participation Banks and Foreign Central Securities Depositories), Licensed Warehouses and Authorized Classifiers, Crowdfunding Platforms, Joint Stock Companies that issue bearer shares, organizations reporting transactions in derivatives and debt instruments, data distribution companies, PDP Member Companies and Funds, Companies that receive Central Database Services, Electronic Board Meeting System users, Electronic General Meeting System users, foreign investors, institutions and organizations utilizing technological solutions developed by MKK.

#### What We Do and Our Goals

We follow customer demands and measure levels of satisfaction by conducting customer interviews and satisfaction surveys. The rate of Customer Satisfaction in 2022 was 85%.

We extend our assistance to our members for any inquiries related to our products and services via the MKK Communication Center (MCC).

We provide our members with comprehensive training on our products and services.

## Regulatory and Supervisory Bodies and the Stock Exchange Group

Ministry of the Treasury and Finance, Ministry of Trade Ministry of Agriculture and Forestry, Ministry of Industry and Technology, the Capital Markets Board (CMB), Central Bank of the Republic of Türkiye (CBRT), Borsa İstanbul and Takasbank,

### What We Do and Our Goals

The legal infrastructure of all our new products and activities is being established with necessary permissions being obtained from the CMB and the CBRT.

We are carrying out the improvements requested by the CBRT and the CMB on a routine basis.

Our tariffs are submitted to the CMB for approval.

Intelligent reporting services on market data are provided to regulatory and supervisory authorities.

Within the scope of the Stock Exchange Group synergy, the necessary contributions are made to the activation of in-group processes and compliance is demonstrated.

## Society

Current or potential investors, Academics, Non-Governmental Organizations

### What We Do and Our Goals

- We diversify and improve the data and indices offered through PDP and DAP,
- We are developing and expanding the services offered via e-INVESTOR,
- We support academic studies and financial literacy,
- We cooperate with NGOs in activities supporting the markets.

Our Corporate Risk Management approach contributes to the establishment of a transparent and reliable capital market infrastructure, aligning with the goals and strategies of our organization through diligent adherence to the following guiding principles:

- In accordance with our corporate sustainability approach, our utmost focus resides in identifying and addressing any potential risks that may pose a threat to our human resources, society, environment, and ecological balance, and we uphold a zero-tolerance policy towards such risks.
- The identification and management of risks and opportunities that may impact the achievement of the objectives outlined in our organization 's strategic plan are conducted in accordance with the risk appetite framework.
- The Corporate Risk Management structure, which was established on the basis of global best practices, is continuously enhanced through the active engagement of our organization 's employees, and risk management is ensured to become a corporate culture.
- Risks that may threaten the confidentiality, integrity and accessibility of the data deposited in our organization are managed in accordance with the guidelines outlined in our Corporate Risk Management policy.
- The integration of the cyber resilience framework into corporate risk management operations is a strategic response to the escalating cyber threats associated with the increasing rate of digitalization.





# RISK MANAGEMENT

Our Corporate Risk Management approach contributes to the establishment of a transparent and reliable capital market infrastructure, aligning with the goals and strategies of our organization.

## RISK MANAGEMENT

### Corporate Risk Management Organization and Implementation Principles

Corporate Risk Management activities are conducted within organization, with the collective responsibility of all employees, organizational units, and senior management. The Corporate Risk Management Policy of our organization is set up by the Board of Directors of MKK, and the General Manager is responsible for the execution of the policy. The MKK Early Detection of Risk Committee (EDRC) is comprised of two members who have been authorized by the Board of Directors. Their primary responsibility is to assess the effectiveness and ongoing improvement of the Corporate Risk Management system. Additionally, the Committee conducts an annual assessment of the risk management framework and risk appetite. If necessary, updates are made to align with MKK's strategy and objectives, and submits it to the Board of Directors for approval.



## MKK Risk Appetite

Risk appetite refers to the level of risk that is deemed acceptable by the Board of Directors at any given time, taking into account the following aspects that are integral to the context of MKK. The risk appetite of our Organization has been approved by our Board of Directors and no major changes have occurred in 2023.

- Mission and Vision
- Strategies and Goals
- Social, Environmental, and Corporate Governance Principles
- Services Provided to Capital Markets
- Internal and External Stakeholders and Their Requirements
- Legal and Regulatory Requirements

According to the Risk Appetite statement, which has been developed by considering the above factors, risks classified as “Very High” and “High” surpass our risk appetite. Furthermore, the following are the issues for which we have no risk appetite:

### ASPECTS WITH NO RISK APPETITE

FINANCIAL	REPUTATION	COMPLIANCE	HUMAN RESOURCES	OPERATIONAL	ENVIRONMENTAL
<ul style="list-style-type: none"> <li>• Decisions that will negatively affect MKK's long-term financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Potential challenges that might adversely affect the reputation of our organization on a national and/or international scale include the unauthorized seizure of our organization's assets and personal data, compromising their accuracy and integrity, as well as rendering them inaccessible and inoperable</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance with obligations set forth by legal, legislative, supervisory, and regulatory authorities, failure to process personal data in accordance with Personal Data Protection Law (KVKK), and failure to fulfill obligations arising from KVKK</li> </ul>	<ul style="list-style-type: none"> <li>• Situations that pose a risk to the well-being and safety of MKK employees and guests, compromising occupational health and safety</li> <li>• Discrimination on the basis of race, language, religion or gender in terms of human resources policies</li> <li>• Failure to fulfill its obligations under the KVKK with regards to the storage of human resources data, to effectively protect personal data, and vulnerability to unauthorized access.</li> </ul>	<ul style="list-style-type: none"> <li>• Tasks and transactions that hinder our organization's activities in a reliable, transparent, effective, stable, fair, honest and competitive manner</li> <li>• System errors, information and data security breaches, disclosure of confidential information and failure to ensure personal data security</li> <li>• Within the scope of our operations, interruptions that may occur in all our services, particularly in the critical services provided to the capital markets</li> <li>• Interruptions in market activities caused by third-party business partners from whom services are received</li> <li>• Operational risks which arise in the implementation of strategic plans and changes which affect external customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Issues or decisions which may harm the environment, ecological balance and society</li> </ul>

## RISK MANAGEMENT

### MKK Corporate Risk Management Activities

Corporate Risk Management activities involve the systematic and effective execution of processes aimed at identifying, analyzing, measuring, developing and implementing risk response plans, as well as monitoring and reporting risks and opportunities at all levels that pose a threat to the long-term viability of Organization. The implementation of Corporate Risk Management activities is based on the ISO 31000 Corporate Risk Management System Standard, and are conducted in accordance with the Corporate Risk Management Policy and Procedure. Furthermore, our organization conducts Corporate Risk Management activities in accordance with the following legislation and international standards:

- Communiqué by the Capital Markets Board on the Determination and Implementation of Corporate Governance Principles
- Articles of Association of Merkezi Kayıt Kuruluşu Anonim Şirketi
- ISO 27001 Information Security Management System Standard
- ISO 22301 Business Continuity Management System Standard
- ISO 20000-1 IT Service Management System Standard
- ISO 27701 Personal Data Management System Standard

- ISO 9001 Quality Management System Standard
- COSO Internal Control Management System Framework
- COBIT Framework for Control Objectives for Information and Related Technology
- Principles for Financial Market Infrastructures (CPMI-IOSCO)
- International Institute of Internal Auditors (IIA) Triple Line Model

Within the scope of the goal of benchmarking the best practices in the sector, the process has been designed in detailed consultation with Borsa İstanbul and Takasbank and efforts are in progress to advance the process by creating synergy with all our stakeholders with a continuous improvement perspective. Within the scope of the risk assessment and review studies conducted in 2023, in alignment with the established rules in our policies and procedures, reports were submitted to EDRC and BoD on 28.03.2023, and to EDRC on 16.06.2023, 02.10.2023 and 09.01.2024.

The project for the end-to-end integration and automation of risk management and internal control processes through the application was finalized in the last quarter of 2023. With this project, the confidentiality, integrity, usability, and reporting of corporate risk management process data were managed in a highly effective, transparent, and systematic manner.



## Key Risk Indicators (KRIs)

Key risk indicators are proactive early warning signals that provide information on the likelihood of occurrence or the direction of the impact of risks that have the potential to substantially impact the institution's assets. Key risk indicators enhance the effectiveness of the risk management process.





## RISK MANAGEMENT

### Responding to Risks and Opportunities

Risks and opportunities within our Organization are managed in accordance with the established framework of risk appetite limits, aligning with our strategic plan. Risk response strategies are executed by considering our strategic goals for risks with a residual risk level above the risk appetite. During the process of assessing response strategies for the subject risks and opportunities, a comprehensive analysis is conducted based on metrics such as risk appetite, cost-benefit analysis, stakeholder value, and regulatory requirements, ultimately determining the most appropriate response.

#### Risk Assessment

Risk Assessment	Determination of Risk Response Strategies	Risk Avoidance	Risk Acceptance	Risk Improvement	Risk Transfer
		Hedging by avoiding risk related activity	Taking the risk and not taking action	Taking action to mitigate risks	Transfer of risk to third parties through the utilization of insurance mechanisms and the practice of outsourcing

#### Evaluation of Opportunities

Evaluation of Opportunities	Identifying Strategies for Responding to Opportunities	Exploiting	Maintaining	Enhancing	Sharing
		Leveraging the opportunity	Deliberately refraining from pursuing the opportunity	Implementing strategies to ensure the opportunity is fully leveraged	Sharing the benefits of the opportunity through the distribution of costs.



## WITHIN THE FRAMEWORK OF RISK APPETITE

Risks and opportunities in our Organization are managed within the framework of risk appetite limits that align with our strategic plan.

### Risk Prevention Strategies by Risk Category

In MKK, risk categories are classified in accordance with the Principles for Financial Market Infrastructures (CPMI-IOSCO). These categories include Compliance Risk, Credit and Liquidity Risk, Investment and Custody Risk, Operational Risk, and General Business Risk.

RISK CATEGORY	RISK DEFINITION	POSSIBLE RISKS	PREVENTION STRATEGIES
Compliance Risk	Legal sanctions that may be encountered as a result of non-compliance with the law and related sub-regulations by MKK and the possible risk of damage	<ul style="list-style-type: none"> <li>· Misinterpretation of the provisions of the law and related sub-regulations</li> <li>· Failure to comply with the law and related sub-regulations in a timely manner</li> <li>· Encountering criminal and legal sanctions for reasons such as damage to members or persons using MKK services due to practices contrary to the law and related sub-regulations or contracts</li> <li>· Failure to be informed of the Law and related sub-regulations in a timely manner due to the ineffective follow-up of the Official Gazette.</li> </ul>	<ul style="list-style-type: none"> <li>· Close contact with regulatory and supervisory institutions, especially CMB, Central Bank of the Republic of Türkiye (CBRT), Financial Crimes Investigation Board (MASAK), TR Ministry of Trade and TR Ministry of Treasury and Finance,</li> <li>· Assuming an active role in the implementation of regulations for the development, improvement and deepening of the markets,</li> <li>· Establishing open, transparent and fair regulations and oversight systems to ensure that the investor data stored is protected in a safe and stable manner.</li> <li>· Maximum awareness level of our employees regarding all legal activities.</li> </ul>

## RISK MANAGEMENT

<b>Credit and Liquidity Risk</b>	<p>Credit risk is the risk that a counterparty with a financial obligation to MKK will not be able to fulfill these financial obligations at any time in the future or when they become due. This risk may arise from the bankruptcy or default of the counterparty. Liquidity risk is the risk that a counterparty that has a financial obligation to the MKK will not have sufficient funds to meet these financial obligations on maturity, even if it is able to meet its obligations in the future.</p>	<ul style="list-style-type: none"> <li>· Inability to pay for services as a result of bankruptcy or default of members or persons or organizations using the services</li> <li>· Financial loss due to reasons such as the failure to recover advances offered to suppliers</li> <li>· Inability of members, individuals or organizations benefiting from services to pay their service fees on time due to a temporary liquidity crunch, despite their power</li> <li>· In the event of an interruption to services received from suppliers, the company suffers a loss due to reasons such as the advance to be made by MKK cannot be paid immediately due to a temporary liquidity shortage, but is in a condition that can be paid in the near future.</li> </ul>	<ul style="list-style-type: none"> <li>· Effective management of Restructuring Plans devised to take essential precautions against potential risks that may arise within the established parameters.</li> <li>· In case the obligation regarding the delivery of capital market instruments kept at MKK to investors cannot be fulfilled due to reasons arising from investment institutions, the Investor Compensation Center, established to pay the investor up to the compensation amount determined by the Capital Markets Board, comes into play.</li> <li>· The necessary precautions are taken to ensure that MKK's paid-in capital and equity structure are at a level that minimizes the impact of counterparty credit and liquidity risks that may arise as a result of its activities, and that the maximum technical provision is set aside.</li> <li>· Default and collateralization mechanisms within the scope of the current Borsa İstanbul and Takasbank regulations for the cases where our members may default in the clearing processes due to potential financial challenges.</li> </ul>
<b>Investment and Custody Risk</b>	<p>Investment risk refers to the risk of financial loss which may be encountered when converting MKK's cash assets into investments. If cash assets are directed to investment using various investment instruments, they may be exposed to market and credit risks. Custody risk, on the other hand, refers to the risk of loss that may arise due to ineffective process management of MKK assets (such as cash or securities) held in the custodian, causing misconduct, incorrect records, operational errors or inability to retrieve assets as a result of bankruptcy.</p>	<ul style="list-style-type: none"> <li>· Decrease in the market value of capital market instruments or securities</li> <li>· Failure of issuers of capital market instruments or securities to pay their debts on time</li> <li>· In case the said instrument or securities are to be converted into cash before maturity, loss of investment carried out due to reasons such as a lack of buyers in the market, a shallow market or a low market price</li> <li>· Bankruptcy of banks in which MKK cash assets are kept as deposits</li> <li>· Bank employees committing misconduct in connection to MKK deposits</li> <li>· Failure to recover MKK deposits in a timely manner due to the operational errors, negligence or incorrect records at the bank.</li> <li>· Bankruptcy of banks or custodians where capital market instruments or securities owned by MKK are held</li> </ul>	<ul style="list-style-type: none"> <li>· Within the framework of the Recovery Plan of our organization, four main measures are in force to ensure the sound functioning of its core functions and to ensure that any problems arising from the members do not affect the system or the financial situation of MKK to cover losses in case of any adverse situation.             <ol style="list-style-type: none"> <li>1. Collateral mechanism related to stock market transactions,</li> <li>2. Investor Compensation Center, extraordinary reserves within the scope of strengthening MKK capital,</li> <li>3. Allocating,</li> <li>4. Professional liability and crime policies,</li> </ol> </li> <li>· By establishing similar measures in respect to our credit and liquidity risks, care is taken to ensure that the paid-in capital and equity structure of MKK is at a level which keeps the impact of investment and custody risks that may arise from its activities to a minimum, and to allocate the maximum level of technical reserves.</li> </ul>

<b>General Business Risk</b>	<p>This is the risk of a deterioration in the financial situation of MKK due to the inability to maintain a balance between income and expenses, and a loss of operations. General Business Risk refers to the financial risks arising from the activities of MKK as a business.</p>	<ul style="list-style-type: none"> <li>· Risks arising from errors in the business strategy</li> <li>· Inability of cash inflows to meet the cash outflows as a result of disruptions in cash flow</li> <li>· Operational losses arising from extraordinary reasons (such as natural disasters, epidemics or cyber-attacks),</li> <li>· Loss in company activity and harm to the financials due to reasons such as a lack of process recovery plans or ineffective management</li> </ul>	<ul style="list-style-type: none"> <li>· Management of short- or long-term assets and liabilities in our statement of financial position in terms of interest or maturity, such that no short positions are allowed.</li> <li>· The Business Continuity Management System, which is effectively managed and documented (In the event of a problem, our process recovery plans will be activated, and our organization will be protected from any resulting damages);</li> <li>· Eliminating the risks that may arise by utilizing restructuring resources within the scope of restructuring plans.</li> </ul>
<b>Operational Risks</b>	<p>Such risks include information system vulnerabilities, threats to human resources or business continuity, ineffective processes, external interruption risks, epidemics, disruption or interruptions to MKK's services.</p>	<ul style="list-style-type: none"> <li>· Compromises to the confidentiality, integrity and accessibility of information, loss of image, reputation and income or violation of legislation arising from information technology-based risks,</li> <li>· Inaccessibility of our services, loss of image, reputation and income may or violation of legislation arising from of business continuity risks.</li> <li>· Deterioration of confidentiality, integrity and accessibility of information, loss of image, reputation and income, and violation of legislation due to information security and cyber risks.</li> <li>· Failure to ensure the sustainability of services as a result of human resource risks</li> <li>· Emergence of occurrences and conditions that endanger human health and disrupt service continuity</li> </ul>	<ul style="list-style-type: none"> <li>· Since any service interruption will result in a loss of reputation and income, continuous monitoring of the systems and adherence to performance criteria,</li> <li>· Control and warning mechanisms for systemic risks and information channels established to monitor the operation of the system,</li> <li>· Effective operation of business continuity strategies and plans designed to ensure the cyber and operational resilience of our organization,</li> <li>· Protecting the confidentiality, integrity and accessibility of stored data with cyber security measures, regular penetration tests, vulnerability scans and other independent security audits that are effectively implemented within the framework of cyber resilience,</li> <li>· Implementation of human resources strategies for the employment and retention of competent and sufficient human resources,</li> <li>· Ensuring the continuity of our services at the expected level thanks to our business continuity policies that prioritize human health and life safety.</li> </ul>

## RISK MANAGEMENT

### Internal Control System and Compliance Management

The internal control system activities of our organization are based on the relevant laws and regulations, the Three Lines Model of the Institute of Internal Auditors (IIA) and the COSO internal control system standard, COBIT Control Objectives for Information and Related Technology and the ISO 27001 Information Security Management System (ISMS), ISO 22301 Business Continuity Management System (BCMS), ISO 20000 Information Technologies Service Management System and ISO 27701 Personal Data Management System standards. The duties, powers and responsibilities of all units working in the three lines model, as well as the regulation and reporting mechanisms have been determined on the basis of the line in which they are located.

Within the scope of internal control system monitoring activities performed in MKK, control monitoring activities are carried out hourly, daily, monthly, quarterly, semiannually, annually in order to measure and evaluate the operability and effectiveness of controls from a risk-based perspective and to reveal control vulnerabilities. The control monitoring activities are aimed at identifying and eliminating control gaps with the results obtained, as well as operating a more effective risk management and internal control system throughout the organization.

As part of the internal control monitoring activities conducted in 2023,

- 186 control monitoring activities out of 1,060 controls implemented by the first line were identified.

- In the 1<sup>st</sup> term of 2023, 69 risk-based control monitoring activities were conducted.
- In the 2<sup>nd</sup> term of 2023, 117 control monitoring activities were conducted.
- Immediate actions regarding the issues identified as non-conformities were taken. Results including monitoring efforts were reported to our Senior Management on 15 August 2023 and 5 February 2024.

The main control activities conducted in our organization are as follows:

- The external stakeholders of our organization are periodically informed of the possible risks that they may face within the scope of Information Security and the measures that need to be taken through the corporate website, e-mail or the e-INVESTOR application.
- In order to mitigate unauthorized access risks in our organization's applications and services, a review of user access permissions is being conducted. Within this scope, robust controls have been established and the effectiveness and efficiency of these controls are measured by Internal Control and the outputs are reported.
- Counterparty risks in our organization are comprehensively considered, technical competence and risk analysis is carried out before working with suppliers and the reliability and technical competence of suppliers is measured in the context of information security and business continuity. All data is included among supplier selection criteria and external cyber security threats are eliminated.

Within the scope of internal control system monitoring activities performed in MKK, control monitoring activities are carried out hourly, daily, monthly, quarterly, semiannually, annually in order to measure and evaluate the operability and effectiveness of controls from a risk-based perspective and to reveal control vulnerabilities.





**Governance Body:** The Governance Body, which includes members such as the Board of Directors of MKK, Early Detection of Risk Committee, Audit Committee and the CEO, and which undertakes the mission of accountability to stakeholders in corporate oversight. It is a managerial level that provides action and assurance.

**Management:** The level formed by the First and Second Lines, which play an active role in the realization of corporate goals and strategies.

**First Line:** The IT and business units, which ensure that the services offered by our organization are brought to the beneficiaries, and which bear responsibility for the risks that may arise during the course of their activities, and implement the controls.

**Second Line:** The units which perform support, consultancy and reporting functions in order to ensure that information security, risk management, internal control, compliance, quality and process management activities are conducted effectively by the first line.

**Third Line (Internal Audit):** Coordination, cooperation and communication with the Head Office and other units in the organization regarding the effectiveness and efficiency of governance, internal control, compliance and risk management systems, including the activities of the first and second lines, as well as providing reasonable assurance and advice to the Audit Committee and the Board of Directors within the framework of the principles of impartiality and independence.

**External Assurance Providers:** The regulatory and supervisory public authorities and external audit firms, including the CMB, CBRT, MASAK, the Ministry of Trade and Trade and the Ministry of Treasury and Finance.

## Compliance Management

In accordance with Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and related sub-regulations, MKK has been granted a system operator activity license. Within this framework, activities are carried out in accordance with the regulations published by the regulatory and supervisory authorities. On the other hand, our organization meets the requests for information from various international regulatory bodies of which MKK is a member, foreign central securities depository institutions and global custodian banks.

In this context, in 2023, we addressed 13 sets of inquiries pertaining to risk management, information security, internal control, compliance, insurance, cyber security, data protection, business continuity, social and cultural policies, made by institutions such as the CBRT, CMB, the Association of Global Custodians, Clearstream, Bank of America, Thomas Murray, Associations of Global Custodians, Euroclear, JP Morgan, the International Organization of Securities Commissions (IOSCO), and Committee on Payments and Market Infrastructures (CPMI), and also fulfilled the information requests as needed within the framework of “due diligence”. Additionally, participation was ensured in the Capital Markets Information Security and Cyber Resilience Level of Awareness Survey, which was developed under the coordination of Borsa İstanbul A.Ş.

Furthermore, in alignment with the CPMI-IOSCO Principles on Financial Market Infrastructures (PFMI) conveyed to our Organization through IOSCO, gap analysis studies were conducted concerning the General Business Risk category, and no significant non-conformances were detected within our Organization.

There are no significant lawsuits filed against our company in 2023.

## RISK MANAGEMENT

### Information Security Management

The ISMS was established to secure the confidentiality, integrity and accessibility of information regarding the services it provides to its members, investors and to all stakeholders. The system has been audited by international audit firms since March 2009 and it was granted the ISO 27001 ISMS certification. An internationally accredited independent audit company conducted a follow-up audit on 18-28 April 2023, to ensure compliance with ISO 27001 2023 ISMS Standard. The certificate obtained from this audit will remain valid until May 2026.

