Merkezi Kayıt Kuruluşu

2024 INTEGRATED ANNUAL REPORT

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MERKEZİ KAYIT İSTANBUL

Central Securities Depository
& Trade Repository of Türkiye

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 2024. 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.

Furthermore, this report has been prepared in accordance with the International Sustainability Reporting Standards (IFRS). In Türkiye, IFRS standards have been incorporated into the national legislation through TSRS 1 "General Requirements for Disclosure of Sustainability-Related Financial Information" and TSRS 2 "Climate-related Disclosures", published in the Official Gazette dated 29 December 2023 and numbered 32414 (1st Supplement) by the Public Oversight, Accounting and Auditing Standards Authority (KGK). In line with these standards, matters considered material have been included in the report.

The report has been prepared under the guidance of the International Integrated Reporting Framework, and in determining the topics covered, in addition to legislative requirements, our Institution's strategy, financial and operational performance, and the values it provides to stakeholders have also been taken into account.

The financial indicators included in the report comprise the data disclosed in MKK's independently audited financial statements. The independent audit report dated 31 December 2024 and the accompanying explanatory notes constitute an integral and complementary part of this report.

CONTENTS

ABBREVIATIONS

INSTITUTIONS	
BİAŞ	Borsa İstanbul A.Ş.
CBRT	Central Bank of the Republic of Türkiye
CMB	Capital Markets Board of Türkiye
ISE	İstanbul Stock Exchange
MDM	National Depository Center of the Republic of Azerbaijan
MKK	Merkezi Kayıt Kuruluşu (Central Securities Depository and Trade Repository of Türkiye)
SPL	Capital Markets Licensing, Registry and Training Agency of Türkiye
TAKASBANK	İstanbul Settlement and Custody Bank
TMEX	Turkish Mercantile Exchange
SERVICES AND PRODUCTS OF MKK	
e-GMS	Electronic General Meeting System
e-COMPANY	Companies Information Portal
e-TR	Electronic Trade Repository System
e-INVESTOR	Investor Information Center
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
MCC360	MKK Communication Center
CDS	Central Dematerialized System
CDSP	Central Database Service Provider
COMPASS	Intermediary Institutions MKK Data Analysis Platform
RISE	Investor Risk Appetite Index
REKS	Risk Propensity Index
DAP	Data Analysis Platform
IRMS	Investor Risk Monitoring System
OTHERS	
ADNKS	Address Based Population Registration System
DİBS	Government Debt Securities
e-WR	Electronic Warehouse Receipts
TRNC	Turkish Republic of Northern Cyprus
MERSİS	Central Registration System
CSD	Central Securities Depository
ODVM	Disaster Data Center
TCC	Turkish Commercial Code
FCSD	Foreign Central Securities Depositories

MANAGEMENT MESSAGES

LETTER FROM THE CHAIRMAN OF THE BOARD

"AT MKK, WITH FULL AWARENESS OF OUR DUTIES AND RESPONSIBILITIES, WE HAVE CONTINUED TO MEET THE GROWING PUBLIC INTEREST AND ENGAGEMENT IN CAPITAL MARKETS THROUGH OUR SKILLED HUMAN CAPITAL AND ROBUST INFRASTRUCTURE."

Our Central Securities Depository & Trade Repository of Türkiye (MKK) is proud to have successfully completed another year in which it continued to provide central securities depository and trade repository services for our capital markets.

In alignment with our goals for the economic development of our country and the Century of Türkiye vision, all participants in our capital markets have sustained their collaborative efforts with remarkable dedication. Many of our citizens who have grown their investments through the markets are contributing to the growth of our national economy by expanding capital ownership across a wider base. In this context, as a financial infrastructure institution managing the functioning of our markets, we are working diligently, enhancing our services, and are pleased to observe the outcomes of these improvements, while consistently meeting the operational demands stemming from increased activity without interruption. The growth in the number of investors and the changes in portfolio values, observed since the global pandemic that affected the entire world, continued in 2024 as well. In 2024, the number of new investors who opened an investment account and received an MKK registration number for the first time reached 1 million 994 thousand 227, while the number of newly registered institutional investors was 52 thousand 105. At MKK, with full awareness of our duties and responsibilities, we have continued to meet the growing public interest and engagement in capital markets through our skilled human capital and robust infrastructure. At this point, we have established the capacity to offer dematerialization (digitalization) services securely, cost-effectively, and swiftly for all types of assets and products that can be financialized in our country.