In order to ensure the confidentiality, integrity and accessibility of critical information and data within our organization, the necessary security measures are determined, and the processes and activities to be carried out to implement the determined measures are designed, defined, executed and reported.

To ensure the timely detection of security vulnerabilities in corporate applications, corporate network, and system components, regular scanning is conducted using security vulnerability scanning tools, and the policies and processes to be implemented are defined, executed and reported.

Regular external and internal penetration tests are conducted to assess the security vulnerabilities and level of potential attacks on the corporate systems. Additionally, the Cyber Threat Intelligence service is utilized to gather and provide any critical threats that could potentially compromise the business aspects or the overall cyber security of the institution within the digital environment.

The Central Track Records Management System is utilized for managing information security activities. It oversees the collection, monitoring, and protection of track records, ensuring that these processes are defined, executed, and reported on.

Where data is taken out of storage areas (e-mail, removable media and printouts, file uploads to be made over the internet, etc.), it is checked and recorded through the Data Leakage Prevention (DLP) system and the Data Leakage Prevention application, within the framework of the criteria determined on the basis of records, the disclosure of which can be considered a violation of privacy. Given the paramount importance of data privacy within MKK, we undertook research studies in 2023 focused on new products and services, aiming to enhance the security measures of our existing data leakage prevention application, ensuring they are both comprehensive and functional.

All applications that MKK supports within the capital markets have their data securely stored in databases. In 2023, the Database Activity Monitoring (DAM) product was determined and provided to effectively monitor, report, and classify data, as well as to identify sensitive data related to transactions within

our critical databases to ensure secure access to databases, detect security vulnerabilities and configuration errors, and manage transactions conducted by privileged authorized users. The product's installation plan has been finalized, aiming for active utilization in 2024. Furthermore, research studies were undertaken to explore new products and applications, particularly in the context of enhancing studies focused on web application security.

Information Security awareness is enhanced within the organization through phishing e-mails sent to all employees. Additionally, the significance of data security is emphasized through monthly Information Security bulletins, whereby employees are informed about prevailing security issues and vulnerabilities, enhancing their awareness of information security.

### Personal Data Management System

ISO/IEC 27701:2019 is a standard that outlines the requirements and provides guidance for the establishment, implementation, maintenance and continuous improvement of a Personal Data Management System (PDMS) integrated with ISO/IEC 27001 ISMS for the management of data privacy.

As part of the ISO 27701 Privacy Information Management System (PIMS) Compliance Standard project, the establishment of ISO 27701 PIMS, compliance with the standard, and certification acquisition processes were successfully completed in MKK, and an external audit was conducted by an internationally accredited independent audit firm between the dates 18 and 28 April 2023, and MKK was granted the certification on 22 May 2023. The certificate will be valid until May 2026. With this document, the issues of data privacy and protection, which have gained prominence with the Personal Data Protection Law (KVKK) and the European Union General Data Protection Regulation (GDPR), have been addressed comprehensively and systematically in our Organization.

All data is classified and labeled according to the information classes determined based on the Confidentiality of Personal Data and the criticality of the data stored within our organization.

### Efforts Conducted in Compliance with the Presidency of Republic of Türkiye Digital Transformation Office (DTO) Information and Communication Security Guide

The Presidential Circular No. 2019/12 on Information and Communication Security Measures was published in the Official Gazette dated 6 July 2019 no. 30823, in order to establish the general measures to be taken within the scope of information and communication security of public institutions and businesses providing critical infrastructure

services. In accordance with the published circular, the Information and Communication Security Guide (the Guide) was prepared with the participation of the stakeholders under the coordination of DTO. The objective is to incorporate the implementation process outlined in the scope of the guide into our information security management system processes and to fully comply with the measures specified in the scope of our information security risk management efforts. In pursuit of this objective, consolidation endeavors have persisted regarding matters for which full compliance is in progress in 2023.

The primary objective of this guide is to establish security measures that effectively mitigate potential threats that may compromise the confidentiality, integrity, and accessibility of data stored within our organization, and to outline the necessary steps and actions required for the successful implementation of these identified security measures. In this context, to execute the pertinent compliance activities in collaboration with stakeholder teams and to systematically track them, the monitoring and review of the process persisted throughout 2023. Within the scope of the “Information and Communication Security Guide Implementation Process,” a review of the Change Management requirements was conducted, encompassing both the modifications pertinent to the guide and the existing asset inventories of our Organization in the year 2023. In accordance with the primary asset groups outlined in the guide, a thorough re-evaluation of the criticality of these asset groups was conducted in collaboration with the relevant teams, leading to the implementation of essential updates.

Information and Communication Security Compliance and Audit Monitoring System. The monitoring and control activities of the studies conducted within the life cycle of the guide are implemented to ensure effective control and precautionary measures. During the phase of control and precautionary measures, audit activities were conducted to assess the implementation status of the measures outlined in the guide.

### **Cyber Resilience and Operational Sustainability**

MKK's activities to increase its cyber resilience continue to prevent types of attacks such as phishing, ransomware and social engineering. In this particular context, security solutions aimed at enhancing cyber resilience, such as End Point Detection and Response (EDR) and Network Detection and Response (NDR), were implemented. Borsa İstanbul, Takasbank, and MKK established the Cyber Security Center (SGM) in January 2023, where cyber security incidents are monitored, analyzed, and appropriate actions are taken against potential situations. This center, which is comprised of security analysts, security engineers, and managers who

oversee security operations, informs relevant institutions around-the-clock to monitor, detect, analyze, and respond to cyber threats.

As the implementation component of the overall cybersecurity framework, the security operations team also serves as a centralized point of coordination for monitoring, evaluation, and attack defense. In addition, it offers services within the organization pertaining to the safeguarding of digital asset rights, personal data, business systems, and brand integrity.

Cyber-Attack Simulation Product tests the efficacy of the Organization's security systems within a production environment by employing actual attack methods utilized by attackers, thereby identifying both the strengths and weaknesses of the defense layers. This product aims to enhance the level of security by optimizing the utilization of existing security solutions, accompanied by specific improvement suggestions for security products.

In the context of MKK's IT infrastructure transition studies to container infrastructure, the security platform plays a crucial role in identifying potential security vulnerabilities during the container runtime, image creation phase, and distribution. It also establishes and implements security policies, thereby enhancing the overall security of our container infrastructure.

As part of the Sector Campus program initiated by the National Technology Academy of the Republic of Türkiye's Ministry of Industry and Technology, the “Cyber Resilience and Operational Sustainability” course commenced at Gümüşhane University in 2023. During the 14-week fall semester of the Cyber Resilience and Operational Sustainability course, training encompassed Information Security, Cyber Security, Cyber Resilience, Operational Sustainability, Business Continuity, Process Management, and Enterprise Risk Management. A workshop on Global Cyber Attack Case Studies was conducted on 9 November 2023, coordinated by the MKK Information Security and Risk Management Directorate.

Perspectives and assessments were exchanged during the “Modernization of Cyber Security Operations with Artificial Intelligence (AI) and Machine Learning (ML)” panel at the Future of CISO Summit organized by CXO Medya on 6 December 2023, which focused on cyber security practices in the industry, featuring information security managers as panelists.

## RISK MANAGEMENT

## Cyber Resilience and Operational Sustainability Framework

Activity	Methods Employed
DEFINITION OF CYBER RESILIENCE AND OPERATIONAL SUSTAINABILITY FRAMEWORK	<b>Asset Management</b> The assets in our inventories, established according to the asset group categories outlined in the Information and Communication Security Guide of the Digital Transformation Office of the Presidency of the Republic of Türkiye, are evaluated through criticality analyses, and corresponding security measures are implemented based on the assessed risk levels.
	<b>Process Management Aligned with Organizational Strategies</b> The aspects comprising the organizational context, including vision, mission, goals, internal and external stakeholders, services, and activities, are prioritized based on their criticality. In accordance with MKK's operational resilience principles, defining the roles and duties of pertinent organizational units and making binding decisions concerning Enterprise Risk Management is a significant milestone for prioritizing our critical services.
	<b>Governance Activities</b> In order to effectively manage the requirements and associated risks that MKK is required to comply with under regulatory and supervisory authorities, appropriate policies, procedures, and processes are developed. To ensure compliance with relevant internal and external regulations for activities conducted within our Organization, policies for Information Security and Cyber Security, Business Continuity, IT Service Management, Corporate Risk Management, Internal Control and Compliance, Quality and Process Management, and Personal Data Management have been established. Roles and responsibilities have been defined taking into account the needs of both internal and external stakeholders and are managed effectively.
	<b>Enterprise Risk Management Strategy</b> MKK has developed a robust Enterprise Risk Management process to address financial, operational, reputational, and compliance risks associated with the services provided to customers, with particular emphasis on cyber security and information security risks. Threats and vulnerabilities are identified through a variety of methodologies, the potential impacts and likelihoods of the risks are meticulously analyzed, and appropriate risk response strategies are executed.
	<b>MKK Risk Appetite Statement</b> The Risk Appetite Statement, which is formulated in alignment with our Organization's strategy and goals and reviewed annually, prioritizes and manages risks based on their criticality.
PROTECTION OF ASSETS	<b>Access Controls</b> The right to access assets and physical environments is granted to authorized persons only as a critical component of MKK's resilience framework. Access is consistently monitored, reviewed, and reported. Multi-factor authentication methods are implemented to regulate remote access. The principles of least privilege and segregation of duties are implemented in the management of access authorization.
	<b>Awareness and Training</b> In order to enhance the awareness of our employees about management systems, awareness training programs are organized, monthly bulletins are published, posters are displayed in common areas, phishing e-mails are sent, and employees are encouraged to fulfill their duties and responsibilities appropriately adhering to relevant information management system policies and procedures. In accordance with information security and confidentiality agreements signed with third parties and confidentiality clauses in contracts, MKK's protection in terms of cyber security, business continuity, and information security is enhanced to the highest level. Our Organization's external stakeholders are kept informed about the potential cyber risks associated with the applications we provide services and the measures they can adopt.
	<b>Data Security</b> Data stored within MKK is safeguarded by appropriate risk control strategies and principles, ensuring its confidentiality, integrity, and accessibility. Data is classified and labeled based on its criticality, and unauthorized access to data is restricted. Data leakage is prevented through the implementation of data leakage prevention processes and practices.
	<b>Data Protection Procedures and Processes</b> Robust information security policies are established to protect and ensure the continuity of MKK's information system assets, processes, and procedures.
	<b>Maintenance and Repair of Information System Components</b> In order to enhance cyber and operational resilience, maintenance and repair of our information system components are conducted in strict alignment with policies and procedures. Maintenance and repair of information system assets are monitored over specified threshold values, ensuring timely execution, and all transactions are duly recorded.
	<b>Technical Security Controls</b> In accordance with relevant policies, procedures, and contracts, technical security solutions are implemented to ensure the security and resilience of systems and assets.

Activity	Methods Employed
DETECTION	<b>Detection of Threats and Vulnerabilities</b> Timely detection of anomalous activities within our systems is achieved through methods including checks conducted via the central monitoring application, as well as penetration testing and vulnerability scanning. To prevent the possibility of a relevant threat and vulnerability escalating into a performance issue or disruption, their potential impacts are thoroughly examined, and appropriate corrective measures are implemented. Key risk indicators pertaining to potential interruptions and performance issues are established, monitored, and regulated within the confines of specified threshold values.
	<b>Continuous Security Monitoring</b> The information systems assets of MKK are under constant monitoring to detect potential cybersecurity and business continuity threats, enabling the implementation of preventive measures.
	<b>Risk Detection Processes</b> Risk detection processes and procedures are monitored and controlled in order to ensure prompt and adequate awareness of anomalous activities, threats and vulnerabilities.
INCIDENT INTERVENTION	<b>Planning of Incident Intervention Strategies</b> In order to provide timely intervention to incidents related to cybersecurity and business continuity, incident intervention processes and procedures have been established and effectively managed in our Company. In the event of an incident that may cause interruption and/or performance problems in our services, appropriate incident intervention plans are put into effect.
	<b>Communication</b> As part of the MKK Incident Management Structure, the communication process and the designated communication channels to be utilized by the relevant teams in the event of cybersecurity and business continuity incidents that pose a threat to service continuity have been established.
	<b>Root Cause Analysis</b> In the occurrence of an incident, studies are conducted by the relevant teams to initiate the required intervention and recovery measures. The root cause and impact of the incident are identified, and permanent solutions are provided to prevent future recurrence.
	<b>Mitigation</b> Corrective actions are taken to mitigate the potential impacts of the incident and to eliminate the incident.
	<b>Continuous Improvement</b> Insights derived from root cause analyses and permanent solutions related to the incidents are recorded.
PROCESS RECOVERY	<b>Process Recovery Plans</b> Our Business Continuity strategies include process recovery plans to be implemented during and after an incident to ensure the continuity of our services within specified target recovery times, addressing cyber security incidents, system performance issues, and interruptions that may threaten service continuity.
	<b>Continuous Improvement</b> The root causes of potential interruptions and/or performance problems in services are examined, insights are derived, and permanent solutions are provided.
	<b>Communication</b> The incident response management structure is operational. The communication protocols for emergency teams during an incident have been established. In the occurrence of any incident threatening human life and safety, the Crisis Management Committee convenes urgently and makes decisions on the actions to be taken.



## RISK MANAGEMENT

### Business Continuity Management

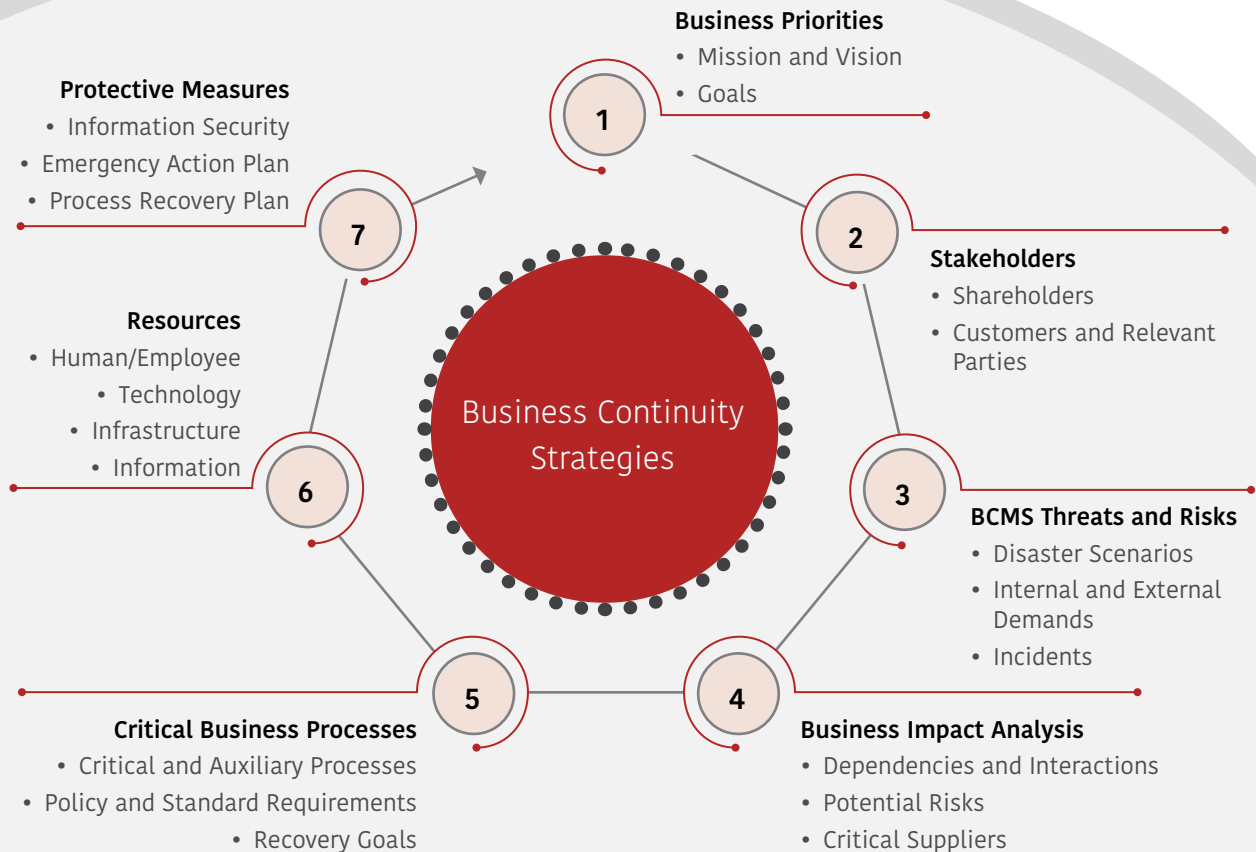
The establishment of the MKK Business Continuity Policy aims to safeguard human life, effectively handle disruptions, mitigate losses of systems and resources, and fulfill legal obligations in the event of crises or incidents that hinder the accomplishment of the MKK mission and vision as determined by the MKK Board of Directors.

The development of the MKK Business Continuity Policy incorporates several key factors, including the significance of MKK within Türkiye's financial infrastructure, its legal obligations and responsibilities, compliance with the ISO 22301 BCMS standard, and adherence to the Information Systems Communiqués issued by the Capital Markets Board and the Central Bank of the Republic of Türkiye. Additionally, the policy encompasses all services provided by the institution. In this regard, business continuity scope has been established.

The main objective of the MKK Business Continuity Management System (BCMS) is to ensure the safety of MKK employees and guests during extraordinary situations that

could potentially disrupt MKK's commercial activities and operations. Besides, MKK BCMS aims to ensure that the capacity to deliver services to members, investors, customers, and stakeholders is upheld at pre-specified acceptable levels by assessing the information regarding business processes within the parameters of confidentiality, integrity, and accessibility and ensuring a prompt, precise, and efficient return to normal following any disruption.

Business Continuity strategies have been formulated, and Business Continuity Plans have been developed by considering the mission, vision, strategic goals, risks, and opportunities of our Organization. Business continuity plans encompass disaster scenarios that could impact MKK's critical services. In order to verify the effectiveness of business continuity strategies and solutions, annual in-house testing programs for applications and services have been planned and executed. In line with the designated roles and responsibilities of the teams in the MKK business continuity organization, coupled with the training programs provided to all employees and awareness studies carried out every year, it has been ensured



that they possess the capability to respond promptly to unanticipated events.

Necessary precautions against events and situations that MKK may encounter are handled within the scope of the BCMS, which is carried out in accordance with the policies and procedures approved by MKK management. MKK demonstrates a steadfast dedication to ensuring uninterrupted operations in its provision of services to members and other stakeholders, with a particular focus on the CDS. The primary objective is to mitigate the adverse implications including legal, financial, reputational, and operational impacts, arising from incidents occurring in extraordinary situations. All services of our Organization undergo review annually within the scope of Business Impact Analysis, taking into account institutional dependencies in collaboration with process owners, to identify critical processes. All our critical services are maintained within a redundant framework in ODVM.

In order to take action in a timely and effective manner for events that can be defined as business interruption, loss, emergency or crisis regarding performance problems that may cause disruption or performance problems that may cause interruption in our organization's services, the incident management structure is taken into account and the up-to-datedness of communication channels is tested by communicating with the relevant parties.

To ensure the effectiveness of its business continuity strategy and solutions, MKK consistently takes measures and performs enhancements. To assess and report the measures taken and enhancements performed in relation to corporate performance indicators, Borsa İstanbul and Takasbank organize annual emergency drills including MKK employees, members, and stakeholders. In this regard, the Emergency Drill conducted in 2023 was successfully concluded on 25 November 2023, and corrective measures for the development areas identified through the drill results and stakeholder feedback are being systematically implemented and executed. In addition, studies were conducted to diversify the business continuity scenarios pertaining to our services integrated with the Borsa İstanbul Group.

In order to ensure compliance with the ISO 22301:2019 BCMS standard and to achieve the objective of continuously enhancing our organization's business continuity practices, regular audits are conducted for renewal and follow-up purposes, and corrective and preventative measures are consistently deployed. The external audit conducted by an internationally accredited independent audit firm on 20-21 September 2023 was successfully concluded, thereby ensuring the continuity of our Organization's BCMS certification until October 2025.

## Information Technology Service Management

MKK established an Information Technologies Service Management System, taking the ISO 20000-1:2018 Information Technologies Service Management System standard as a reference, in order to provide the information technology services it provides for the needs of its internal and external customers at the determined level and quality and to ensure the compliance of its activities with the relevant legislation.

Our organization aims to maintain the highest level of internal and external customer satisfaction by constantly improving the services provided.

Within the scope of Information Technologies Service Management System, a service catalog was created including information technology services that will meet customer expectations and requirements and create added value for customers. Management processes have been designed for all stages of the Service Lifecycle, and process ownership and performance indicators have been defined. Performance measurement and reporting are carried out in periods determined for the purpose of continuous improvement. The necessary financial investment for the development of these resources is provided by the management, and the skills and competencies of the staff involved in the provision of the service are utilized in the most appropriate way. Capacity planning is undertaken by constantly analyzing the resource needs and costs of the services provided.

ISMS, PIMS and BCMS are implemented to ensure the continuity and security of the IT Service Infrastructure. Action plans are put in place and tested periodically to maintain the continuity of information technology systems in extraordinary situations. Problems experienced in the systems are handled in accordance with the SLA (Service Level Agreements) limits and necessary plans are drawn up in order to provide an uninterrupted service. Root causes of recurring events are identified within the framework of Problem Management and permanent solutions are offered. Changes to the system and software are planned and implemented by performing impact analysis.

## RISK MANAGEMENT

Risk assessment regarding services is carried out and necessary risk management strategies are implemented. Service levels agreed with members are reported and reviewed regularly. The services provided by suppliers are set by contracts. They are measured and monitored to ensure compliance with service levels agreed with members.

By evaluating members' feedbacks, their level of satisfaction is increased, and continuous improvement is established through corrective actions.

With the criteria of confidentiality, integrity, and accessibility, which are the information security factors for our suppliers, qualitative and quantitative assessments are conducted as part of an analysis of business impact, and criticality levels are determined. Risk analyses are conducted for our critical suppliers as part of the supplier selection process. To ensure Service Continuity, studies are conducted to explore alternatives for all of our suppliers, particularly our critical suppliers who support our services and processes.

Performance assessments of all our suppliers that provide products and services to our organization are conducted by considering the criteria determined annually and necessary actions are taken based on the established criteria in accordance with the provided supplier score.

Within the scope of compliance with the ISO 20000-1:2018 Information Technologies Service Management System (ITSMS) standard, annual renewal or follow-up audit activities are conducted, and corrective actions are consistently taken for the areas identified for development. The external audit conducted by an internationally accredited independent audit firm on 05-06 October 2023 was successfully completed, thereby ensuring the continuity of our Organization's ITSMS certification until December 2024.

## Quality and Process Management

A Quality Management System (QMS) has been established in our Organization in order to function as an effective central securities depository and trade repository organization that develops products and delivers services to the capital markets on a global scale and at defined standards. MKK aims at addressing the needs and demands of both internal and customers at the highest standard through a holistic and continuous improvement approach utilizing the QMS.

In this context, an effective organizational structure combined with strong senior management leadership ensures that a culture of continuous development and improvement is embedded within the organization by actively involving all employees in the processes of setting corporate goals, developing solutions, and making decisions. Awareness studies are conducted to consistently enhance the motivation and development of MKK employees.

In order to ensure that MKK systems are implemented with an emphasis on quality, authority, responsibility, and relationships, system applications have been established within the framework of the defined quality policy of our Organization. In addition to the application and service, assessments are made on the way employees work, the execution of systems and policies, performance evaluations of applications and software and service levels.

In accordance with international standards, framework documents, and best practices, reporting activities are conducted to ensure that services are delivered with defined and measurable processes, aligned with corporate strategy and policies. These activities encompass the monitoring and

evaluation of people, processes, policies, procedures, metrics, targets, and related continuous improvement efforts, with the aim of generating outputs that are of repeatable and desired quality.

The ownership of all processes pertaining to MKK operations is established, essential workflow points and control areas are determined in collaboration with process owners, process performance is monitored through requisite measurements, and opportunities for continuous improvement and development are identified.

In compliance with ISO 9001:2015 Quality Management System (QMS) Standard, the establishment of QMS and certification processes in our Organization have been successfully completed. An independent auditing firm with international accreditation conducted the external audit from 20 to 22 September 2023, resulting in the successful completion and certification of our Organization.

Within the scope of COBIT 2019 compliance studies, in order to enhance the maturity of our Organization's information and technology governance and management, annual reviews of the established maturity levels are provided and activities are conducted for development areas.

#### **Internal Audit**

In order to carry out the service and operations of our organization in a regular, efficient and effective manner in accordance with the relevant legislation, an internal audit of all units has been performed on a risk-based approach. In this process, the effectiveness of risk management, internal control and governance processes was evaluated. The internal audit reports were submitted to the Audit Committee and the Board of Directors in 2023. By following the findings determined as a result of internal audits,

internal audits of management systems and independent audits, it was ensured that the necessary actions were taken by the relevant departments. The audit results and the reports prepared on the follow-up of the findings and the "2022 Internal Audit Directorate Annual Report" were presented at the Audit Committee meetings.

Internal audits were conducted in compliance with the Management Systems standards ISO-20000 ITSMS, ISO-27001 ISMS and ISO-22301 BSMS Standards and the results were reported to the senior management and relevant units. The coordination of the independent external audits carried out in our organization has been ensured. In this framework, the information systems independent audit of our organization for the year 2023 was performed by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., and the Independent Auditor provided an unmodified opinion.

In alignment with the Presidential Circular regarding Information and Communication Security Measures, effective July 6, 2019, institutions and organizations are mandated to fulfill their compliance obligations as outlined in the Guide and to conduct audits annually to assess the appropriateness of the activities undertaken and the measures implemented. In this context, audit activities were conducted to assess the implementation status of the measures outlined in the Information and Communication Security Guide, considering the risk-focused approach within the framework of the methodology specified in the Information and Communication Security Audit Guide.





# CORPORATE GOVERNANCE

Despite the fact that MKK is not a publicly traded company, it is committed to complying to the fullest extent with the corporate governance principles stipulated in the Corporate Governance Communiqué and annexes.

## ABOUT MKK

As the Central Securities Depository and Trade Repository of the Turkish capital markets, Merkezi Kayıt Kuruluşu A.Ş. (MKK) provides its members with depository, trade repository and reporting, corporate governance and investor services. MKK also offers in-house developed data and technology systems and platforms to local and foreign capital markets as part of its role as an R&D center.

### What is a Central Securities Depository?

Central Securities Depositories are among the most important post-trade institutions in capital markets. A Central Securities Depository (CSD) is an institution conducting at least one of the following activities; operating a Securities Settlement System (SSS), performing first registry of securities (notary service) and holding securities accounts centrally at the highest level (central maintenance service). A SSS is defined as a system in which securities transfer instructions are executed in accordance with the European Union Settlement Finality Directive numbered 98/26; article 2, section “i”, subsection 2. The core component of central depository function is to operate a central system, in which securities are issued, held in accounts either at participant or beneficial owner basis, traded, and their respective rights are installed.

MKK is a central body that undertakes this task by law, where capital market instruments are issued in dematerialized form, capital market instruments are registered in accounts opened on a beneficial owner basis, rights on these instruments are monitored and legal consequences are attached to their records. In other words, it is a central system in which securities are issued, held in beneficial owner accounts, transferred and their respective rights are installed. Therefore, MKK, with its current structure is the CSD of Türkiye.

### History of Central Depository in Türkiye

The İstanbul Stock Exchange (ISE) Settlement and Custody, Inc., which was established by the ISE in 1992, was the authorized central settlement and depository institution conducting settlement of transactions in cash and securities on the ISE markets. In Türkiye, the ISE Settlement and Custody, Inc. physically kept publicly traded shares of companies listed on the stock exchange in its vaults, on a participant based immobilized system until 1995. After the financial crisis in 1994, as a result of the bankruptcy of some financial intermediaries, ISE Settlement and Custody, Inc. was entrusted with the task of establishing an investor-based immobilized system for publicly traded shares of companies listed on the stock exchange by the decree of the CMB dated 15 December 1994. ISE Settlement and Custody Inc. changed its name to the ISE Settlement and Custody Bank Inc. (Takasbank) having received an investment banking license in 1996. During this period, stock certificates continued to be physically issued and new certificates were printed for capital increases. However, publicly traded shares of ISE-listed companies were immobilized at Takasbank first on a participant then on an investor basis. Therefore, the traditional valuable papers law and the physical system still existed legally for shares and Takasbank continued its duties accordingly until 28 November 2005.

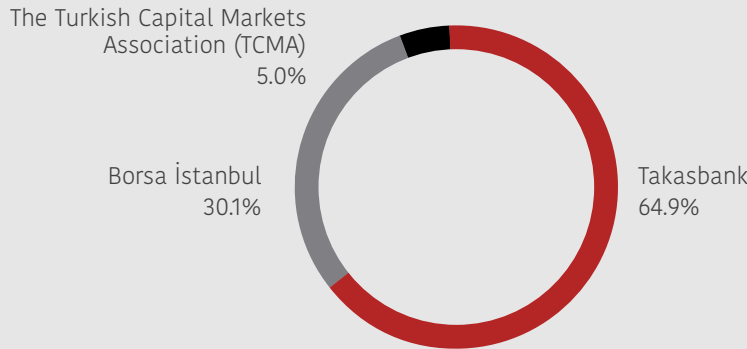
### Transition to the Dematerialization and the Dematerialized System Law

The first step of the dematerialization reform for capital markets was taken with the addition of the Article 10/A to the Capital Market Law. Article 10/A of the Capital Market Law brought about a significant change by annulling the former valuable papers law that was based on the physical certificates and introducing the legal framework for the dematerialized system in which MKK holds capital markets instruments and investor rights affixed on them in an electronic book keeping environment. As the main element of this reform, MKK, which is tasked with monitoring the

dematerialization of capital market instruments and related rights in electronic form, was established in 2001. The dematerialization process was started with mutual funds on 25 April 2005, and on 28 November 2005 all publicly traded shares on the ISE were fully dematerialized. After this stage, the issuance of new capital market instruments has become fully dematerialized.

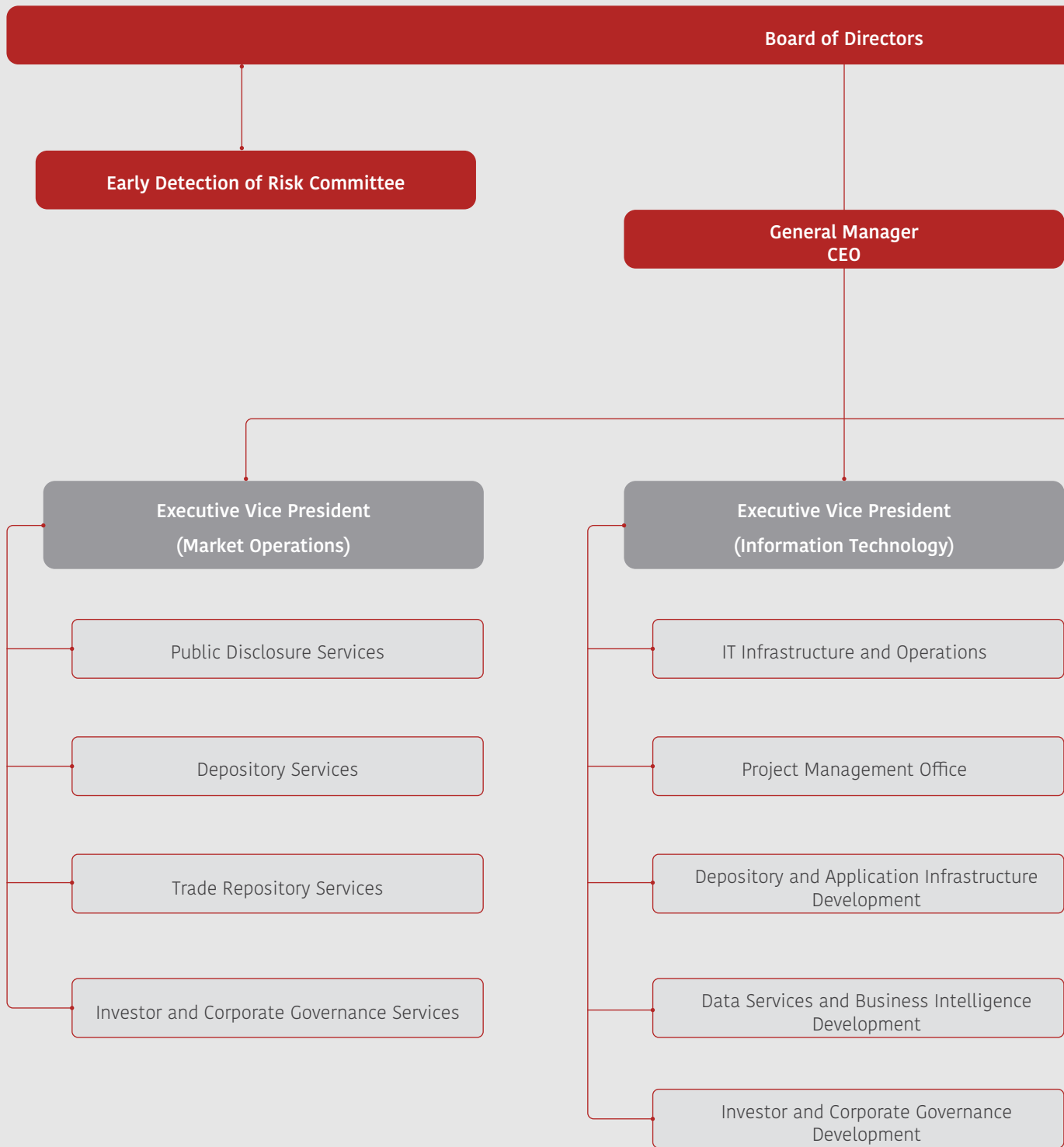
MKK currently operates as a central securities depository for equities, mutual funds, private sector debt instruments, lease certificates (sukuks), asset/mortgage-backed securities, real estate certificates, exchange traded funds and warrants.

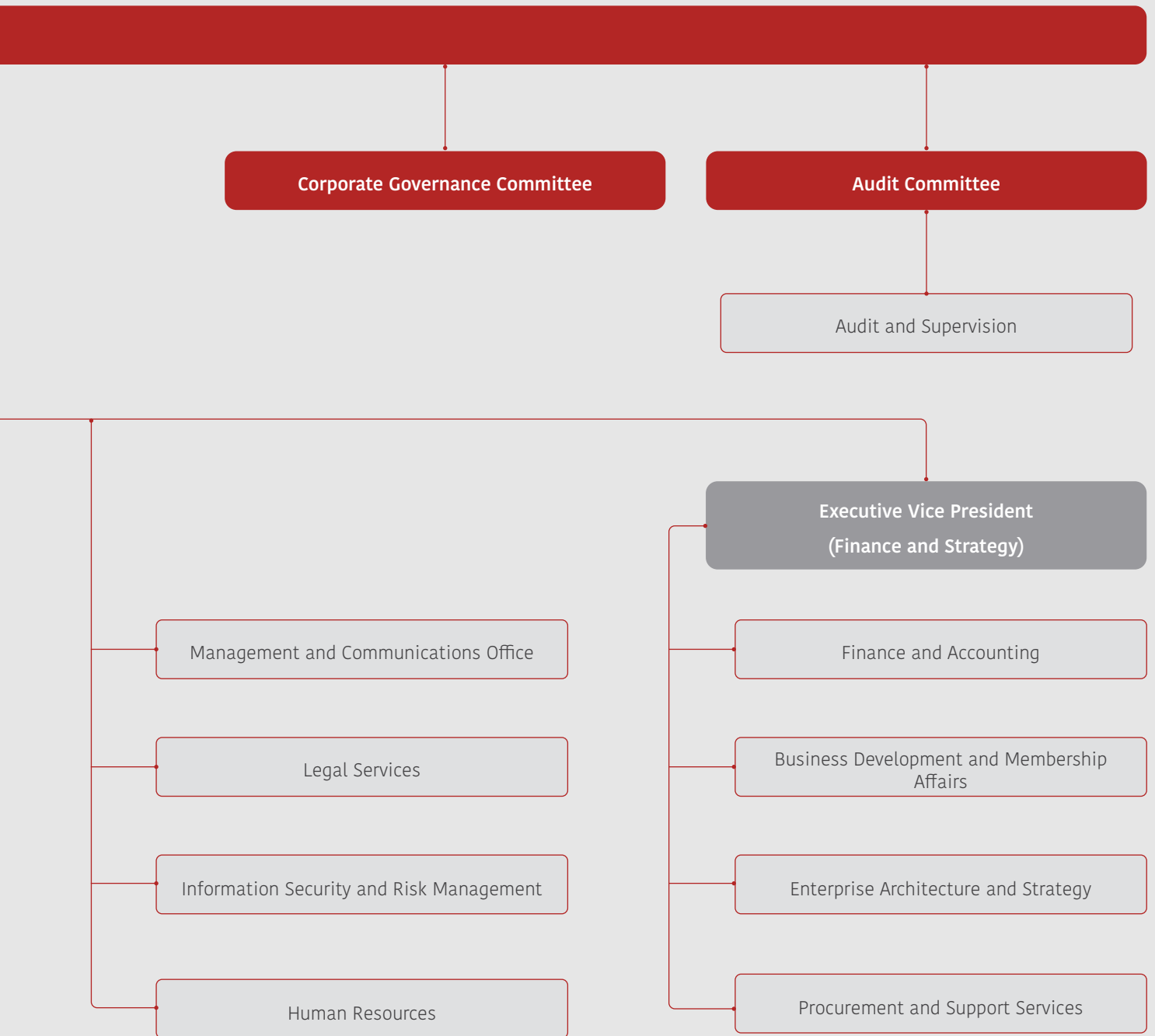
Shareholder Structure				
Shareholder	Share Group	Rate (%)	Shares Held (Units)	Shares Held (TL)
Takasbank	A	64.9	64,900,000	64,900,000
Borsa İstanbul	A	30.1	30,100,000	30,100,000
The Turkish Capital Markets Association (TCMA)	B	5.0	5,000,000	5,000,000
<b>Total</b>		<b>100</b>	<b>100,000,000</b>	<b>100,000,000</b>



Affiliates	
Affiliate	Share Percentage
MKK Real Estate Information Center	100%
Capital Markets Licensing, Registry and Training Agency	10.5%
Sarajevo Stock Exchange (SASE)	5.0089%
Turkish Mercantile Exchange (TMEX)	5%

## ORGANIZATIONAL STRUCTURE







## BOARD OF DIRECTORS



**Ali İhsan GÜNGÖR**  
Chairman of the Board

Ali İhsan GÜNGÖR started his career in 1998 at the inspection board of a private bank and worked at the Capital Market Board (CMB) since 1999. In addition to his duties at the CMB, he also worked in activities to establish Merkezi Kayıt Kuruluşu and the registry system. He also led the activities for the establishment of Türkiye's first derivative exchange market (VOB) on the regulatory side. Between 2006 and 2009, he worked as the Assistant Director of Market Oversight and Regulation Department. After completing his graduate studies in the USA, he joined the CMB Intermediary Operations Department in 2011. Between 2014 and 2021, he assumed the role of the Chairman of the Department and in addition to his responsibilities of regulation, oversight and audit of investment institutions, he conducted regulatory activities for operations of financial market infrastructure institutions such as Borsa İstanbul, Takasbank and Merkezi Kayıt Kuruluşu.

Ali İhsan GÜNGÖR, currently holding the position of Deputy Chairman at the CMB, assumed the roles of overseeing the Intermediary Activities as well as the Market Surveillance and Audit Departments from April 2021 to June 2022. His responsibilities within the Market Surveillance and Supervision Department were transferred to the Institutional Investors Department as of June 2022. He coordinates the efforts undertaken within Türkiye concerning the regulation of crypto assets.

After completing his primary and secondary school education at Kuşadası Çakabey Primary School, İzmir Türk College and İzmir Atatürk High School, he earned his bachelor's degree in Economics (English) from Hacettepe University in 1998, achieving the highest academic standing. He pursued further education and earned master's degrees in Econometrics from Gazi University and in Finance from George Washington University. He speaks fluent English and French, is married, and has one child.



**İbrahim Halil ÖZTOP**  
Deputy Chairman of the Board

İbrahim Halil Öztop graduated from Middle East Technical University Faculty of Engineering, Department of Industrial Engineering in 1991. He received his graduate degree from Bilkent University in Business Administration.

Mr. Öztop, who was appointed as the CEO and Board Member of the Development and Investment Bank of Türkiye in August 2018, is a member of KOSGEB's Executive Committee Member and TII – Turkish Investment Initiative's Board of Directors. In October 2021, he was elected as the Chairman of the Board of the Turkish Capital Markets Association. Mr. Öztop has been serving as the Deputy Chairman of the Board of Directors at the Merkezi Kayıt Kuruluşu since February 2021, and as the Chairman of the Board of Directors at Kalkınma Girişim Sermaye Portföy Yönetim A.Ş. since November 2020.

Having nearly 30 years of experience in the banking sector, Mr. Öztop held senior positions in the investment banking business at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş. and Garanti Yatırım Menkul Kıymetler A.Ş.



**Hamdi GÜLEÇ**  
Board Member

He earned his bachelor's degree from the Faculty of Law at Ankara University in 1988. He started his career in 1989 as Ankara Administrative Judicial Judge Candidate. He has held positions as a Judge at the Ankara Administrative Court and as an Investigation Judge at the Council of State. After leaving the public service in 1997, he worked as a freelance lawyer. In 2006, he was appointed as the Head of Legal Affairs at the Banking Regulation and Supervision Agency and returned to public service. In 2007, he transferred to the position of Head of Laws, Decisions, and Legal Affairs within the Presidency and continued this duty until he was appointed as a Member of the Public Procurement Board. He was appointed as a Member of the Public Procurement Board with the Council of Ministers Decree dated 16 April 2012. He was appointed as the Chairman of the Public Procurement Board the Council of Ministers Decree dated 18 April 2016.

While serving as the President of the Public Procurement Authority since 2016, he was re-appointed as the President of the Public Procurement Authority with the Presidential Decree dated 26 April 2020.

Mr. Güleç was elected as a member of the Board of Directors of Merkezi Kayıt Kuruluşu A.Ş. on 18 September 2021.



**Emre TEZMEN**  
Board Member

Emre TEZMEN graduated with High Honors from the Department of Economics at ULB (Université Libre de Bruxelles) in 1995. He earned his Master of Business Administration with Distinction in 1997 from VUB (Vrije Universiteit Brussel), Brussels. He possesses the CFA (Chartered Financial Analyst) certification and is a full member of the CFA Institute.

Since 2022, he has been a member of the DEİK/Digital Technologies Business Council Board of Directors and serves as the Chairman of the Venture Capital Committee.

Commencing his professional career in 1995, he assumed various positions in major multinational companies, including Head of the Research Department, Corporate Sales Department, and Deputy General Manager responsible for Research. TEZMEN served as the project manager for “E-Seans,” one of Türkiye’s first online transaction platforms, for 18 months, during which he established the research and corporate sales departments.

Following his experience in financial markets and the initiatives he took as a manager, he became the Founder and Chairman of the Board of Tera Yatırım Menkul Değerler A.Ş. in 2005, the Founder and Chairman of the Board of Arena Finans Faktoring A.Ş. in 2015, Tera Portföy Yönetim A.Ş., Game Invest & Tech Invest funds in 2020, and TRA Bilişim Şirketi, driven by his conviction in Türkiye’s youth and the future. As of 2023, he continues to serve as the Founder and Chairman of the Board of Tera Yatırım Bankası A.Ş.

Mr. TEZMEN was appointed as a member of the board of directors of the Merkezi Kayıt Kuruluşu A.Ş. on 8 March 2023.

Emre TEZMEN is married, has two children, and is fluent in English and French.



**Mustafa TUZCU**  
Board Member

Mustafa Tuzcu acts as Deputy Minister of Trade since 8 May 2021. He was born in Gebze in 1979 and graduated from Ankara University Faculty of Political Sciences. He received his graduate degrees from Boğaziçi University Department of Political Science and International Relations and Fletcher School of Law and Diplomacy in Boston, USA in “International Organizations and Foreign Trade Law”. He then started his doctorate studies at Middle East Technical University on Regional Studies.

Between 2018 and 2021, he acted as the Principal Consultant of Trade at the World Trade Organization (WTO) and Chairman of the WTO Committee on Safeguards, thus represented Türkiye at WTO. Prior to that, he led various preferential trade arrangement negotiations of Türkiye with different countries and joint economic commissions. He conducted many multilateral negotiations on behalf of Türkiye at the WTO, UNCTAD and OECD. He was the Co-chairman of the Türkiye-Arab League Economic and Investment Committee. He represented Türkiye in the negotiations for the establishment of the OECD İstanbul Competitiveness Center and he worked as the chairman of the trade and investment working group during Türkiye’s G20 Presidency.