Beyond our successful domestic operations, our Institution has also undertaken many important initiatives in its field on the international stage. By organizing the 2024 AECSD (The Association of Eurasian Central Securities Depositories) & AMEDA (Africa and Middle East Depositories Association) İstanbul Summit at the İstanbul Financial Center, we convened senior financial representatives from over 40 countries in our country, and achieved a historic success. This was the first event of its kind in terms of both scale and scope within the global central securities depository ecosystem, and it was realized by MKK in 2024. Through this success, our Institution has showcased the strength of our national financial infrastructure to the world and contributed meaningfully to the vision and objectives of the İstanbul Financial Center.

We are committed to working with full determination with our stakeholders, notably the Capital Markets Board (CMB), Borsa İstanbul, Takasbank, and the Turkish Capital Markets Association, to ensure the growth and development of our capital markets in line with our shared goals. I would like to express my sincere gratitude and congratulations to the executives and employees of our Institution who played a key role in these accomplishments.

Ali İhsan Güngör

Chairman of the Board of Directors of Central Securities Depository & Trade Repository of Türkiye (MKK)

Executive Vice Chairman of the Capital Markets Board (CMB)

MANAGEMENT MESSAGES

LETTER FROM THE CEO

"WHILE WE RESPONDED TO ALL DEVELOPMENTS AND GROWING DEMAND IN OUR CAPITAL MARKETS THROUGH OUR INTERNAL CAPABILITIES AND QUALIFIED HUMAN RESOURCES, WE TAKE GREAT PRIDE IN HAVING SUCCESSFULLY REPRESENTED BOTH OUR INSTITUTION AND OUR COUNTRY ON THE INTERNATIONAL STAGE THROUGH OUR EFFORTS IN 2024."

Dear Stakeholders,

As we entered the year 2024 with a record number of investors and portfolio values carried over from the previous year, uncertainties arising from numerous international crises affecting both the southern and northern regions of our country were already present. While economic policies aimed at normalization in our markets continued in the aftermath of the global pandemic experienced from 2020 to 2022, and the national-scale disaster of the 6 February 2023 earthquakes, humanitarian crises and conflicts in areas such as Gaza, Syria, and Ukraine, within our broader geopolitical environment, significantly impacted the investment ecosystem and national economies. Despite the ongoing effects of these crises, our country is steadfastly advancing on its path to development and growth by minimizing risks in foreign policy and economic management.

Despite global stagnation and instability, Türkiye recorded 3.2% growth, demonstrating its secure investment infrastructure and positioning as a strong economy in its region, and made significant progress in the fight against inflation. In parallel with these developments, our capital markets also closed 2024 with significant innovations and achievements. 33 companies went public last year, and the total amount of funds raised through public offerings reached TL 57.31 billion. The number of individual investor participations in public offerings reached 59 million 161 thousand 692. Similarly, the total value of securities, which stood at TL 12.54 trillion as of 31 December 2023, rose to TL 19.83 trillion by 31 December 2024. During the same period, the total number of registered investors at MKK increased from 34.1 million to 36.1 million. The number of investors with active balances reached 10.65 million.

At of the end of 2024, the portfolio value of equities reached TL 13.38 trillion, with the number of investors at 6.88 million. Last year, the portfolio value of investment funds reached TL 4 trillion 620 billion 571 million, with the number of investors totaling 5 million 454 thousand 539. Throughout the year, interest in funds remained exceptionally high. The number of investors in the Crowdfunding System reached 43 thousand 361 by year-end.

DEPOSITORY SERVICES

In 2024, we implemented numerous innovations in the field of depository services, aimed at addressing evolving needs and improvement targets. To highlight the main ones: the first transfer transaction to the Azerbaijan Omnibus account opened at our Institution was completed, and we expect Azerbaijani investors to increase their investments in Turkish Government Debt Securities in the upcoming period.

Through online integration, we updated the integrated modules of the Central Dematerialized System (CDS), completing the transition of 19 services across 8 main modules to ensure broader and more efficient utilization by our members, and we also carried out planning for new services.