Mr. Tuzcu worked as the Baghdad Commercial Counselor and as the Deputy Director General for International Agreements in the Ministry of Trade. He worked as a sector expert in trade relations with the Middle East and Gulf countries, multilateral and regional commercial agreements, foreign contracting and in the Exporters Association.

Mustafa Tuzcu is married with three children and speaks fluent English, intermediate Arabic and French.

Mr. Tuzcu was appointed as a Board Member of Merkezi Kayıt Kuruluşu A.Ş. on 20 May 2021.



**Mehmet ARABACI**  
Board Member

Mehmet ARABACI was born in 1977 in Bordeaux, France. He obtained his degree from the Faculty of Political Sciences, Department of Finance at Ankara University in 2000. He served as an Assistant Tax Expert at the Board of Tax Experts at the Ministry of Finance from 2001 to 2004, and subsequently as a Tax Expert at the same Ministry from 2004 to 2007. He held the position of Chairman of the Human Resources Group in the Revenue Administration of the Ministry of Finance from 2007 to 2009. He undertook research, analysis, and an internship on “Transfer Pricing in Commercial Banks” in the United States from 2009 to 2011, and earned his master’s degree in Economics from the University of Illinois. He was appointed as the Chief Tax Expert to the Ministry of Finance in 2011. From 2011 to 2012, he served as Head of the Ankara Thin Capital, Transfer Pricing, and Foreign Earnings Group at the Tax Inspection Board of the Ministry of Finance. He held the position of Deputy Chairman of the Tax Inspection Board from 2012 to 2014. He assumed the position of Head of the Revenue Management Department at the Revenue Administration from 2014 to 2019. He was appointed Deputy Chairman of the Revenue Administration in 2019 and continues to hold this position.

Meanwhile,

ARABACI, who was a board member at Türkiye Denizcilik İşletmeleri A.Ş. from 2019 to 2022 and at Çay İşletmeleri Genel Müdürlüğü A.Ş. from 2022 to 2023, was elected as a board member at the Merkezi Kayıt Kuruluşu A.Ş. on 03/08/2023 and has been fulfilling this role since then.

## BOARD OF DIRECTORS



**Dr. Ekrem ARIKAN**  
CEO & Board Member

He obtained his undergraduate degree in Computer Engineering from Boğaziçi University and his Master of Business Administration (MBA) at Yeditepe University. He earned his Doctorate in Business Administration from İstanbul Ticaret University. He speaks advanced-level English and German, and beginner-level Arabic.

He served at Microsoft as a Support Engineer in 1998, Program Specialist in 1999, and the Program Manager in the Windows International Product Development Group in 2000, where he was tasked with the development of Windows operating systems for Türkiye and the Turkish-speaking markets until 2006.

He began working at Ziraat Technology (Fintek Finansal Teknoloji Hizmetleri A.Ş.) as IT Architecture Manager in 2007, as Project Management Office Manager in 2009, as IT Security Manager in 2011, and was appointed Corporate Development Director in 2013.

In 2014, he was appointed the IT and Corporate Development Group Manager responsible for Information Technologies, Customer Services and Call Center, HR and Support Services at Ziraat Hayat ve Emeklilik A.Ş.

After starting his position as Advisor to the Chairman at EPIAŞ (Energy Exchange) Enerji

Piyasaları İşletme A.Ş., founded in 2015, he assumed the role of Strategy Development Director.

In 2016, he was appointed Deputy General Manager of IT at Takasbank, within the Borsa İstanbul Group. He was involved in the implementation and management of numerous projects, including the BISTECH transformation, the BiGA gold-based crypto asset, the registration and structuring of the Takasbank R&D center, the takeover of the Check Clearing System from the Central Bank of the Republic of Türkiye, the establishment of the EPIAŞ natural gas market clearing and collateral management, the opening of the SWAP market, and the development of TEFAS and BES mobile applications.

In April 2019, he was appointed CEO and Board Member at Merkezi Kayıt Kuruluşu A.Ş. He led the development of an array of new products and services, including the provision of depository services to TÜRİB, the establishment of the Omnibus infrastructure and Euroclear's membership, the launch of the Crowdfunding System, the development of the e-TR system, the deployment of e-GEM in Indonesia, the Data Analysis Platform, the e-INVESTOR web and mobile applications, BSRS, IRMS, the COMPASS Intermediary Institutions product, and REFIS.

He was a member of the Specialization Commission on the Development of Financial Services in the Eleventh Five-Year Development Plan (2019-2023). Dr. Ekrem ARIKAN, as the CEO and the Member of the Board of Directors of MKK, was elected as the Term Chairman of the Association of Eurasian Central Securities Depositories (AECSD) in September 2023. In his capacity as the Chairman of the AECSD, he also continues to serve as a member of the board of directors of the World Forum of Central Securities Depositories.

**Ahmet BORA**  
Board member

**Duygu GÜVEN**  
Board member

## SUPERVISORY BOARD



**Abdulkadir POLAT**  
Supervisory Board Member

He was born in Kahramanmaraş in 1972. He earned his undergraduate degree from Ankara University, Faculty of Political Sciences, Department of Public Administration and holds a master's degree in business administration. Mr. Polat started his professional career in 1999 as an Assistant Accounting Specialist at the Republic of Türkiye Ministry of Finance. He later served as Auditor, Chief Auditor, and Secretary General on the Prime Ministry Supreme Auditing Board. Then, Mr. Polat served as a Member of the Supervisory Board of OYAK as a representative of the Prime Ministry Supreme Auditing Board during 2008-2012, as Senior Auditor at the Turkish Court of Accounts during 2010-2014, and Director of the Prime Ministry Public Administration Improvement Directorate during 2014-2015. Having served as a member of the State Supervisory Board of the Presidency of the Republic of Türkiye since 2015, he was appointed as the Deputy Minister of Agriculture and Forestry by the Presidential Decree dated 5 January 2024.

He was elected as a member to the Supervisory Board of MKK on 18 September 2017.



**İsmail KURUL**  
Supervisory Board Member

He was born in Ordu in 1973. After completing his high school education at Ordu Imam Hatip High School in 1990, he obtained his bachelor's degree from İstanbul University's Faculty of Law in 1994.

He commenced his career as a freelance lawyer in Ordu in 1995 and subsequently served as a lawyer and Legal Affairs Manager at Trabzon Municipality from 1997 to 2004.

He started working as a lawyer at the General Directorate of Soil Products Office in 2004 and subsequently held the position of 1st Legal Advisor at the same institution for a duration of nine years.

After serving as the Head of Legal Services at TÜBİTAK for one year in 2014, he held the position of the 1st Legal Advisor at the General Directorate of DHMİ for six months. In addition to these responsibilities, he assumed the roles of Chairman of the Nevşehir Cultural Heritage Protection Regional Board (2014-2020), President of the Cappadocia Area Commission (2019-2021), and Chairman of the TÜBİTAK Objection Evaluation Council (2017-2021).

Mr. Kurul has held the position of a Board Member of the State Supervisory Board of the Presidency of the Republic of Türkiye since October 2015. He has also served as a Board Member of the Review Board of Access to Information since November 2019.

He has been serving as a Member of the Supervisory Board of Merkezi Kayıt Kuruluşu A.Ş. since 02.11.2023.

## BOARD OF DIRECTORS

Board of Directors		
Name/Surname	Title	Date of Commencement of Office
Ali İhsan GÜNGÖR	Chairman	25.03.2021
TCMA (Representative: İbrahim Halil ÖZTOP)	Deputy Chairman	10.02.2021
Ahmet BORA	Member	03.08.2023
Duygu GÜVEN	Member	31.10.2023
Emre TEZMEN	Member	03.08.2023
Hamdi GÜLEÇ	Member	18.09.2017
Mehmet ARABACI	Member	03.08.2023
Mustafa TUZCU	Member	20.05.2021
Dr. Ekrem ARIKAN	Member	03.05.2019
MKK Board of Directors held 18 meetings in 2023. The participation rate of the members in the meetings was 86%.		

Audit Board		
Name/Surname	Title	Date of Commencement of Office
Abdulkadir POLAT	Member	18.09.2017
İsmail KURUL	Member	02.11.2023

## Board of Directors Committees

The “Corporate Governance,” “Audit,” and “Early Detection of Risk” Committees were established under the Board of Directors as per the “Communiqué on Corporate Governance” issued by the CMB of Türkiye and published in the Official Gazette No. 28871 dated 3 January 2014, and the Articles of Association of MKK. Two non-executive board members serve on each committee and no member serves on multiple committees. The committees operate in compliance with the Board-issued directives. The “Corporate Governance Committee” and the “Early Detection of Risk Committee” convene, at least, semiannually with, at least, six-month intervals, and the Audit Committee meets quarterly with, at least, three-month intervals.



### Corporate Governance Committee

Although not a public company, MKK aims to ensure maximum compliance with the Corporate Governance Principles stated in the appendix of the Corporate Governance Communiqué. The “Corporate Governance Committee” monitors and assesses the compliance of MKK with the Corporate Governance Principles. The committee held 2 meetings in 2023. The members whose terms have continued at the end of the reporting period are listed in the table below.

Name/Surname	Title	Date of Commencement of Office
Hamdi GÜLEÇ	Chairman	22.08.2023
Emre TEZMEN	Member	22.08.2023

### Audit Committee

The “Audit Committee” is accountable for independent audits and internal audits. The Audit and Surveillance Department operates under the audit committee and undertakes the internal auditing of all departments within our organization. The results of the audits are presented to the Board of Directors. Audit findings are traced and necessary precautions are implemented. The committee held 4 meetings in 2023. The members whose terms have continued at the end of the reporting period are listed in the table below.

Name/Surname	Title	Date of Commencement of Office
Mustafa TUZCU	Chairman	22.08.2023
Mehmet ARABACI	Member	22.08.2023

### Early Detection of Risk Committee

The “Early Detection of Risk Committee” functions to early detect the risks that could endanger the existence, development, and continuity of MKK; take necessary measures against and manage such risks; and advise the Board of Directors to instill a risk-awareness culture in the company and ensure that this culture is embraced by the employees and supported by the senior management. The results of annual assessments on the risk management process, including risk reviews, are periodically submitted by the relevant department to the “Early Detection of Risk Committee” and the Board of Directors. The committee held 4 meetings in 2023. The members whose terms have continued at the end of the reporting period are listed in the table below.

Name/Surname	Title	Date of Commencement of Office
TCMA (Representative: İbrahim Halil ÖZTOP)	Chairman	22.08.2023
Ahmet BORA	Member	22.08.2023

## EXECUTIVE MANAGEMENT



**Dr. Ekrem ARIKAN**  
CEO and Board Member

He obtained his undergraduate degree in Computer Engineering from Boğaziçi University and his Master of Business Administration (MBA) at Yeditepe University. He earned his Doctorate in Business Administration from İstanbul Ticaret University. He speaks advanced-level English and German, and beginner-level Arabic.

He served at Microsoft as a Support Engineer in 1998, Program Specialist in 1999, and the Program Manager in the Windows International Product Development Group in 2000, where he was tasked with the development of Windows operating systems for Türkiye and the Turkish-speaking markets until 2006.

He began working at Ziraat Technology (Fintek Finansal Teknoloji Hizmetleri A.Ş.) as IT Architecture Manager in 2007, as Project Management Office Manager in 2009, as IT Security Manager in 2011, and was appointed Corporate Development Director in 2013.

In 2014, he was appointed the IT and Corporate Development Group Manager responsible for Information Technologies, Customer Services and Call Center, HR and Support Services at Ziraat Hayat ve Emeklilik A.Ş.

After starting his position as Advisor to the Chairman at EPIAŞ (Energy Exchange) Enerji Piyasaları İşletme A.Ş., founded in 2015, he assumed the role of Strategy Development Director.

In 2016, he was appointed Deputy General Manager of IT at Takasbank, within the Borsa İstanbul Group. He was involved in the implementation and management of numerous projects, including the BISTECH transformation, the BiGA gold-based crypto asset, the registration and structuring of the

Takasbank R&D center, the takeover of the Check Clearing System from the Central Bank of the Republic of Türkiye, the establishment of the EPIAŞ natural gas market clearing and collateral management, the opening of the SWAP market, and the development of TEFAS and BES mobile applications.

In April 2019, he was appointed CEO and Board Member at Merkezi Kayıt Kuruluşu A.Ş. He led the development of an array of new products and services, including the provision of depository services to TÜRİB, the establishment of the Omnibus infrastructure and Euroclear's membership, the launch of the Crowdfunding System, the development of the e-TR system, the deployment of e-GEM in Indonesia, the Data Analysis Platform, the e-INVESTOR web and mobile applications, BSRs, IRMS, the COMPASS Intermediary Institutions product, and REFIS.

He was a member of the Specialization Commission on the Development of Financial Services in the Eleventh Five-Year Development Plan (2019-2023). Dr. Ekrem ARIKAN, as the CEO and the Member of the Board of Directors of MKK, was elected as the Term Chairman of the Association of Eurasian Central Securities Depositories (AECSD) in September 2023. In his capacity as the Chairman of the AECSD, he also continues to serve as a member of the board of directors of the World Forum of Central Securities Depositories.



**Hasan Hilmi HAKYEMEZ**  
Executive Vice President, Information Technology

He was born in Ankara in 1974. He completed his primary and secondary school education in Trabzon. He earned his bachelor's degree in Computer Engineering from Marmara University in 1996, and his master's degree in Business Administration. He speaks English and intermediate level Arabic. He started his career at BIS Solutions where he developed financial solutions for Intermediary Institutions and Participation Banks, and provided software consultancy for CRM and ERP solutions until 2001. In 2001, he started working as a Technical Project Manager at CarrefourSA, where he assumed the responsibility of Technical Project Manager for the establishment of the company's ERP system and integration with Carrefour France. He continued his career as a Software Architect in Türkiye Finans in 2005. He took part in the merger of Anadolu and Family Finans institutions. As the manager of the software teams responsible for loan applications, he implemented many projects. In 2009 he was given the task of establishing the Project Management Office (PMO) and managed it until the end of 2013. In 2014, he worked as Application Development Manager at Medipol Health and Education Group. In 2015, he took part in the founding team of Ziraat Participation Bank as the Head of Information Technologies Department to lead the organization and processes of Information Technologies and the establishment of the IT infrastructure. In 2018, he joined Ziraat Teknoloji as the Group Manager in charge of Participation Banking to establish the Bank's software development processes and organization and to carry out development activities. He managed Core Banking, Digital Banking, Business Intelligence and Project Management and IT Governance operations of the Bank. In July 2019, he continued his duty as Head of Information Technologies Department at Ziraat Participation Bank. During this period, he completed the Bank's migration to open source client and central management systems together with his team.

He was assigned as the Executive Vice President responsible for Information Technologies at Merkezi Kayıt Kuruluşu A.Ş. as of October 2020.



**Özkan İlkey KIZILTOPRAK**  
Executive Vice President, Market Operations

Özkan İlkey Kızıltoprak, who earned his bachelor's degree from İstanbul University's International Relations Department at the Faculty of Economics, started his career at Citibank in 1995. After working in the treasury operations and securities custody units, he held the position as the Country Manager at AFinance Plc in Ireland for three years. Afterwards, he joined Citibank again and worked as a group manager in the securities custody unit, treasury, cash management, import and export and intermediary institution operation units until 2018.

During this period, he actively participated in numerous significant national and international projects, assuming active roles within the working groups of The Banks Association payment systems, Takasbank, and MKK Custodian Banks. He made significant contributions to critical projects that ensure the development of capital markets, including SWIFT integration of Takasbank, MKK and Custodian Banks, establishment of tax processes in securities purchase/sale transactions, MKK dematerialization studies, removal of three zeros from securities assets, and dematerialization of government debt securities in the MKK system on an investor basis.

Prior to joining MKK, he held managerial roles in product and business development, operational excellence, and project management units at software companies, and provided consultancy and market training programs.

He holds Capital Markets Level 3 and Derivatives Instruments licenses as well as business intelligence tools certificates.

As of 7 October 2020, Mr. Kızıltoprak has assumed the role of Executive Vice President responsible for Market Operations at Merkezi Kayıt Kuruluşu A.Ş.



**Şafak DENİZCİ**  
Executive Vice President, Finance and Strategy

Şafak Denizci, who was born in Rize in 1972, earned his Bachelor's degree at the Faculty of Business Administration, Department of Management Engineering at İstanbul Technical University. Following his graduation, he underwent foreign language training in the UK.

He started his career in 1996 as a research analyst, and between 1996-2020 he served as Foreign Exchange Position Manager, Treasury Customer Sales and Marketing Manager in Conventional, Participation Banks and Intermediary Institutions Treasury Business Families.

Mr. Denizci, who took office in the Strategy and Business Development, Finance and Accounting Directorates at Merkezi Kayıt Kuruluşu A.Ş. in 2020, was appointed as the Executive Vice President responsible for Finance, Human Resources and Strategy at MKK as of February 2022. As of January 2023, he has been holding the position of Executive Vice President responsible for Finance and Strategy.

## DIRECTORS



**Ali Sadık KURLALI**  
IT Infrastructure and Operations  
Director



**Dr. Fatma Ayzer BİLGİÇ**  
Public Disclosure Services Director



**Fatih GÜMÜő**  
Human Resources Director



**İzzet Gökhan KAREL**  
Investor and Corporate Governance  
Services Director



**Kağan őAR**  
Audit and Surveillance Director



**Kemal BAYINDIR**  
Procurement and Support Services  
Development Director



**Özgür BÜLBÜL**  
Legal Services Director



**Dr. Özgür UYSAL**  
Business Development and Membership  
Services Director



**Serdar KÜÇÜKERDOđAN**  
Supply Management and Support  
Services Director



**Fatih ÖZYURT**  
Finance and Accounting Director



**Gül ÖZCAN**  
Depository Operations Director



**İbrahim Oral EMÜL**  
Business Intelligence and Data  
Governance Director



**Muhammed Salih EROĞLU**  
Project Management Office Director



**Murat ÇELEBİ**  
Information Security and Risk  
Management Director



**Mustafa AKGÜN**  
Investor and Corporate Governance  
Services Development Director



**Dr. Setenay YAĞANOĞLU**  
Trade Repository Services Director



**Talha Erhan ÖZCAN**  
Management and Communication  
Office Director



**Tolga ÖZTÜRK**  
Enterprise Architecture and Strategy  
Director



## BOARD OF DIRECTORS

### Remuneration Policy

Remuneration principles for the Board of Directors and senior management have been determined by the Articles of Association of Merkezi Kayıt Kuruluşu A.Ş. and other internal regulations. As such, the rights and authorities of the Board of Directors are subject to the TCC provisions. Remuneration of the members of the Audit Board and the financial benefits, such as per diem, bonuses, in-cash or in-kind payments, annual profit share and other rights of the Chairman, are determined by the General Meeting. The wages of all employees, including those of Executive Vice Presidents and Directors, are determined based on the education level, experience within and outside the institution, the nature of the task and the degree of responsibility.

### Dividend Distribution Policy

MKK distributes profit in accordance to the pertinent provisions of the TCC, Capital Markets Law, tax legislation, and other legal arrangements, as well as relevant clauses set forth in its Articles of Association. In determining the distribution of profit, MKK aims to attain the distribution of at least 50 percent of the distributable profit of the period as calculated in accordance with the TCC, capital market regulations and the Articles of Association, taking into account factors such as performance, economic conditions, finalized projects, long-term strategy, investment and funding policies, profitability and cash position. MKK's main strategy is to follow a balanced policy which considers the interests of shareholders and the Company based on the criteria set by the relevant legislation.

### Donation and Contribution Policy

MKK makes all its donations and charitable contributions with the purposes of fulfilling its social responsibility, instilling a sense of corporate responsibility in its shareholders, employees and stakeholders, and benefiting the public by meeting their social needs. With the approval of Article 3 of its Articles of Association, MKK can grant donations and contributions to tax-exempt foundations (status granted by the Council of Ministers), associations working in the public interest, public institutions and private organizations engaged in research and development activities, universities, educational institutions, and similar institutions. The total amount of the donations and contributions must not exceed 2 percent of the previous year's net profit. Any donation made by MKK is subject to a board resolution. The Board of Directors may delegate this authority to the CEO up to a certain limit.

## DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

### MERKEZİ KAYIT KURULUŞU

#### Declaration of Compliance with Corporate Governance Principles

Merkezi Kayıt Kuruluşu A.Ş. is classified as a capital market organization in Article 35 of the Capital Markets Law No. 6362 (Law). The corporate governance principles that are established for public corporations will be applied to capital market institutions by analogy, as outlined in Article 36 of the Law and the first and second paragraphs of Article 17 of the Law.

MKK is committed to strictly complying with the corporate governance principles outlined in the Corporate Governance Communiqué and annexes (II.17.1) of the Capital Markets Board (CMB) to the fullest extent, despite the fact that it is not a company that is publicly traded.

Based on the view that effective corporate governance is the fundamental aspect for sustainability, MKK has adopted the principle of complying with the four principles of corporate governance, which are transparency, fairness, responsibility, and accountability, and in this context, a “Corporate Governance Committee” has been established within the Board of Directors in order to design and implement the management structure, processes, and policies that align with this principle. The Corporate Governance Committee monitors and assesses MKK’s compliance with corporate governance principles.

The MKK Corporate Governance Principles Compliance Report and Information Form are prepared in accordance with the format established by the CMB’s decision dated 10.01.2019 and numbered 2/49, and are disclosed to the public through the annual activity reports. We hereby declare that the Corporate Governance Compliance Report and the Corporate Governance Information Form prepared for the accounting period of 01.01.2023-31.12.2023 in accordance with the relevant decision have been reviewed by us, and that the subject reports have been prepared in accordance with the procedures and principles outlined in the CMB’s II-17.1 Corporate Governance Communiqué and the aforementioned decision.

### CORPORATE GOVERNANCE COMMITTEE

**Emre TEZMEN**

Member of the Corporate Governance Committee  
Board Member

**Hamdi GÜLEÇ**

Chairman of the Corporate Governance Committee  
Board Member

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL MEETING						
1.3.2 -The company ensures the clarity of the General Meeting agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company’s activities in order for these transactions to be presented at the General Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Meeting.	X					
1.3.10 - The agenda of the General Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				Shareholders are informed of the donation amounts during the General Meeting.
1.3.11 - The General Meeting was held open to the public, including the stakeholders, without having the right to speak.			X			The meeting is convened with the attendance of individuals entitled to participate in the General Meeting as per the applicable legislation.
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			The Articles of Association do not include a provision that establishes minority rights as less than one twentieth of the capital

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	The dividend has been distributed.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
						Transfers of shares are permitted solely within the confines of the same group. In the absence of additional shareholders within the same group, or if the current shareholders choose not to engage in a purchase, transactions may proceed with shareholders from different groups or with third parties deemed appropriate by the CMB. Nonetheless, in terms of the groups, the stake of Borsa İstanbul A.Ş. in the company's capital is limited to a maximum of 50%. The share held by İstanbul Takas ve Saklama Bankası A.Ş. is limited at 75%, while the Turkish Capital Markets Association is limited to a 10% share. Additionally, each of the other shareholders is permitted a maximum share of 5%.
1.7.1 - There are no restrictions preventing shares from being transferred.		X				
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.		X				As we are not a publicly traded entity, almost all elements outlined in the principle can be found on our website.
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				The majority of the content on the corporate website of the organization is presented in English.

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.		X				As we are not a publicly traded entity, almost all elements outlined in the principle can be found on our website.
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.		X				Utmost care is exercised to protect the rights of stakeholders.
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.			X			Despite the absence of regulations concerning stakeholders, utmost care is exercised to protect their rights.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X			There is no particular procedure regulating the employee participation in the management of the company.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		X				The principle of obtaining opinions from stakeholders on decisions that significantly affect them has been adopted. In this context, the opinions of stakeholders are sought taking into account factors such as time constraints and the nature of the decision.
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				No union is authorized within our organization.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>						
3.4.1-The company measured its customer satisfaction and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>						
3.5.1-The Board of Directors has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

## CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	x					Although an investor relations department is not established, investor relations are conducted by the Management and Communications Office Directorate along with Legal Services Directorate.
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.				X		Despite the absence of a formal policy regulating the matter, female members have participated on the organization's board of directors.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-All Board members attended the majority of Board meetings, either in person or electronically.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	It is essential that written opinions made by Board Members unable to attend the meeting be presented to the other members. In practice, there are no instances of written submissions of opinions.

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					EXPLANATION
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Meeting.			X			The matter of our Board Members assuming additional commitments is subject to general provisions. Our Board Members allocate the requisite time to the management of the organization regardless of their other commitments.
<b>4.5. BOARD COMMITTEES</b>						
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8-Minutes of all committee meetings are kept and reported to board members.					X	The committees did not receive any consultancy services.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific evaluation of performance was conducted; the board of directors' performance was evaluated by the shareholders during the general meeting.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		X				These amounts are disclosed as a cumulative total in the annual report.

## CORPORATE GOVERNANCE INFORMATION FORM

### 1. SHAREHOLDERS

#### 1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	The organization did not convene an investor conference or meeting throughout the year.
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#### 1.2. Right to Obtain and Examine Information

The number of special audit request(s)	No request for a special audit was made.
The number of special audit requests that were accepted at the General Meeting	No request for a special audit was made during the General Meeting.

#### 1.3. General Meeting

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	No announcement was made, and the General Meeting convened without an invitation.
Whether the company provides materials for the General Meeting in English and Turkish at the same time	The materials for the General Meeting are presented in Turkish.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is neither an independent member nor a transaction without unanimous votes.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	No transactions involving related parties fall within the provisions outlined in Article 9 of the Corporate Governance Communiqué.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	There is no common and continuous transaction in the context of Article 10 of the Corporate Governance Communiqué.
The name of the section on the corporate website that demonstrates the donation policy of the company	Home Page > About Us > MKK Corporate> Corporate Governance
The relevant link to the PDP with minute of the General Meeting where the donation policy has been approved	No PDP disclosure exists; it is accessible on our website.
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Meeting	The participation of stakeholders to the General Meeting is not stipulated in the Articles of Association.
Identified stakeholder groups that participated in the General Meeting.	There was no participation.

#### 1.4. Voting Rights

Whether the shares of the company have differential voting rights	Each share held by shareholders grants one vote, with no voting privileges.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	There is no voting privilege. Nevertheless, Group A and B shareholders only have the exclusive right of nominating candidates during the election of members to the Board of Directors.
The percentage of ownership of the largest shareholder	64.90%

#### 1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	The scope is not expanded.

#### 1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	Home Page > About Us > MKK Corporate> Corporate Governance
Minutes of the relevant agenda item in case the board of directors proposed to the general meeting not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Dividend distribution has been made.
PDP link to the related general meeting minutes in case the board of directors proposed to the general meeting not to distribute dividends	-

## General Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Meeting	Shareholder participation rate to the General Meeting	Percentage of shares directly present at the GM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general meeting and all responses to them	The number of the relevant item or paragraph of General Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general meeting notification
03.08.2023	0	100%	0%	100%	Information Society Services/ Document Access	-	-	-	-

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Home > About Us > MKK Corporate > Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Home > About Us > MKK Corporate > Corporate Governance
List of languages for which the website is available	Turkish and English

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Board of Directors section
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Board Committees section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Board of Directors section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	No legislative amendments exist in this context.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Risk Management/Compliance Management
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	The organization does not receive any investment consultancy and rating services
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership affiliates that the direct contribution to the capital exceeds 5%	Our organization does not engage in a cross-ownership relationship.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Human Capital, Events and News sections



## CORPORATE GOVERNANCE INFORMATION FORM

### 3. STAKEHOLDERS

#### 3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	1
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Audit and Surveillance Directorate, and Audit Committee
The contact detail of the company alert mechanism	They are submitted to our organization in writing

#### 3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	-
Corporate bodies where employees are actually represented	Three employee representatives have been appointed to manage relations with employees.

#### 3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	-
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Home > About Us > MKK Corporate > Corporate Governance
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme in place.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Home > About Us > MKK Corporate > Corporate Governance
The number of definitive convictions the company is subject to in relation to health and safety measures	There are no definitive convictions our organization is subject to regarding health and safety measures.

#### 3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Home > About Us > MKK Corporate > Corporate Governance
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	-
Any measures combating any kind of corruption including embezzlement and bribery	Internal policies and training programs

### 4. BOARD OF DIRECTORS-I

#### 4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Except for the delegation of authority to the CEO, there is no specific delegation of authority to the board members.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	The Audit and Surveillance department presented 12 reports.

Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Internal Audit section
Name of the Chairman	Ali İhsan GÜNGÖR
Name of the CEO	Dr. Ekrem ARIKAN - CEO/Board member
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	These functions are held by different individuals.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	The board members are insured under a group executive liability policy. MKK is not a publicly traded company, and no disclosure was issued on the PDP.
Principles of the Board of Directors" section of this Annual Report.	Not available.
The name of the section on the corporate website that demonstrates current diversity policy targeting female directors	There are no female members on the board.

#### Structure of the Board of Directors

Name-Surname	Whether Executive Director or Not	Independent Board Member or not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether the Director has at Least 5 Years' Experience on Audit, Accounting and/or Finance or not
Ali İhsan GÜNGÖR- Chairman	Member (non-executive)	Not independent	25.03.2021	-	-	-	Yes
İbrahim Halil ÖZTOP- Deputy Chairman - (The Turkish Capital Markets Association (TCMA))	Member (non-executive)	Not independent	10.02.2021	-	-	-	Yes
Ahmet BORA- Board member	Member (non-executive)	Not independent	03.08.2023	-	-	-	Yes
Duygu GÜVEN- Board member	Member (non-executive)	Not independent	31.10.2023	-	-	-	Yes
Emre TEZMEN- Board member	Member (non-executive)	Not independent	03.08.2023	-	-	-	Yes
Hamdi GÜLEÇ- Board member	Member (non-executive)	Not independent	18.09.2017	-	-	-	Yes
Mehmet ARABACI- Board member	Member (non-executive)	Not independent	03.08.2023	-	-	-	Yes
Mustafa TUZCU- Board member	Member (non-executive)	Not independent	20.05.2021	-	-	-	Yes
Dr. Ekrem ARIKAN-CEO/ Board member	Member-CEO (executive)	Not independent	03.05.2019	-	-	-	Yes

## CORPORATE GOVERNANCE INFORMATION FORM

### 4. BOARD OF DIRECTORS-II

#### 4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic Board meetings during the reporting period	15
Director average attendance rate at board meetings	86%
Whether the board uses an electronic portal to support its work or not	Our organization employs an electronic Board of Directors System, facilitating the conduct of board meetings electronically.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Depending on the meeting agenda, it is submitted 1-7 days in advance.
The name of the section on the corporate website that demonstrates information about the board charter	-
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Board members, with the exception of the CEO, are not restricted from undertaking additional responsibilities outside of the organization.

#### 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented	Board Committees section
Link(s) to the PDP announcement(s) with the board committee charters	-

### Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Names Of The Board Committees
Audit Committee	-	Mustafa TUZCU	Yes	Board member
Audit Committee	-	Mehmet ARABACI	No	Board member
Corporate Governance Committee	-	Hamdi GÜLEÇ	Yes	Board member
Corporate Governance Committee	-	Emre TEZMEN	No	Board member
Committee of Early Detection of Risk	-	İbrahim Halil ÖZTOP	Yes	Board member
Committee of Early Detection of Risk	-	Ahmet BORA	No	Board member

**4. BOARD OF DIRECTORS-III****4.5. Board Committees-II**

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Board Committees section
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Board Committees section
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	-
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Board Committees section
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	-

**4.6. Financial Rights**

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	2023 Performance
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Home > About Us > MKK Corporate > Corporate Governance
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Corporate Governance /Remuneration Policy

**Board Committees -II**

<b>Names of the Board Committees</b>	<b>Name of Committees Defined as "Other" in the First Column</b>	<b>The Percentage of Non-executive Directors</b>	<b>The Percentage of Independent Directors in the Committee</b>	<b>The Number of Meetings Held in Person</b>	<b>The Number of Reports on its Activities Submitted to the Board</b>
Audit Committee	-	100%	-	4	12
Corporate Governance Committee	-	100%	-	2	1
Committee of Early Detection of Risk	-	100%	-	4	1

## MERKEZİ KAYIT KURULUŞU A.Ş. STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTS FOR THE YEAR 2023

### MERKEZİ KAYIT KURULUŞU A.Ş.

#### STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTS FOR THE YEAR 2023

We hereby declare that:

- a) the financial statements and integrated annual report of Merkezi Kayıt Kuruluşu A.Ş. (MKK) for the year 2023 have been reviewed by us.
- b) as of the date of the statement, the financial statements and integrated annual report do not contain any inaccurate statements on material topics or any omissions that may result in the statements being misleading within the framework of the information we possess within the scope of our duties and responsibilities at MKK.
- c) within the framework of the information we possess within the scope of our duties and responsibilities at MKK, the financial statements prepared in accordance with the Communiqué on Principles Regarding Financial Reporting in Capital Markets (II-14.1) accurately represent MKK's assets, liabilities, financial position, and profit and loss, and the integrated annual report provides a true representation of the business's development and performance, as well as MKK's financial position, including the significant risks and uncertainties it encounters.

28.02.2024

**Mustafa TUZCU**

Chairman of the Audit Committee  
Board Member

**Mehmet ARABACI**

Member of the Audit Committee  
Board Member

**Dr. Ekrem ARIKAN**

CEO  
Board Member

## CONCLUSION SECTION OF THE AFFILIATE REPORT PREPARED PURSUANT TO ARTICLE 199 OF THE TURKISH COMMERCIAL CODE

All transactions and operations among the controlling shareholders, Borsa İstanbul and Takasbank and our Organization are conducted in accordance with applicable legal regulations, primarily capital market legislation. These transactions and operations are regular commercial activities as outlined in the articles of association of our Organization. There is no transaction that would cause a loss of rights for our other shareholders in favor of the controlling companies in a manner that would result in a loss to our Organization. In the 2023 activity period, in all transactions conducted with our Organization, along with the controlling company Borsa İstanbul and the other controlling company Takasbank, according to the situations and conditions known to us, the legal transactions conducted in favor of the controlling companies or other affiliated companies under the guidance of the controlling companies and all measures taken or avoided to be taken in favor of the controlling companies or other affiliated companies in the 2023 activity year have been evaluated. Based on the situations and conditions known pertaining to the 2023 activity year, it has been concluded that our Organization did not incur any losses due to a transaction in this regard.



# INDEPENDENT AUDITOR’S REPORT ON THE BOARD OF DIRECTORS’ ANNUAL REPORT

To the General Assembly of Merkezi Kayıt Kuruluşu A.Ş.

## 1. Opinion

We have audited the annual report of Merkezi Kayıt Kuruluşu A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the 1 January - 31 December 2023 period.

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 Group’s position in the Board of Directors’ Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated 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 Group 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 Consolidated Financial Statements

We expressed an unqualified opinion in the auditor’s report dated 16 May 2024 on the full set consolidated financial statements for the 1 January - 31 December 2023 period.

## 4. Board of Director’s Responsibility for the Annual Report

Group management’s responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code (“TCC”) No. 6102 are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Group’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 Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Group’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 consolidated financial statements of the Group 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[consolidated] financial statements and with the information obtained in the course of audit.

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

Zeynep Uras, SMMM  
Independent Auditor

Istanbul, 16 May 2024



**CONSOLIDATED FINANCIAL  
STATEMENTS  
AS AT AND FOR THE YEAR ENDED  
31 DECEMBER 2023  
WITH INDEPENDENT AUDITORS'  
REPORT**

## Independent Auditor's Report

To the General Assembly of Merkezi Kayıt Kuruluşu A.Ş.

### A. Audit of the Consolidated Financial Statements

#### 1. Our Opinion

We have audited the accompanying consolidated financial statements of Merkezi Kayıt Kuruluşu A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and their financial performance and their 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 Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by the 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. Ephasis of Matter

As stated in Footnote 2.1, in accordance with the decision of the Capital Markets Board dated 23 February 2024 and numbered E-32992422-230.05-50215, it was decided that the Company's financial statements dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of Turkish Accounting Standard (TAS) 29. Our opinion is not modified in respect of this matter.

#### 4. Key Audit Matters

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

<b>Key audit matter</b>	<b>How the key audit matter was addressed in the audit</b>
<b>Revenue recognition</b>	
<p>The Group recognized a total of thousand TRY 1,263,961 of income under “revenue” item on its consolidated statement of profit or loss the period 1 January - 31 December 2023.</p> <p>The Group’s main income sources consist of service income on custody operations, income on corporate management services, and data storage and reporting services. Due to the nature of the Group operations, the revenue recognition processes considers the variety of transactions, high transaction volume and various methodologies and parameters. Additionally, revenue is an important indicator in the Group’s performance evaluation.</p> <p>We focused on this area as a key audit matter considering the magnitude of revenue in the financial statements together with aforementioned reasons.</p> <p>Disclosures and notes related to the revenue are disclosed in notes 2.5 and 20 of the accompanying financial statements.</p>	<p>The following audit procedures related to revenue recognition has been performed:</p> <ul style="list-style-type: none"> <li>- Understood the Group’s revenue process by holding meetings with Grup Management.</li> <li>- Evaluated the compliance of accounting policies determined by Group management regarding revenue recognition</li> <li>- Assessed the appropriate recognition of the revenue amounts, we tested the transaction details for a selected sample by comparing these transaction details to the relevant supporting documentation</li> <li>- Evaluated the appropriateness of the Group’s disclosures and notes in the consolidated financial statements regarding revenue with the relevant accounting standards.</li> </ul>

## 5. Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another independent audit firm that expressed a unqualified opinion in the audit report dated 28 February 2023.

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

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

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

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

## 7. Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor’s report that includes our opinion.

Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



## Independent Auditor's Report

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

### B. Other 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 2023 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.

### Additional explanation for convenience translation into English

The Group's consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Zeynep Uras, SMMM  
Independent Auditor  
Istanbul, 16 May 2024

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MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Financial Position (Balance Sheet) As at 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	554.541.780	239.963.277
Financial investments	6	22.765.026	84.367.508
Trade receivables	7	133.375.523	60.454.754
- Trade receivables due from related parties	7	9.988.628	4.328.250
- Trade receivables due from other parties	7	123.386.895	56.126.504
Other receivables	8	5.780.129	4.671.010
- Other receivables due from other parties		5.780.129	4.671.010
Prepaid expenses	15	25.628.948	11.966.388
- Prepaid expenses due to other parties		25.628.948	11.966.388
Other current assets		2.609.949	273.809
- Other current assets due to other parties	16	2.609.949	273.809
<b>TOTAL CURRENT ASSETS</b>		<b>744.701.355</b>	<b>401.696.746</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments	6	3.939.720	3.003.291
Tangible assets	9	58.112.398	68.572.317
Intangible assets	10	105.888.651	20.563.725
Deferred tax assets	25	106.990.748	36.792.422
Prepaid expenses		16.415.321	4.599.462
- Prepaid expenses due to other parties	15	16.415.321	4.599.462
<b>TOTAL NON-CURRENT ASSETS</b>		<b>291.346.838</b>	<b>133.531.217</b>
<b>TOTAL ASSETS</b>		<b>1.036.048.193</b>	<b>535.227.963</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Financial Position (Balance Sheet) As at 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables		104.376.288	62.981.157
- Trade payables due to related parties	7,27	6.610.354	3.261.257
- Trade payables due to other parties	7	97.765.934	59.719.900
Other payables	8	39.852.950	46.500.223
- Other trade payables due to related parties	8,27	206.917	7.380.217
- Other trade payables due to other parties	8	39.646.033	39.120.006
Deferred income	17	11.238.737	4.532.454
- Deferred income from other parties		11.238.737	4.532.454
Lease liabilities	18	474.023	521.609
Short term provisions		243.773.677	92.397.418
- Short-term provisions for employee benefits	14	169.479.841	39.574.440
- Other short-term provisions	12	74.293.836	52.822.978
Current tax payable	25	51.588.228	14.567.112
<b>TOTAL CURRENT LIABILITIES</b>		<b>451.303.903</b>	<b>221.499.973</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term provisions		36.138.515	18.563.005
- Long-term provisions for employee benefits	14	36.138.515	18.563.005
Lease liabilities	18	1.245.406	1.719.432
Deferred income	17	3.904.937	1.847.833
- Deferred income from other parties		3.904.937	1.847.833
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>41.288.858</b>	<b>22.130.270</b>
<b>TOTAL LIABILITIES</b>		<b>492.592.761</b>	<b>243.630.243</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Financial Position (Balance Sheet) As at 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

	Notes	Audited 31 December 2023	Audited 31 December 2022
<b>EQUITY</b>			
<b>Equity</b>			
Paid-in capital	19	100.000.000	100.000.000
Other comprehensive expense not to be reclassified to profit or loss		(15.592.548)	(7.718.458)
- Losses on remeasurement of defined benefit plans (-)	19	(15.592.548)	(7.718.458)
Restricted reserves from profit	19	136.014.274	65.419.042
Other reserves	19	127.770	127.770
Accumulated profit/(losses)	19	-	(79.651)
Net profit for the period		322.905.936	133.849.017
<b>TOTAL EQUITY</b>		<b>543.455.432</b>	<b>291.597.720</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1.036.048.193</b>	<b>535.227.963</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

	Note	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Revenue	20	1.263.961.570	443.796.103
<b>Gross profit</b>		<b>1.263.961.570</b>	<b>443.796.103</b>
General administrative expenses	21	(952.758.025)	(274.748.225)
Other operating income	22	5.224.915	3.383.778
Other operating expense	22	(61.983.115)	(68.564.910)
<b>Gross operating profit</b>		<b>254.445.345</b>	<b>103.866.746</b>
<b>Operating profit before financing expense</b>		<b>254.445.345</b>	<b>103.866.746</b>
Finance income	23	111.611.299	50.761.141
Finance expense	24	(3.914.084)	(2.759.722)
<b>Profit before taxation from continued operations</b>		<b>362.142.560</b>	<b>151.868.165</b>
<b>Taxation expense from continued operations</b>			
- Current year tax expense	25	(106.060.341)	(44.082.770)
- Deferred tax income (expense)	25	66.823.717	26.063.622
<b>Net profit from continued operations</b>		<b>322.905.936</b>	<b>133.849.017</b>
<b>Other comprehensive income/(expense)</b>		<b>(7.874.090)</b>	<b>(5.274.375)</b>
Other comprehensive income/expense items not to be reclassified to profit or loss		(7.874.090)	(5.274.375)
- Remeasurements of employment termination benefits	14	(11.248.700)	(7.032.500)
- Deferred tax income/(expense)	25	3.374.610	1.758.125
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>315.031.846</b>	<b>128.574.642</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.



MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Changes in Shareholders' Equity For the Year Ended 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

			Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss	Restricted Reserves
	Note	Paid-in Capital	Gains/(Losses) on Remeasurements of Defined Benefit Plans	Legal Reserves
<b>PRIOR PERIOD</b>				
<b>1 January 2022</b>		<b>100.000.000</b>	<b>(2.444.083)</b>	<b>19.179.005</b>
Adjustments related to accounting policy changes	19	-	-	-
Adjustments related to errors		-	-	-
Transfers	19	-	-	8.386.715
Total comprehensive income		-	(5.274.375)	-
Capital increase	19	-	-	37.853.322
Dividends	19	-	-	-
<b>31 December 2022</b>	<b>19</b>	<b>100.000.000</b>	<b>(7.718.458)</b>	<b>65.419.042</b>
<b>CURRENT PERIOD</b>				
<b>1 January 2023</b>	<b>19</b>	<b>100.000.000</b>	<b>(7.718.458)</b>	<b>65.419.042</b>
Adjustments related to accounting policy changes		-	-	-
Adjustments related to errors		-	-	-
Transfers	19	-	-	13.916.698
Total comprehensive income		-	(7.874.090)	-
Capital increase	19	-	-	56.678.534
Dividends	19	-	-	-
<b>31 December 2023</b>	<b>19</b>	<b>100.000.000</b>	<b>(15.592.548)</b>	<b>136.014.274</b>

The accompanying explanations and notes form an integral part of these consolidated financial statements.

	Retained Earnings			Total Equity
	Other Reserves	Net Profit or Loss	Prior Years' Profits or (losses)	
	-	88.100.037	48.119	204.883.078
	-	-	-	-
	-	-	-	-
	-	(88.100.037)	79.713.322	-
	-	133.849.017	-	128.574.642
127.770	-	-	(37.981.092)	-
-	-	-	(41.860.000)	(41.860.000)
<b>127.770</b>		<b>133.849.017</b>	<b>(79.651)</b>	<b>291.597.720</b>
<b>127.770</b>		<b>133.849.017</b>	<b>(79.651)</b>	<b>291.597.720</b>
-	-	-	-	-
-	-	-	-	-
-	-	(133.849.017)	119.932.319	-
-	-	322.905.936	-	315.031.846
-	-	-	(56.678.534)	-
-	-	-	(63.174.134)	(63.174.134)
<b>127.770</b>		<b>322.905.936</b>	<b>-</b>	<b>543.455.432</b>

MERKEZİ KAYIT KURULUŞU A.Ş.

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

	Notes	Audited 1 January 2023- 31 December 2023	Audited 1 January 2022- 31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit/(losses) for the period		322.905.936	133.849.017
Adjustments to reconcile net period to net cash provided by operating activities		190.055.772	71.621.642
Adjustments for depreciation and amortization charges	9,10,21	29.524.724	19.514.995
Provision for employee termination benefits	14	7.948.530	3.755.140
Gains on sale of tangible assets		-	-
Adjustments for employment termination benefits provision	14	160.870.566	35.840.032
Provision to CMB share accrual	12	61.739.614	39.962.208
Adjustments for interest income accrual	23,24	(107.697.215)	(49.274.757)
Adjustments for tax provision	25	39.236.624	18.019.148
Adjustments for legal cases provision expense	12	(306.548)	(2.668.177)
Provision for doubtful receivables from trade receivables		34.184	230.130
Adjustments for profit or loss due to change in fair value	6	(1.294.707)	6.242.923
Adjustments for bargain purchase gains	4	-	-
<b>Changes in working capital</b>		<b>512.961.708</b>	<b>205.470.659</b>
Increase in trade receivables		(72.380.924)	(35.062.550)
Increase/(decrease) in other receivables		(1.109.143)	(4.462.563)
Increase in net change in other current assets		(15.998.700)	(6.042.244)
Decrease/(increase) in other non-current assets		(11.815.860)	-
Increase in trade payables		(12.775.288)	31.428.060
Increase/(decrease) in other liabilities		52.983.632	27.553.519
Personnel bonus paid	14	(30.965.165)	-
CMB share accrual paid		(39.962.208)	(22.079.178)
Employee termination benefits paid	14	(1.621.720)	(529.204)
Tax paid	25	(69.039.225)	(35.679.813)
Decrease in deferred income		-	3.620.254
<b>Cash provided by the operating activities</b>		<b>310.277.107</b>	<b>164.216.940</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of tangible and intangible assets	9,10	(104.934.833)	(81.609.997)
Cash received from sales of property, plant, and equipment	9	545.102	2.943.343
Acquisitions of financial investments		-	-
Cash generated from the sale of financial investments		62.897.189	(48.861.579)
Cash outflow related to lease agreements		(936.428)	(1.392.253)
Interest received		110.373.615	49.274.757
Dividend from financial investments	23	-	1.250.000
Cash received from subsidiary acquisition	4	-	-
<b>Cash used in investing activities</b>		<b>67.944.645</b>	<b>(78.395.729)</b>
Dividends paid	19	(63.174.134)	(41.860.000)
<b>Net cash flow from financing activities</b>		<b>(63.174.134)</b>	<b>(41.860.000)</b>
<b>Net changes in cash and cash equivalents</b>		<b>315.047.618</b>	<b>43.961.211</b>
Cash and cash equivalents at the beginning of the period	5	238.199.416	194.238.205
Cash and cash equivalents at the end of the period	5	553.247.034	238.199.416

The accompanying explanations and notes form an integral part of these consolidated financial statements.

MERKEZİ KAYIT KURULUŞU A.Ş.

## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

Merkezi Kayıt Kuruluşu A.Ş. (the "Group" or "MKK"), was established as a joint-stock group in Istanbul, Türkiye to carry out processes dematerializing capital markets instruments, follow up electronically on these dematerialized instruments and the rights related to the instruments belonging to members and rights holders, deposit the instruments centrally, and carry out other roles provided by the Capital Markets Board in capital markets legislation. The group started operating after its establishment was promulgated in Turkish Trade Registry Gazette No. 5390 dated 26 September 2001.

MKK continues to operate within the framework of the Regulation on Establishment, Activities, Work and Audit Principles of the group and the Communiqué on Procedures and Principles of Keeping Records for Dematerialized Capital Markets Instruments (II-13.1) promulgated in the Official Gazette dated 7 August 2014 by the Capital Markets Board ("CMB") with Articles 13, 80 and 81 of the Capital Market Law No. 6362.

Also, MKK applied to the Central Bank of the Republic of Türkiye ("TCMB") for official authorization since the Group is considered a securities reconciliation system operator as per the Law on Payment and Security Settlement Systems, Payment Services, and Electronic Money Institutions and the relevant sub-regulations. TCMB decision No. 10160/19759 dated 12 June 2015 gave the MKK official authorization to be the system operator. This decision was promulgated in Official Gazette No. 29391 dated 19 June 2015. MKK continues operating under the abovementioned laws, regulations, and communiqué, and other regulations issued by the TCMB based on relevant laws.

The Group's capital structure are as follows.

Shareholders	Ownership ratio (%) 31 December 2023	Ownership ratio (%) 31 December 2022
İstanbul Takas ve Saklama Bankası A.Ş. ("Takasbank")	64,90	64,90
Borsa İstanbul A.Ş. ("BİAŞ")	30,10	30,10
Türkiye Sermaye Piyasaları Birliği ("TSPB")	5,00	5,00

As at 31 December 2023, the Group employs 259 personnel (31 December 2022: 237 personnel).

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Basis of presentation

##### Basis of presentation and declaration of conformity with TAS

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards Accounting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") together with the provisions of accordance with to Capital Market Board of Türkiye ("CMB")'s "Principles of Financial Reporting in Capital Market" dated 13 June 2013 and published in the Official Gazette numbered 28676 Series II. No.14.1. TFRS consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS interpretations and TFRS interpretations.

MERKEZİ KAYIT KURULUŞU A.Ş.

## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

(Amounts expressed in Turkish lira ("TL") unless otherwise stated)

(Convenience translation of consolidated financial statements)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of presentation (Continued)

Consolidated Financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Consolidated Financial Statements and User Guide published by POA in the Official Gazette numbered 30794 on 7 June 2020.

Approval of Consolidated Financial Statements:

The consolidated financial statements were approved by Board of Directors on 16 May 2024. General Assembly and other authorized entities have a right to change the consolidated financial statements.

#### Basis of measurements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

#### Functional currency

The accompanying consolidated financial statements are presented in TL, which is the functional currency of the Group

#### Preparation of consolidated financial statements in hyperinflationary periods

As at 31 December 2004, the consolidated financial statements of companies operating in Türkiye are expressed by TAS 29 - Financial Reporting in Hyperinflationary Economies, reflecting the adjustments made due to changes in the general purchasing power of TL. TAS 29 requires that consolidated financial statements prepared in the currencies of hyperinflationary economies are presented in the unit of measurement at the end of the reporting period, and balances for previous periods are also presented in the same unit.

According to the letter of the T.R. Ministry of Treasury and Finance, dated 4 April 2005, and numbered 19387, the Group has prepared its consolidated financial statements dated 31 December 2004, in the Capital Markets Board ("CMB"), published in the Official Gazette dated 15 January 2003, and numbered 25290. It has prepared the opening consolidated financial statements for 2005 by correcting the provisions in the section on "Adjustment of Financial Statements in High Inflation Periods" in the Communiqué on Accounting Standards in the Market ("Communiqué Serial: XI No: 25"). Also, according to the same letter of the T.R. Ministry of Treasury and Finance, the practice of adjusting consolidated financial statements according to inflation has been terminated since the beginning of 2005. Therefore, in the balance sheet prepared as of 31 December 2023, non-monetary assets and liabilities and equity items including capital are shown by adjusting the entries up to 31 December 2004 for inflation until 31 December 2004 and carrying the entries after this date from their nominal values.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of presentation (Continued)

On 23 November 2023, POA made a statement regarding the implementation or non-implementation of the Financial Reporting in High Inflation Economies ("TAS29") Standard within the scope of Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises. Accordingly, the financial statements of businesses applying TFRS for the annual reporting period ending on or after 31 December 2023 should be presented by adjusting for the effect of inflation in accordance with the relevant accounting principles in TAS29; However, an announcement has been published stating that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates than those foreseen above for the implementation of the provisions in TAS29 or BOBİ FRS. Within the framework of this announcement; In the letter of the Capital Markets Board Intermediary Activities Department dated 23/02/2024, as a result of the decision taken at the meeting of the Board Decision Making Body dated 28/12/2023 and numbered 81/1820, where the application principles regarding inflation accounting were determined, the Group's 31/12/2023 financial statements have not been subjected to the inflation adjustment required under TAS29. Within the framework of this decision, inflation accounting was not applied in accordance with TAS29 while preparing the financial statements dated 31 December 2023.

#### Comparative information and restatement of prior period's consolidated financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous. Reclassifications are made and differences are explained on comparative figures to conform to changes in presentation of the consolidated financial statements if necessary.

In accordance with TFRS, consolidated financial statements must be presented with prior period's comparative information. As at 31 December 2023, the Group prepared statement of consolidated financial position, statement of consolidated profit or loss and consolidated other comprehensive income, consolidated statement of changes in shareholders' equity and statement of consolidated cash flows comparatively.

#### Going concern

The Group prepared its consolidated financial statements considering the going concern principal.

#### 2.2 Changes in accounting estimates and errors

If the changes in accounting estimates are related to a period, they are applied in the period they are related to and if the changes are related to the future periods, they are applied both in the period the change is made and prospectively in the future periods. There have not been significant changes in the accounting estimates of the Group in the current period.

#### 2.3 Changes in accounting policies

The significant estimates and assumptions used in preparation of the consolidated financial statements as at 31 December 2023 are same with those used in the preparation of the Group's consolidated financial statements as at and for the year ended 31 December 2022.



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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.4 The new standards, amendments, and interpretations

##### a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

##### b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

- **Amendment to IFRS 16 - Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 - Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.4 The new standards, amendments, and interpretations (Continued)

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the KGK published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. 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 for the purpose of determining the businesses that will be subject to sustainability reporting.

#### 2.5 Summary of significant accounting policies

##### Revenue

The Group's main sources of income consist of custody operations service revenues, corporate management service revenues, data storage and reporting service revenues, hosting service revenues and IT infrastructure service revenues.

##### General model for revenue recognition

IFRS 15 requires revenue recognition for all contracts with customers to follow the five-step approach to revenue recognition.

##### *Step 1: Identifying the contract*

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved, and the parties are committed to their obligations.

If either contract were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Group accounts the contracts as a single contract.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### *Step 2: Identifying the performance obligations*

The Group defines 'performance obligation' as a unit of account for revenue recognition. The Group assesses the goods or services promised in a contract with a customer and identifies as:

- (a) a performance obligation either a good or service that is distinct.
- (b) or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

An entity may define a contract or a service separately from other contractual obligations and define it as a different commodity or service if the customer makes use of such goods or services alone or in combination with other resources available for use. A single contract may contain promises to deliver to the customer more than one good or service. At contract inception, an entity evaluates the promised goods or services to determine which goods or services (or bundle of goods or services) are distinct and therefore constitute performance obligations.

##### *Step 3: Determining the transaction price*

To determine the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Group considers variable elements of consideration, as well as the existence of a significant financing component.

##### **Significant financing component**

The Group revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Group does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services is received and the payment scheme is broadly aligned with the Group's performance throughout the period, the Group concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

##### **Variable consideration**

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

##### **Revenue**

##### *Step 4: Allocating the transaction price to performance obligations*

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### *Step 5: Recognition of revenue*

The Group recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The customer controls the asset as the entity creates or enhances it, or
- The Group's performance does not create an asset for which the entity has a use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Group uses a method that measures the work performed reliably. The Group uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used.

If a performance obligation is not satisfied over time, then the Group recognizes revenue at the point in time at which it transfers control of the good or service to the customer.

The Group recognizes a provision in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

##### **Contract modifications**

The Group recognizes a contract modification as a separate contract if the modification results in a promise to deliver additional goods or services that are distinct and an increase in the price of the contract by an amount of consideration that reflects the entity's stand-alone selling price of those goods or services adjusted to reflect the circumstances of the contract. If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract. If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

##### **Commissions**

Revenue generated from the transactions that the Group act as an intermediary party, is a commission income.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Finance income and finance expenses

Finance income comprises interest income on time deposits and investment funds, trade receivables due from other parties and foreign currency gains arising from financial assets and liabilities (excluding trade receivables and payables).

Finance expense comprises foreign currency losses arising from financial assets and liabilities (excluding trade receivables and payables). Borrowing costs that are not directly attributable to acquisition, construction or production of qualifying assets are recognized in profit or loss.

Foreign currency gains and losses arising from financial assets and liabilities (excluding trade receivables and payables) reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in net gain or loss position. Foreign currency gain on trade receivables and payables are recognized within operating income, foreign currency losses are recognized within other operating expenses.

Interest expense is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognised when the Company's right to receive payment is ascertained.

##### Tangible assets

Property, plant, and equipment are carried at cost less accumulated depreciation and any impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Leasehold improvements are depreciated on straight-line method, over their lease periods or their expected useful lives, where shorter of the relevant lease.

	Useful life
Plants, machinery, and equipment	4-10 years
Vehicles	5 years
Furniture and fixtures	2-50 years
Leasehold improvements	5 years
Leased tangible assets	1-10 years

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Intangible assets

###### *Intangible assets acquired*

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

###### *Computer software*

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (3 -5 years).

###### *Internally generated intangible assets - research and development expenditures*

Expenditures on research activities are recognized in profit and loss in the period they are incurred.

An internally generated intangible asset arising from development is recognized if, and only if, all the following have been demonstrated:

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

The amount initially recognized for internally generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The depreciation rates used approximate the rates of the useful life of the intangible assets are as follows:

	Useful life
Capitalized development expenditures	5 years
Rights	3-10 years



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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Impairment of assets

Assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher than an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

##### Borrowing costs

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

##### Financial instruments

###### *i. Recognition and initial measurement*

Trade receivables issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

In the initial measurement of financial assets (other than trade receivables that do not have a significant financing component) and financial liabilities other than those whose fair value difference is reflected in profit or loss, transaction costs that can be directly associated with their acquisition or issuance are also measured by adding to the fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

###### *ii. Classification and subsequent measurement*

###### Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets - Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

Transfers of financial assets to third parties in transactions that are not eligible for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of its assets in its consolidated financial statements.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- (i) contingent events that would change the amount or timing of cash flows;
- (ii) terms that may adjust the contractual coupon rate, including variable-rate features;
- (iii) prepayment and extension features; and
- (iv) terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).
- (v) A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### *Financial assets - Subsequent measurement and gains and losses:*

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### *Financial liabilities - Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### **iii. Derecognition**

##### *Financial assets*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

The Group enters transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

##### Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

##### **(iv) Offsetting**

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are less than 3 months from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value (Note 5).

##### **Effect of exchange rate changes**

The Group's consolidated financial position and results of operations are reported in TL which is the Group's functional currency and the presentation currency of consolidated financial statements.

In preparing the accompanying consolidated financial statements, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Earnings per share

According to TAS 33 - Earnings per Share, companies whose shares are not traded in a stock exchange market, are not required to disclose their earnings per share. Since, the Group has no share which is traded in a stock exchange market, earnings per share is not computed in the accompanying consolidated financial statements.

##### Subsequent events

Subsequent events comprise any event between the balance sheet date and the date of authorization for the balance sheet's publication, even if the event occurred subsequent to the announcement of net profit for the period or specific consolidated financial information disclosed to public.

In case of any occurrences subsequent events that require adjustments, the Group restates the consolidated financial statements accordingly.

##### Provisions, contingent liabilities, contingent assets

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

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### Government incentives and grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.



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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Taxes calculated over corporate earning

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### *Deferred tax*

Deferred tax liability/asset is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which is used in the computation of taxable profit and is accounted for using the balance sheet liability method and enacted tax rates. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### *Current and deferred tax for the period*

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

##### **Termination and retirement benefits**

The Group accounts liabilities related to severance pay, vacation rights and other benefits for employees according to the clause "Employee Benefits" ("TAS 19") and classifies them as "Provisions for Employee Benefits" on the balance sheet.

Employment termination benefits, as required by the Turkish Labor Law, are recognized in these consolidated financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Group arising from the retirement of its employees regarding the actuarial projections.

According to the TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communiqué published in Official Gazette on 12 June 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Group, the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations must be accounted in the "Statement of Profit or Loss and Other Comprehensive Income" and presented as "Other comprehensive income" which is effective for the annual periods beginning on or after 1 January 2013.

The Group recognizes actuarial gains and losses arising from the related reporting periods under the "Other comprehensive income/expense" account, and the related accumulated gains and losses are reported in the Statement of Financial Position under the Equity section as the standard permits the application to be retrospectively initiated under the heading "Transition and effective date" Actuarial gains/losses related to benefits provided to employees are shown under the account.

##### **Statement of cash flows**

In statement of cash flows, cash flows being reported to be classified according to operating, investment and financing activities cash flows from operating activities reflect cash flows generated from services rendered by the Group.

Cash flows from investing activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group.

Cash flows relating to financing activities express sources of financial activities and re-payment schedules of the Group.

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### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of significant accounting policies (Continued)

##### Capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity deducting from retained earnings in the period in which they are approved and declared.

##### TFRS 16 Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost and decreased by lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

#### 2.6 Significant accounting estimates and assumptions

Preparation of consolidated financial statements requires the use of estimations and assumptions which may affect the reported amounts of assets and liabilities as at the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during financial period. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. Significant areas at estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are described in the following notes.

#### 2.7 Business Combination

Business combinations are accounted for by using the purchase method in the scope of TFRS 3 "Business combinations". Any excess of the cost of acquisition over the acquirer's interest in the (i) net fair value of the acquiree's identifiable assets and contingent liabilities as of the acquisition date, (ii) amount of any non-controlling interest in the acquired entity and (iii) the difference between fair value of any equity interest previously held by acquirer is accounted for as goodwill. If those amounts are less than fair value of the net identifiable assets of the business acquired, the difference is recognised directly in "Gains from investment activities" as a gain from bargain purchase.

Under this method, the cost of an acquisition is measured over the fair value of cash and other assets given as of the acquisition date, equity instruments issued or liabilities incurred. If a business combination contract includes clauses that enable adjustments in the cost of business combination depending on events after the acquisition date; in case the adjustment is measurable and more probable than not, than the cost of business combination at acquisition date is adjusted. Costs associated with the purchase are expensed in the period in which they are incurred.

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## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

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### 3. SEGMENT REPORTING

Since there are no any set of components that are regularly reviewed by chief operating decision maker to take decisions about the Group's activities and whose consolidated financial performances are followed separately no reports have been made according to the operating segments.

### 4. BUSINESS COMBINATION

In accordance with the Official Gazette numbered 31227 dated 28 August 2020 by the numbered decision of 2908 of Presidency Of T.C., MKK Gayrimenkul Bilgi Merkezi A.Ş. (GABİM)'s all 500.000 shares have been taken by MKK for TL 500.000 based on the transfer agreement dated 28 September 2020.

As at 31 December 2021, MKK Gayrimenkul Bilgi Merkezi A.Ş. (GABİM)'s, a subsidiary of the Group, financial statements are included in consolidation in 2021 as they are considered significant compared to the consolidated financial statements of the Group. Within the scope of the inclusion of GABİM to consolidation, the gain resulting from positive difference between the total amount of the acquisition and the net assets acquired has been recognized under income from investment activities as bargain purchase in accordance with the TFRS 3 "Business Combinations Standard" in the consolidated financial statements of the Group.

### 5. CASH AND CASH EQUIVALENTS

As at 31 December 2023 and 2022, details of cash and cash equivalents are as follows:

	31 December 2023	31 December 2022
Cash at banks	55.779.459	31.778.806
Time deposits	42.601.281	17.596.870
Demand deposits	13.178.178	14.181.936
Reverse repo receivables	10.481	65.849
Short term bond and bill fund	498.758.299	208.137.557
Expected credit losses (-)	(6.459)	(18.935)
<b>Total</b>	<b>554.541.780</b>	<b>239.963.277</b>

Interest and maturity details of time deposits at banks as at 31 December 2023 and 2022 are as follows:

Currency type	Interest rate (%)	Maturity date	31 December 2023
USD	2,00%	2 January 2024	3.005.467
TRY	34,98%	2 January 2024	39.595.814
<b>Total</b>			<b>42.601.281</b>

Currency type	Interest rate (%)	Maturity date	31 December 2022
USD	1,00%	2 January 2023	619.571
TRY	12,00%	2 January 2023	16.996.234
<b>Total</b>			<b>17.615.805</b>

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## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

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### 5. CASH AND CASH EQUIVALENTS (Continued)

As at 31 December 2023, the Group have amount to TL 10.481 receivables from reverse repurchase transactions (31 December 2022: TL 65.489).

As at 31 December 2023, TL 1.294.746 is recognized as interest accrual on time deposit (31 December 2022: TL 1.763.861). As at 31 December 2023 and 2022, interest accruals are disclosed as deduction from cash and cash equivalents.

	31 December 2023	31 December 2022
Cash at banks	55.779.459	31.778.806
Receivables from reverse receivables	10.481	65.849
Short term bond and bill fund	498.758.299	208.137.557
Expected Loss Provisions (-)	(6.459)	(18.935)
Time deposit and repo interest accruals (-)	(1.294.746)	(1.763.861)
<b>Cash and cash equivalents at the statement of cash flows</b>	<b>553.247.034</b>	<b>238.199.416</b>

### 6. FINANCIAL INVESTMENTS

As at 31 December 2023 and 2022, short term financial investments consisting of time deposits and lease certificates of the Group are as follows:

	31 December 2023	31 December 2022
Asset Based Security	22.558.109	10.785.007
Restricted bank balance (Note 8, 27)	206.917	7.380.217
Lease certificate	-	63.331.649
Precious metals	-	2.870.635
<b>Total</b>	<b>22.765.026</b>	<b>84.367.508</b>

As at 31 December 2023, details of lease certificates of the Group are as follows:

ISIN Code	Maturity	Interest rate (%)	Nominal value	Fair value
TRPFB3F22425	01/02/2024	42,00%	7.140.541	7.617.099
TRPFB3F32424	05/03/2024	46,36%	2.080.000	2.233.229
TRPFB3F32432	15/03/2024	44,00%	10.544.593	11.094.870
TRPFB3F42415	17/04/2024	49,58%	1.520.000	1.612.911
<b>Total</b>			<b>21.285.134</b>	<b>22.558.109</b>

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### 6. FINANCIAL INVESTMENTS (Continued)

As at 31 December 2022, details of lease certificates of the Group are as follows:

ISIN Code	Maturity	Interest rate (%)	Nominal value	Fair value <sup>(*)</sup>
TRPTMKF12318	20/01/2023	22,50%	9.324.950	10.785.007
TRDEMVK2317	22/12/2023	22,00%	63.000.000	63.331.649
<b>Total</b>			<b>72.324.950</b>	<b>74.116.656</b>

<sup>(\*)</sup> As at 31 December 2022, lease certificates are classified as financial assets at fair value through profit or loss.

As at 31 December 2023 and 2022, long term financial assets are as follows:

	Share ratio (%)	31 December 2023	Share ratio (%)	31 December 2022
Türkiye Ürün İhtisas Borsası A.Ş.	5,00	2.500.000	5,00	2.500.000
Odtü Teknokent Girişim Sermayesi Yatırım Fonu	-	936.429	-	-
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	10,50	210.000	10,50	210.000
Saraybosna Borsası	5,01	163.082	5,01	163.082
Albaraka Portföy Bilişim Vadisi Girişim Sermayesi Yatırım Fonu		130.209	-	130.209
<b>Financial assets at fair value through other comprehensive income</b>		<b>3.939.720</b>		<b>3.003.291</b>

### 7. TRADE RECEIVABLES AND PAYABLES

As at 31 December 2023 and 2022, details of trade receivables are as follows:

	31 December 2023	31 December 2022
Trade receivables from domestic customers <sup>(1)</sup>	123.461.193	56.160.159
Trade receivables from related parties (Note 27)	9.988.628	4.328.250
Doubtful trade receivables	129.146	129.146
Allowance for doubtful trade receivables	(129.146)	(129.146)
Expected credit losses	(74.298)	(33.655)
<b>Short term trade receivables</b>	<b>133.375.523</b>	<b>60.454.754</b>

<sup>(1)</sup> Related amount represents trade receivables from customers which occur through the operational services of the Group.

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### 7. TRADE RECEIVABLES AND PAYABLES (Continued)

The movement of the allowance for doubtful receivables of the Group are as follows:

	1 January 2023 - 31 December 2023	1 January 2022 - 31 December 2022
Opening balance - 1 January	(129.146)	(129.146)
Current year expense	-	-
Allowance released	-	-
<b>Total</b>	<b>(129.146)</b>	<b>(129.146)</b>

As at 31 December 2023, the Group's receivables that are neither past due nor impaired amount to TL 133.375.523 (31 December 2022: TL 60.454.754). As at 31 December 2023, there is no trade receivable which is past due but not impaired (31 December 2022: None).

As at 31 December 2023, the Group has no received any collateral in relation to its receivables (31 December 2022: None).

The risk types and levels of trade receivables are explained in Note 28.

#### Short term trade payables

As at 31 December 2023 and 2022, the details of Group's trade payables are as follows:

	31 December 2023	31 December 2022
Suppliers	97.765.934	59.719.900
Trade payables to related parties (Note 27)	6.610.354	3.261.257
<b>Short term trade payables</b>	<b>104.376.288</b>	<b>62.981.157</b>

The Group does not have long-term trade payables as at 31 December 2023 and 2022.



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### 8. OTHER RECEIVABLES AND PAYABLES

As at 31 December 2023 and 2022 other receivables and payables of the Group are as follows:

	31 December 2023	31 December 2022
Receivables from personnel	4.424.746	1.344.797
Other miscellaneous receivables	1.355.383	3.326.213
<b>Other short-term receivables</b>	<b>5.780.129</b>	<b>4.671.010</b>
	31 December 2023	31 December 2022
Taxes and funds payable	20.812.528	9.641.496
Payables to personnel	518.124	124.811
Social security premiums payable	18.002.583	3.821.188
Amounts held at Takasbank <sup>(1)</sup> (Note 6, 27)	206.917	7.380.217
Advances received	294.459	501.750
Other short-term payables	18.339	25.030.761
<b>Other short-term payables</b>	<b>39.852.950</b>	<b>46.500.223</b>

<sup>(1)</sup> It represents the amount which is regarding the dividend, priority, fund and redemption payment transactions made by intermediary institutions and other relevant institutions, the payment transactions made through the accounts opened at Takasbank have not yet been distributed.

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### 9. TANGIBLE ASSETS

For the years ended 31 December 2023 and 2022, tangible assets of the Group are as follows:

	Machinery and equipment	Vehicles	Furniture and fixture	Leasehold improvements	Right-of- use assets	Construction in progress <sup>(1)</sup>	Total
<b>Cost</b>							
<b>1 January 2023</b>	<b>70.556.993</b>	<b>1.758.339</b>	<b>9.001.224</b>	<b>2.053.713</b>	<b>6.032.693</b>	<b>19.468.345</b>	<b>108.871.307</b>
Additions	522.648	23.200.139	2.664.830	-	-	78.547.216	104.934.833
Transfers	-	-	-	-	-	(50.154.702)	(50.154.702)
Acquirement (Note 4)	-	-	-	-	-	-	-
Disposals (-)	-	-	(37.735)	-	(507.367)	(47.794.353)	(48.339.455)
<b>31 December 2023</b>	<b>71.079.641</b>	<b>24.958.478</b>	<b>11.628.319</b>	<b>2.053.713</b>	<b>5.525.326</b>	<b>66.506</b>	<b>115.311.983</b>
<b>Accumulated Depreciation</b>							
<b>1 January 2023</b>	<b>(31.426.939)</b>	<b>(363.175)</b>	<b>(4.902.754)</b>	<b>(545.701)</b>	<b>(3.060.421)</b>	<b>-</b>	<b>(40.298.990)</b>
Charge for the period (-)	(13.424.492)	(1.047.071)	(1.233.427)	(51.106)	(1.144.499)	-	(16.900.595)
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>31 December 2023</b>	<b>(44.851.431)</b>	<b>(1.410.246)</b>	<b>(6.136.181)</b>	<b>(596.807)</b>	<b>(4.204.920)</b>	<b>-</b>	<b>(57.199.585)</b>
<b>Net book value as at</b>							
<b>31 December 2023</b>	<b>26.228.210</b>	<b>23.548.232</b>	<b>5.492.138</b>	<b>1.456.906</b>	<b>1.320.406</b>	<b>66.506</b>	<b>58.112.398</b>

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### 9. TANGIBLE ASSETS (Continued)

	Machinery and equipment	Vehicles	Furniture and fixture	Leasehold improvements	Right-of- use assets	Construction in progress <sup>(1)</sup>	Total
<b>Cost</b>							
<b>1 January 2022</b>	<b>26.612.084</b>	<b>244.682</b>	<b>6.172.442</b>	<b>647.449</b>	<b>3.321.894</b>	<b>8.312.810</b>	<b>45.311.361</b>
Additions	43.944.909	1.513.657	2.905.707	1.406.264	2.710.799	29.016.392	81.497.728
Transfers	-	-	-	-	-	(14.994.439)	(14.994.439)
Acquirement (Note 4)	-	-	-	-	-	-	-
Disposals (-)	-	-	(76.925)	-	-	(2.866.418)	(2.943.343)
<b>31 December 2022</b>	<b>70.556.993</b>	<b>1.758.339</b>	<b>9.001.224</b>	<b>2.053.713</b>	<b>6.032.693</b>	<b>19.468.345</b>	<b>108.871.307</b>
<b>Accumulated depreciation</b>							
<b>1 January 2022</b>	<b>(21.573.481)</b>	<b>(244.682)</b>	<b>(3.730.084)</b>	<b>(486.455)</b>	<b>(1.841.585)</b>	<b>-</b>	<b>(27.876.287)</b>
Charge for the period (-)	(9.853.458)	(118.493)	(1.172.670)	(59.246)	(1.218.836)	-	(12.422.703)
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>31 December 2022</b>	<b>(31.426.939)</b>	<b>(363.175)</b>	<b>(4.902.754)</b>	<b>(545.701)</b>	<b>(3.060.421)</b>	<b>-</b>	<b>(40.298.990)</b>
<b>Net book value as at</b>							
<b>31 December 2022</b>	<b>39.130.054</b>	<b>1.395.164</b>	<b>4.098.470</b>	<b>1.508.012</b>	<b>2.972.272</b>	<b>19.468.345</b>	<b>68.572.317</b>

<sup>(1)</sup> The Group was registered as "Research and Development Center" ("R&D Center") within the R&D Center Law numbered 5746 by Republic of Türkiye, Industry and Technology. In this context, expenses for the developed projects are capitalized and booked in construction in progress account. After completion of projects, these capitalized projects amounts are classified as intangible assets and their depreciation amounts regarding to the period is recognized understatement of profit or loss.

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### 10. INTANGIBLE ASSETS

For the years ended 31 December 2023 and 2022, intangible assets of the Group are as follows:

	Capitalized development costs <sup>(1)</sup>	Rights	Construction in progress <sup>(1)</sup>	Total
<b>Cost</b>				
<b>1 January 2023</b>	<b>77.660.347</b>	<b>5.126.494</b>	<b>-</b>	<b>82.786.841</b>
Additions	-	-	47.794.353	47.794.353
Transfers	50.154.702	-	-	50.154.702
Acquirement	-	-	-	-
Disposals (-)	-	-	-	-
<b>31 December 2023</b>	<b>127.815.049</b>	<b>5.126.494</b>	<b>47.794.353</b>	<b>180.735.896</b>
<b>Accumulated amortization</b>				
<b>1 January 2023</b>	<b>(59.535.522)</b>	<b>(2.687.594)</b>	<b>-</b>	<b>(62.223.116)</b>
Charge for the period (-)	(11.060.877)	(1.563.251)	-	(12.624.129)
Transfers	-	-	-	-
Disposals	-	-	-	-
<b>31 December 2023</b>	<b>(70.596.399)</b>	<b>(4.250.845)</b>	<b>-</b>	<b>(74.847.245)</b>
<b>Net book value as at 31 December 2023</b>	<b>57.218.650</b>	<b>875.649</b>	<b>47.794.353</b>	<b>105.888.651</b>

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### 10. INTANGIBLE ASSETS (Continued)

	Capitalized development costs	Rights	Total
<b>Cost</b>			
<b>1 January 2022</b>	<b>62.665.908</b>	<b>5.014.224</b>	<b>67.680.132</b>
Additions	-	112.270	112.270
Transfers	14.994.439	-	14.994.439
Acquirement	-	-	-
Disposals (-)	-	-	-
<b>31 December 2022</b>	<b>77.660.347</b>	<b>5.126.494</b>	<b>82.786.841</b>
<b>Accumulated amortization</b>			
<b>1 January 2022</b>	<b>(54.016.868)</b>	<b>(1.113.956)</b>	<b>(55.130.824)</b>
Charge for the period (-)	(5.518.654)	(1.573.638)	(7.092.292)
Transfers	-	-	-
Disposals	-	-	-
<b>31 December 2022</b>	<b>(59.535.522)</b>	<b>(2.687.594)</b>	<b>(62.223.116)</b>
<b>Net book value as at 31 December 2022</b>	<b>18.124.825</b>	<b>2.438.900</b>	<b>20.563.725</b>

<sup>(1)</sup> The Group was registered as Research and Development Center ("R&D Center") within the R&D Center Law numbered 5746 by Republic of Türkiye, Ministry of Industry and Technology. In this context, expenses for the developed projects are capitalized and booked in construction in progress account. After completion of projects, these capitalized projects amounts are classified as intangible assets and their depreciation amounts regarding to the period is recognized understatement of profit or loss.

### 11. GOVERNMENT INCENTIVES AND GRANTS

Within the context of R&D Law numbered 5746, it was declared by Republic of Türkiye, Ministry of Industry and Technology at 2 November 2020 to the Group that R&D Center status of the Group will be continued.

As at 31 December 2023, research and development tax deduction amounting to TL 78.547.216 is considered as deduction in corporate tax calculation (31 December 2022: TL 29.016.392) (Note 25).

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### 12. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2023 and 2022, Group's provisions, contingent assets, and liabilities as below:

	31 December 2023	31 December 2022
CMB share accrual <sup>(1)</sup>	61.739.614	39.962.208
Lawsuit provisions <sup>(2)</sup>	12.554.222	12.860.770
<b>Total</b>	<b>74.293.836</b>	<b>52.822.978</b>

<sup>(1)</sup> Related amount consists of CMB share accrual which will be paid to CMB by the Group in 2024 in accordance with related article of Capital Markets Boards Law.

<sup>(2)</sup> As at 31 December 2023, related amount consists of the provision for the reemployment lawsuits and other lawsuits.

Movement of provisions for case as below:

	1 January 2023 - 31 December 2023	1 January 2022 - 31 December 2022
Opening balance	12.860.770	15.528.947
Charge for the year	118.985	528.775
Reversal of provision (-)	(425.533)	(3.196.952)
<b>Total</b>	<b>12.554.222</b>	<b>12.860.770</b>

	31 December 2023	31 December 2022
Letter of guarantee	515.000	100.000
<b>Guarantees given</b>	<b>515.000</b>	<b>100.000</b>

As at the balance sheet date, the Group has no guarantees, mortgages or pledges given to third parties to guarantee their payables.

### 13. COMMITMENTS AND OBLIGATIONS

None (31 December 2022: None).

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### 14. PROVISION FOR EMPLOYEE BENEFITS

#### Short term provisions for employee benefits

Short term provisions for employee benefits consist of the unused vacation accrual.

	31 December 2023	31 December 2022
Provision for personal bonus	147.500.000	30.965.165
Provision for unused vacation	21.979.841	8.609.275
<b>Total</b>	<b>169.479.841</b>	<b>39.574.440</b>

The movement of the bonus provision for the year ended 31 December 2023 and 2022 is stated below:

	31 December 2023	31 December 2022
Opening balance	30.965.165	-
Paid within the period	(30.965.165)	-
Current year charge	147.500.000	30.965.165
<b>Total</b>	<b>147.500.000</b>	<b>30.965.165</b>

The movement of the unused vacation accrual for the year ended 31 December 2023 and 2022 is stated below:

	31 December 2023	31 December 2022
Opening balance	8.609.275	3.734.408
Current year charge	13.370.566	4.874.867
<b>Total</b>	<b>21.979.841</b>	<b>8.609.275</b>

#### Long term employee benefits

	31 December 2023	31 December 2022
Employment termination benefits provision	36.138.515	18.563.005
<b>Total</b>	<b>36.138.515</b>	<b>18.563.005</b>

The provision for employee severance pay is calculated within the framework of the following explanations:

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary per each service year limited to a maximum of TL 23.489,83 (31 December 2022: TL 15.371,40) Employee severance pay liability is not legally subject to any funding and there are no funding requirements.



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### 14. PROVISION FOR EMPLOYEE BENEFITS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in parallel with inflation. Thus, the discount rate applied represents the expected real interest rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as at 31 December 2023 and 2022 the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 24,60% and a interest rate of 28,00%, resulting in a real discount rate of 2,73% (31 December 2022: The provisions have been calculated assuming an annual inflation rate of 17,98% and interest rate of 22,11%, resulting in a real discount rate of 3,50%). The liability is not funded, as there is no funding requirement.

According to the TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communiqué published in Official Gazette on 12 March 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Group, the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations must be accounted in the "Statement of Profit or Loss and Other Comprehensive Income" and presented as "Other comprehensive income" which is effective for the annual periods beginning on or after 1 January 2013.

	31 December 2023	31 December 2022
Opening balance	18.563.005	8.304.569
Service cost	3.794.528	1.609.985
Interest cost	4.154.002	2.145.155
Employee termination benefits paid	(1.621.720)	(529.204)
Actuarial gain/(loss)	11.248.700	7.032.500
<b>Total</b>	<b>36.138.515</b>	<b>18.563.005</b>

### 15. PREPAID EXPENSES

As at 31 December 2023 and 2022, details of prepaid expenses are as follows:

	31 December 2023	31 December 2022
Program software support expenses	18.102.511	9.044.449
Machine devices maintenance expenses	4.081.091	1.098.592
Insurance expenses	2.094.326	1.280.967
Other	1.351.020	542.380
<b>Short term prepaid expenses</b>	<b>25.628.948</b>	<b>11.966.388</b>

	31 December 2023	31 December 2022
Program software support expenses	10.305.296	3.438.349
Other	6.110.025	1.161.113
<b>Long term prepaid expenses</b>	<b>16.415.321</b>	<b>4.599.462</b>

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### 16. OTHER CURRENT ASSETS

As at 31 December 2023 and 2022, details of other current assets as follows:

	31 December 2023	31 December 2022
Advances given	2.427.761	266.892
Other current assets	182.188	6.917
<b>Other current assets</b>	<b>2.609.949</b>	<b>273.809</b>

### 17. DEFERRED INCOME

As at 31 December 2023 and 2022, details of deferred income as follows:

	31 December 2023	31 December 2022
"E-Yönetim Kurulu" service income <sup>(1)</sup>	7.102.264	3.557.265
"E-Şirket" service income <sup>(2)</sup>	4.136.473	975.189
<b>Short term deferred income</b>	<b>11.238.737</b>	<b>4.532.454</b>

<sup>(1)</sup> The Group obtains Electronic Board of Directors system service income through an information system service where joint stock companies' board of directors meetings and other capital companies' board of directors meetings can be held legally in electronic environment.

<sup>(2)</sup> The Group earns an Electronic Board of Directors system service income through an information system service where joint stock companies "board of directors meetings and other capital companies" board of directors meeting can be legally held electronically.

	31 December 2023	31 December 2022
"E-Yönetim Kurulu" service income	3.904.937	1.847.833
<b>Long term deferred income</b>	<b>3.904.937</b>	<b>1.847.833</b>

### 18. LEASE LIABILITIES

As at 31 December 2023 and 2022, details of lease liabilities are as follows:

	31 December 2023	31 December 2022
Up to 1 year	474.023	521.609
1-5 years	1.245.406	1.719.432
<b>Total</b>	<b>1.719.429</b>	<b>2.241.041</b>

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### 19. SHAREHOLDER'S EQUITY

#### Paid in capital

The paid in capital structure of the Group as at 31 December 2023 and 2022 are as follows:

Shareholders	31 December 2023	Share Ratio (%)	31 December 2022	Share Ratio (%)
İstanbul Takas ve Saklama Bankası A.Ş.	64.900.000	64,9	64.900.000	64,9
Borsa İstanbul A.Ş.	30.100.000	30,1	30.100.000	30,1
Türkiye Sermaye Piyasaları Birliği	5.000.000	5,0	5.000.000	5,0
<b>Total</b>	<b>100.000.000</b>	<b>100,0</b>	<b>100.000.000</b>	<b>100,0</b>

As at 31 December 2023, the Group have 100 million shares comprises of 95 million group A and 5 million group B. The total value of shares TL 100.000.000 which each of the share is TL 1 (31 December 2022: 100 million shares comprise of 95 million group A and 5 million group B and TL 100.000.000).

Group A shares belong to BİAŞ and Takasbank and represented by 5 Board of Directors members, Group B shares belong to the Turkish Capital Markets Association and represented by 1 Board of Directors member.

#### Restricted reserves from profit

	31 December 2023	31 December 2022
Legal Reserves	41.482.418	27.565.720
Extraordinary Reserves	94.531.856	37.853.322
	<b>136.014.274</b>	<b>65.419.042</b>

In accordance with the TCC, legal reserves consist of the first and the second legal reserves. The first legal reserves appropriated out of historical statutory profit at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid in share capital. The second legal reserve is appropriated after the first legal reserves and dividends, at the rate of 10% per annum of all cash distributions.

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### 19. SHAREHOLDER'S EQUITY (Continued)

#### Other comprehensive income not to be reclassified to profit or loss

*Gains/losses on remeasurements of defined benefit plans*

As at 31 December 2023, in accordance with TAS 19, Group's arising from the severance pay liability, actuarial loss after deferred tax effect amounting to TL 15.592.548 (31 December 2022: TL 7.718.458). The related amount classified under equity, "Losses on remeasurements of defined benefit plans"

#### Accumulated profit/(losses)

Accumulated profit/losses other than net profit for the period are shown in this item after being netted off. Accumulated profit/losses in the Group's consolidated financial statements are as follows:

	31 December 2023	31 December 2022
Accumulated profit/((losses))	-	(79.651)
<b>Total</b>	<b>-</b>	<b>(79.651)</b>

In accordance with the Ordinary General Assembly resolution dated 3 August 2023, the Group has decided within the framework of the Company's Articles of Association and the Capital Markets Board Profit Distribution Communiqué to allocate an amount of TL 8.099.285 as the first tranche of reserve funds based on the calculations of the net period profit for the year 2022, to allocate TL 5.817.413 as the second tranche of reserve funds, to distribute a dividend of TL 63.174.134 to the shareholders, and to retain the remaining amount of TL 56.678.534 as extraordinary reserve funds within the Group.

The Group distributed TL 63.174.134 to the shareholders on 3 August 2023, related to the year 2022.

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### 20. SALES

For the years ended 31 December 2023 and 2022, details of the Group's sales as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
<b>Depository Operations Services Revenues</b>	<b>1.152.933.129</b>	<b>385.737.144</b>
- Depository Service Revenues	386.111.033	149.493.229
- Transfer Transaction Revenues	278.577.490	69.556.696
- Account Transaction Revenues	270.890.365	61.984.129
- Right of Use Revenues	89.321.741	28.898.814
- Cash Payment Transaction Revenues	40.470.657	28.980.330
- Exporter Establishment Transaction Revenues	29.863.221	21.172.631
- Exportation Transaction Revenues	22.935.773	13.322.217
- Dues Revenues	16.437.078	6.507.150
- ELÜS Transaction Revenues	9.439.281	1.654.208
- Administrative and Law Transaction Revenues	4.970.589	2.764.334
- KFS Revenues	875.306	339.166
- HPKS Revenues	801.364	356.425
- Other Custody Operation Transaction Revenues	2.239.231	707.815
<b>Corporate Governance Service Revenues</b>	<b>74.495.900</b>	<b>33.595.965</b>
- KAP Services Revenues	40.855.443	18.520.212
- E-General Assembly Services Revenues	19.836.363	8.890.453
- E-Company Services Revenues	7.959.319	3.751.856
- E-Board of Management Services Revenues	5.844.775	2.433.444
<b>Data Custody and Reporting Service Revenues</b>	<b>8.374.539</b>	<b>4.424.380</b>
- Data Broadcast Service Revenue	5.817.494	3.317.671
- E-vedo Service Revenue	2.137.045	1.016.709
- Data Organization Service Revenue	420.000	90.000
<b>Other Revenues</b>	<b>28.848.291</b>	<b>21.530.620</b>
- Hosting Service Revenues	5.201.592	2.873.887
- BT Infrastructure Revenues	1.410.936	736.400
- GABİM Commission Revenue	21.399.595	17.848.179
- Education Services Revenues	836.168	72.154
<b>Sales Return</b>	<b>(690.289)</b>	<b>(1.492.006)</b>
<b>Total</b>	<b>1.263.961.570</b>	<b>443.796.103</b>

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### 21. GENERAL ADMINISTRATIVE EXPENSES

For the years ended 31 December 2023 and 2022, details of Group's general administrative expenses as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel Expenses	572.772.842	184.881.492
Promotion and Representation Expenses	232.125.269	5.157.634
Taxes and Fees	36.151.036	17.915.867
Amortization Expenses	29.524.724	19.586.476
Maintenance Support Expenses	22.669.471	14.619.058
Other Outsource Expenses	14.226.945	5.657.628
Lease Expenses	11.815.358	5.888.805
Energy Expenses	9.249.062	8.364.129
Other Expenses	8.630.776	2.119.248
Audit Consultancy Expenses	4.977.476	3.323.023
Material Expenses	2.674.674	1.021.694
Travel and Transportation Expenses	2.486.066	2.424.028
Communication Expenses	1.783.669	1.030.018
Insurance Expenses	1.730.808	1.038.241
Education Expenses	1.271.847	970.039
Membership and Subscription Expenses	668.002	750.845
<b>Total</b>	<b>952.758.025</b>	<b>274.748.225</b>

### 22. OTHER OPERATING INCOME/EXPENSES

The details of other operating incomes for the periods ended 31 December 2023 and 2022 are stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
Provisions no longer required	425.533	2.430.156
TÜBİTAK incentive income	-	76.760
Other income	4.799.382	876.862
<b>Other operating income</b>	<b>5.224.915</b>	<b>3.383.778</b>

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### 22. OTHER OPERATING INCOME/EXPENSES (Continued)

The details of other operating expenses for the periods ended 31 December 2023 and 2022 are stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
CMB share accrual (Note 12)	61.739.614	39.962.208
Other provision expenses	118.985	25.000.000
Other expenses	124.516	3.602.702
<b>Other operating expenses</b>	<b>61.983.115</b>	<b>68.564.910</b>

### 23. FINANCE INCOME

The details of financial income for the years ended 31 December 2023 and 2022 are stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
Interest income on bank deposits	109.904.500	49.274.757
Dividend income from affiliates	-	1.250.000
Foreign exchange gains	1.706.799	236.384
<b>Finance income</b>	<b>111.611.299</b>	<b>50.761.141</b>

### 24. FINANCE EXPENSES

The details of financial expenses for the years ended 31 December 2023 and 2022 are stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
Foreign exchange losses	3.523.414	2.527.913
Lease interest expense	390.670	231.809
<b>Finance expenses</b>	<b>3.914.084</b>	<b>2.759.722</b>

### 25. TAX ASSETS AND LIABILITIES

As at 31 December 2023 and 2022, the details of tax liabilities/assets are as follows:

	31 December 2023	31 December 2022
Provision for current period corporate taxes (-)	106.060.341	44.082.770
Prepaid taxes and deductions	(54.472.113)	(29.515.658)
<b>Current year tax liability/(asset)</b>	<b>51.588.228</b>	<b>14.567.112</b>



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### 25. TAX ASSETS AND LIABILITIES (Continued)

#### Tax expense on income statement:

Tax (expense)/income comprises:

	1 January - 31 December 2023	1 January - 31 December 2022
Current period income tax expense	(106.060.341)	(44.082.770)
Deferred tax income/(expense)	66.823.717	26.063.622
<b>Current year tax expense</b>	<b>(39.236.624)</b>	<b>(18.019.148)</b>

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying consolidated statements for the estimated charge based on the Group's results for the years and periods.

With the amendment made in Article 25 of the Law No. 7394 and the first paragraph of the Article 32 titled "Corporate Tax and Provisional Tax Rate" of the Law No. 5520 on 15 April 2022, It has been decreed that the corporate tax rate of 25% is applied over the corporate earnings of banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. However, with the Law No. 7456 published on 15/07/2023, the said rate has been increased to 30% to be applied to the cumulative bases in the declarations that must be submitted as of 1/10/2023 and is valid for the period 01/01/2023 - 31/12/2023. The corporate tax rate will be applied as 30% in future periods, starting from the provisional corporate tax return to be submitted. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions and deducting the exemptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Corporations calculate provisional tax on their quarterly financial profits and declare it by the 14th day of the second month following that period and pay it by the evening of the 17th day. The provisional tax paid during the year is deducted from the corporate tax to be calculated on the corporate tax return to be submitted for that year and the following year. If there is a remaining provisional tax amount despite the deduction, this amount can be refunded in cash or can be deducted from other financial debts to the state.

Dividend income (excluding profits from investment funds participation certificates and investment trusts' shares) obtained from participating in the capital of another corporation which is fully tax payment is exempt from corporation tax. In addition, 50% of the profits arising from the sale of the immovable properties, which are included in the assets of the institutions with their participation in the assets for at least two full years for the same period of 75% of the profits arising from the sale of the property, goodwill, founder's notes, and usufruct shares, is no exception. In order to benefit exclusively, the earning must be kept in a fund account in liabilities and not to be withdrawn for 5 years. The sales price must be collected until the end of the second calendar year following the year in which the sale is carry out.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period not exceeding 5 years. Declarations and related accounting records can be examined within five years of the tax year and tax accounts can be revised.

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### 25. TAX ASSETS AND LIABILITIES (Continued)

Within the framework of the provision of Article 298/A of the Tax Procedure Law, the conditions required for inflation correction in the corporate tax calculation have been met as of the end of the 2021 calendar year. However, with the regulation made by Law No. 7352 dated January 20, 2022, the inflation adjustment application in the corporate tax calculation was postponed to 2023. According to this; The TPL financial statements for the 2021 and 2022 accounting periods have not been subjected to inflation correction, and the TPL financial statements dated December 31, 2023 have been subjected to inflation correction so as to have no impact on the corporate tax base. In addition, with the law no. 7491 published in the Official Gazette no. 32413 dated December 28, 2023, banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be subject to inflation in the 2024 and 2025 accounting periods.

It has been regulated that the profits or losses that will arise as a result of the adjustment will not be taken into account in determining the corporate tax base. Based on the Tax Procedure Law General Communiqué No. 560 published in the Official Gazette dated 30 April 2024, there will be no inflation adjustment for the 1st provisional tax period of the 2024 accounting period. However, according to the Communiqué in question, inflation adjustment will not be applied only in the 1st provisional tax period for now, and unless a contrary regulation is made in the following provisional accounting periods of the 2024 accounting period, inflation adjustment will continue to be applied if the conditions in Article 298/A of the TPL are met.

#### *Income withholding tax:*

In addition to corporate taxes, companies should also calculate income withholding taxes on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 - 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

#### *Deferred tax:*

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between its consolidated financial statements as reported in accordance with TFRS and its statutory tax consolidated financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

As of 31 December 2023, 30% tax rate is used for temporary differences that are expected to be realized/closed (As of 31 December 2022, 25% tax rate is used for temporary differences that are expected to be realized/closed).

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### 25. TAX ASSETS AND LIABILITIES (Continued)

	31 December 2023		31 December 2022	
	Total temporary differences	Deferred tax assets/liabilities	Total temporary differences	Deferred tax assets/liabilities
CMB share provision (Note 12)	61.739.614	18.521.884	39.962.208	9.990.552
Legal case, court provision	12.554.222	3.766.267	12.860.770	3.215.193
Employee termination benefits provision (Note 14)	36.138.515	10.841.555	18.563.005	4.640.751
Provision for unused vacation	21.979.841	6.593.952	8.609.275	2.152.319
Temporary differences on tangible and intangible assets	17.131.154	5.139.346	12.098.116	3.024.529
Bonus and donation provision	147.500.000	44.250.000	55.965.165	13.991.291
TFRS 9 effect	102.489	30.746	91.895	22.974
Other	59.490.000	17.846.999	-	-
<b>Deferred tax assets</b>	<b>356.635.835</b>	<b>106.990.749</b>	<b>148.150.434</b>	<b>37.037.609</b>
Right of use obligations	-	-	(980.742)	(245.187)
<b>Deferred tax liabilities (-)</b>	<b>-</b>	<b>-</b>	<b>(980.742)</b>	<b>(245.187)</b>
<b>Deferred tax assets, (net)</b>	<b>356.635.835</b>	<b>106.990.749</b>	<b>147.169.692</b>	<b>36.792.422</b>
	1 January- 31 December 2023		1 January- 31 December 2022	
Opening balance	36.792.422		8.970.675	
Accounted under profit and loss statement	66.823.716		26.063.622	
Accounted under other comprehensive income	3.374.610		1.758.125	
<b>End of the year</b>	<b>106.990.748</b>		<b>36.792.422</b>	

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### 25. TAX ASSETS AND LIABILITIES (Continued)

Tax reconciliation for the year ended 31 December 2023 and 2022 are as follows:

	1 January- 31 December 2023	Ratio (%)	1 January- 31 December 2022	Ratio (%)
<b>Profit before tax</b>	<b>362.142.560</b>		<b>151.868.165</b>	
Income tax using the Group's statutory tax rate (-)	108.642.768	(30,00)	37.967.041	(25,00)
Research and development investment allowance	(113.099.585)	(30,00)	(8.042.361)	(25,00)
Disallowable expenses (-)	75.961.040	(30,00)	555.445	(25,00)
Effect of inflation adjustments made according to VUK provisions <sup>(*)</sup>	(17.786.005)	(30,00)	-	(25,00)
Effect of change in tax rate	(7.358.485)	(30,00)	(2.943.394)	(25,00)
Other	(7.123.109)	(30,00)	(9.517.583)	(25,00)
<b>Tax expenses</b>	<b>39.236.624</b>	<b>(30,00)</b>	<b>(18.019.148)</b>	<b>(25,00)</b>

<sup>(\*)</sup> It consists of the deferred tax effect of temporary differences created by the adjustments made regarding inflation accounting, together with the Communiqué No. 32415 (2nd Duplicate) of the Tax Procedure Law dated 30 December 2023.

### 26. EARNINGS PER SHARE

According to TAS 33 - Earnings per Share, companies whose shares are not traded in a stock exchange market, are not required to disclose their earnings per share. Since, the Group has no share which is traded in a stock exchange market, earnings per share is not computed in the accompanying consolidated financial statements.

### 27. RELATED PARTY DISCLOSURES

Transactions between the Group and its related parties are explained below:

	31 December 2023	31 December 2022
Takasbank	206.917	7.380.217
<b>Financial Investments (Note 8)</b>	<b>206.917</b>	<b>7.380.217</b>
	31 December 2023	31 December 2022
Takasbank	9.362.439	4.323.227
MKK Gayrimenkul Bilgi Merkezi A.Ş.	568.104	-
Türkiye Ürün İhtisas Borsası A.Ş.	45.087	-
Sermaye Piyasası Lisanslama A.Ş.	12.012	4.278
Borsa İstanbul A.Ş.	939	745
T.C. Merkez Bankası A.Ş.	47	-
<b>Trade receivables</b>	<b>9.988.628</b>	<b>4.328.250</b>

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### 27. RELATED PARTY DISCLOSURES (Continued)

	31 December 2023	31 December 2022
Borsa İstanbul A.Ş.	6.606.334	3.259.311
Takasbank	4.020	1.946
<b>Trade payables</b>	<b>6.610.354</b>	<b>3.261.257</b>

	31 December 2023	31 December 2022
Takasbank	206.917	7.380.217
<b>Other payables</b>	<b>206.917</b>	<b>7.380.217</b>

#### Transaction with related parties:

	1 January - 31 December 2023	1 January - 31 December 2022
Commission income	93.164.436	34.814.151
Service income	3.014.247	102.925
<b>Total</b>	<b>96.178.683</b>	<b>34.917.076</b>

	1 January - 31 December 2023	1 January - 31 December 2022
Electricity, water, natural gas and up keeping expense	19.327.976	14.731.521
Rent expense	10.642.363	6.434.112
Advertising and sponsoring expenses	58.083.353	3.087.928
Data line expense and data broadcast sharing	734.111	352.750
Swift expense	55.345	40.146
EFT commission fee	22.310	13.021
Other expenses	1.795.650	76.562
<b>Total</b>	<b>90.661.108</b>	<b>24.736.040</b>

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### 27. RELATED PARTY DISCLOSURES (Continued)

#### Compensation of key management personnel:

Compensation of key management personnel in the current period are stated below:

	1 January - 31 December 2023	1 January - 31 December 2022
Wages and other short term benefits	13.064.754	5.699.353
	<b>13.064.754</b>	<b>5.699.353</b>

### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

#### Financial risk factors

Financial instruments carry the risk of the other party's failure to fulfill the contractual requirements.

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### Credit risk management

Financial instruments are under the risk that counterparties may default on contractual obligations. The Group did not have any important collection problem related to its receivables in the previous periods. As at the balance sheet date, the Group does not have any past due but not impaired receivable (31 December 2022: None).

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### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Credit risks per financial instrument categories:

31 December 2023	Trade receivables		Other Receivables		Bank deposits <sup>(1)</sup>	Other <sup>(2)</sup>
	Related party	Other party	Related party	Other party		
<b>Maximum credit risk as at reporting date (A+B+C+D+E)</b>	<b>9.988.628</b>	<b>123.386.895</b>	<b>-</b>	<b>5.780.129</b>	<b>554.535.321</b>	<b>22.765.026</b>
Guaranteed portion of maximum credit risk	-	-	-	-	-	-
A. The carrying amount of financial assets neither past due nor impaired	-	-	-	-	-	-
B. The carrying amount of trade receivables that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-
C. The carrying value of financial assets past due but not impaired	9.988.628	123.461.193	-	5.780.129	554.541.780	22.765.026
D. The carrying value of impaired assets	-	129.146	-	-	-	-
Past due (gross carrying amount)	-	(129.146)	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Guaranteed portion of the net carrying value	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Net carrying value secured with guarantee	-	-	-	-	-	-
Expected credit losses	-	(74.298)	-	-	(6.459)	-

<sup>(1)</sup> Consists of bank deposits and investment funds.<sup>(2)</sup> Consists of bank deposits, securitized assets and lease certificates with a maturity of more than three months.



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### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	Trade receivables		Other Receivables		Bank deposits <sup>(1)</sup>	Other <sup>(2)</sup>
	Related party	Other party	Related party	Other party		
<b>Maximum credit risk as at reporting date (A+B+C+D+E)</b>	<b>4.328.250</b>	<b>56.092.849</b>		<b>4.671.010</b>	<b>239.963.277</b>	<b>84.367.508</b>
Guaranteed portion of maximum credit risk	-	-	-	-	-	-
A. The carrying amount of financial assets neither past due nor impaired	-	-	-	-	-	-
B. The carrying amount of trade receivables that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-
C. The carrying value of financial assets past due but not impaired	4.328.250	56.126.504	-	4.671.010	239.982.212	84.367.508
D. The carrying value of impaired assets	-	-	-	-	-	-
Past due (gross carrying amount)	-	129.146	-	-	-	-
Impairment (-)	-	(129.146)	-	-	-	-
Guaranteed portion of the net carrying value	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Net carrying value secured with guarantee	-	-	-	-	-	-
Expected credit losses	-	(33.655)	-	-	(18.935)	-

<sup>(1)</sup> Consists of bank deposits and investment funds.<sup>(2)</sup> Consists of bank deposits, securitized assets and lease certificates with a maturity of more than three months.

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## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

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### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk

Liquidity risk is the possibility that the Group will be unable to fund its net funding requirements. The Group should maintain a balance of funding to continue its operations. The Group manages liquidity risk by the way of ensuring the continuation of adequate funds and reserves as a result of regularly following cash flows, matching maturity date of financial assets and liabilities.

#### Current period

Contractual maturity	Carrying value	Total contractual cash outflows (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
<b>Short-term liabilities</b>					
Lease liabilities	474.023	474.023	213.710	260.313	-
Trade payables	104.376.288	104.376.288	104.376.288	-	-
Other short-term liabilities	124.347.684	124.347.684	100.554.725	23.792.959	
<b>Long-term liabilities</b>					
Lease liabilities	1.245.406	1.245.406	-	-	1.245.406
Other long-term liabilities	3.904.937	3.904.937	-	-	3.904.937
<b>Total Liabilities</b>	<b>234.868.053</b>	<b>234.868.053</b>	<b>205.664.438</b>	<b>24.053.272</b>	<b>5.150.343</b>

#### Prior period

Contractual maturity	Carrying value	Total contractual cash outflows (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)
<b>Short-term liabilities</b>					
Lease liabilities	521.609	521.609	213.710	307.899	-
Trade payables	95.893.885	95.893.885	95.893.885	-	-
Other short-term liabilities	70.818.116	70.818.116	53.424.892	17.393.224	-
<b>Long-term liabilities</b>					
Lease liabilities	1.719.432	1.719.432	-	-	1.719.432
Other long-term liabilities	1.847.831	1.847.831	-	-	1.847.831
<b>Total Liabilities</b>	<b>170.800.873</b>	<b>170.800.873</b>	<b>149.532.487</b>	<b>17.701.123</b>	<b>3.567.263</b>

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### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

#### Foreign currency risk

	31 December 2023			31 December 2022		
	TL equivalent			TL equivalent		
	TL Equivalent	USD	EUR	TL Equivalent	USD	EUR
<b>Current assets</b>	<b>3.887.663</b>	<b>102.094</b>	<b>27.083</b>	<b>708.307</b>	<b>33.136</b>	<b>1.900</b>
Monetary financial assets	3.887.663	102.094	27.083	708.307	33.136	1.900
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial investment	-	-	-	-	-	-
<b>Total assets</b>	<b>3.887.663</b>	<b>102.094</b>	<b>27.083</b>	<b>708.307</b>	<b>33.136</b>	<b>1.900</b>
Total liabilities	-	-	-	-	-	-
<b>Off-balance sheet derivative Instrument's net asset/(liability) position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency/(liabilities) position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency monetary items asset/(liability) position</b>	<b>3.887.663</b>	<b>102.094</b>	<b>27.083</b>	<b>708.307</b>	<b>33.136</b>	<b>1.900</b>

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 2023 and 2022 is shown in the table below:

	31 December 2023			
	Profit/Loss		Equity	
	Increase in foreign currency	Decrease in foreign currency	Increase in foreign currency	Decrease in foreign currency
EUR net asset/liability	2.708	(2.708)	2.708	(2.708)
Portion hedged against EUR risk (-)	-	-	-	-
<b>EUR net effect</b>	<b>2.708</b>	<b>(2.708)</b>	<b>2.708</b>	<b>(2.708)</b>
US Dollar net asset/liability	10.209	(10.209)	10.209	(10.209)
Portion hedged against US Dollar risk (-)	-	-	-	-
<b>US Dollar net effect</b>	<b>10.209</b>	<b>(10.209)</b>	<b>10.209</b>	<b>(10.209)</b>
<b>Total</b>	<b>12.917</b>	<b>(12.917)</b>	<b>12.917</b>	<b>(12.917)</b>

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### 28. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2022			
	Profit/Loss		Equity	
	Increase in foreign currency	Decrease in foreign currency	Increase in foreign currency	Decrease in foreign currency
EUR net asset/liability	190	(190)	190	(190)
Portion hedged against EUR risk (-)	-	-	-	-
<b>EUR net effect</b>	<b>190</b>	<b>(190)</b>	<b>190</b>	<b>(190)</b>
US Dollar net asset/liability	3.314	(3.314)	3.314	(3.314)
Portion hedged against US Dollar risk (-)	-	-	-	-
<b>US Dollar net effect</b>	<b>3.314</b>	<b>(3.314)</b>	<b>3.314</b>	<b>(3.314)</b>
<b>Total</b>	<b>3.504</b>	<b>(3.504)</b>	<b>3.504</b>	<b>(3.504)</b>

#### Interest rate sensitivity

For the year ended 31 December 2023 the Group is not exposed to any interest rate risk due to not having any asset or liabilities with variable interest (31 December 2022: None).

### 29. FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Quoted market price, if available, is the best indicator of the fair value of an instrument.

#### 1. Financial assets

The carrying values of cash and banks approximate their fair values due to their short-term nature. The carrying values of trade receivables approximate their fair values due to their short-term nature.

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## Explanatory Notes to the Consolidated Financial Statements For the Year Ended at 31 December 2023

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### 29. FINANCIAL INSTRUMENTS (Continued)

#### 2. Financial liabilities

The carrying values of trade payables approximate their fair values due to their short-term nature.

As at 31 December 2023 and 2022, fair value and carrying value of financial assets and liabilities are stated as follows:

	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	554.541.780	554.541.780	239.963.277	239.963.277
Trade receivables	133.375.523	133.375.523	60.454.754	60.454.754
Financial investments (short term)	22.765.026	22.765.026	84.367.508	84.367.508
Financial investments (long term)	3.939.720	3.939.720	3.003.291	3.003.291
Other receivables	5.780.129	5.780.129	4.671.010	4.671.010
<b>Financial liabilities</b>				
Trade payables	104.376.288	104.376.288	62.981.157	62.981.157
Other payables	39.852.950	39.852.950	46.500.223	46.500.223

Fair values for financial assets and liabilities are determined as follows:

- First level: Values of financial assets and liabilities are valued with the price of similar assets and liabilities that are issued on active stock market.
- Second level: Financial assets and liabilities are not only determined with the price of related financial assets and liabilities that are on the stock market as mentioned in first level, but also determined with the inputs that are used to set observed price in direct or indirect market.
- Third level: Financial assets and liabilities are valued with inputs which are not related with inputs that are used for setting the observed fair values in market.

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### 29. FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets</b>				
Mutual funds	498.758.299	-	-	498.758.299
Asset-backed securities	22.558.109	-	-	22.558.109
<b>Total</b>	<b>521.316.408</b>	<b>-</b>	<b>-</b>	<b>521.316.408</b>

31 December 2023	Stage 1	Stage 2	Stage 3	Total
<b>Financial assets</b>				
Mutual funds	208.137.557	-	-	208.137.557
Asset-backed securities	10.785.007	-	-	10.785.007
<b>Total</b>	<b>218.922.564</b>	<b>-</b>	<b>-</b>	<b>218.922.564</b>

### 30. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

	31 December 2023	31 December 2022
Audit and assurance fee	800.604	232.133
Tax consultancy fee	-	-
Services other than independent audit fee	-	-
Other assurance services fee	244.316	59.569
<b>Total</b>	<b>1.044.920</b>	<b>291.702</b>

### 31. SUBSEQUENT EVENTS

None.

## DIRECTORY

### **Merkezi Kayıt Kuruluşu A.Ş.**

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# MERKEZİ KAYIT İSTANBUL

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