The intermediary system in the e-WR Market went live as of 13 January 2025. Additionally, the product range of e-WR, which was created for agricultural products, was expanded to include the animal-based product “cheese”, bringing the total number of products to 18.

We provided our users with updates and innovations on the Crowdfunding System and the Bearer Shares Registry System in line with investor demands and regulatory changes.

DATA SERVICES

As of the end of 2024, the number of members on the e-TR Platform reached 239, comprising 53 brokerage firms, 56 banks, 1 central counterparty, and 129 legal entities.

Through our Real Estate Based and Developing Financial Instruments Information System (REFIS), we continued data dissemination to support diversification of real estate investment options, and provided access to data on investment instruments traded in the capital markets of the member countries of the Standing Committee for Economic and Commercial Cooperation (COMCEC) via REFIS.

On our Data Analysis Platform (DAP), we carried out regular developments and improvements throughout the year to ensure the platform delivers secure, consistent, and accurate data covering all aspects of our capital and financial markets. We disseminated this data to the public through our institutional websites, social media accounts, and the press to keep market participants informed and to enhance financial literacy across society.

In 2024, we launched the Risk Propensity Index (REKS) as an index measuring the risk propensity of investors to engage in the market. Its regular weekly publication continued successfully and garnered considerable interest.

MANAGEMENT MESSAGES

LETTER FROM THE CEO

We introduced new features to the "COMPASS Intermediary Institutions MKK Data Analysis Platform" application within the framework of market needs and made it available for use by our intermediary institutions.

We developed our Data Transmission Platform (VIP) as a new platform through which reports to be shared with regulatory and supervisory authorities, such as the Capital Markets Board and the Central Bank of the Republic of Türkiye, can be submitted in the form of data, graphical visuals, or files. This platform is designed to enable secure data sharing through a centralized structure governed by authorization mechanisms.

We have consistently enhanced our data sharing and reporting activities with relevant stakeholders, particularly regulatory and supervisory institutions, NGOs, and universities. In 2024, we provided data support for academic research with 60 reports transmitted to a total of 30 universities.

CORPORATE GOVERNANCE SERVICES

Based on last year's data, approximately 140,000 disclosures are published on the Public Disclosure Platform (PDP), and the platform records nearly 160 million unique page views. In parallel, 38 Data Vendors broadcast PDP disclosures simultaneously, while 7 regulatory and supervisory institutions actively use the PDP data publishing service.

In 2024, shareholders and representatives from 39 different countries participated in meetings held via the Electronic General Meeting System (e-GMS). Throughout the year, general meetings were broadcast live for approximately 712 hours from 491 different locations across 35 different provinces. We also completed the infrastructure renewal and transformation of e-GMS at the beginning of 2025. In a comparative country review conducted by the Organisation for Economic Co-operation and Development (OECD) on electronic general meeting practices, e-GMS was selected as an exemplary application, an achievement that made us proud. The OECD also noted that e-GMS stands ahead of its international counterparts.

The Indonesian Central Securities Depository (KSEI) has been conducting general meeting processes through e-GMS since 2020. In 2024, a total of 902 different companies held 1,440 general meetings electronically, as shareholders exercised their corporate governance rights. We completed the necessary enhancements to enable the general meetings of debt instruments to be conducted through e-GMS as well.

In 2024, the Electronic Board of Directors System (e-BDS) was widely adopted by banks, corporate groups, and companies across our markets. We enable companies to hold the meetings of the board of directors, board of directors committees, and other committees via e-BDS with a secure infrastructure, eliminating the need for physical gatherings.

Through our e-COMPANY portal, we made 133,683 documents accessible to third parties by uploading them to the section dedicated to information society services. The most frequently uploaded document types were balance sheets (19,341), income statements (18,132), and minutes of general meetings (17,642), respectively.

At MKK, we aimed to support rapid and efficient application development and integration by launching the MKK API Portal. The portal, opened to a broad user base including financial institutions and solution developers at the beginning of 2025, provides access to our service catalog and APIs.

INVESTOR SERVICES

Investors can obtain information from our Institution regarding records maintained in MKK systems through applications accessible via telephone and internet channels, and they can view all their investment accounts held with different brokerage firms. In 2024, we observed a growing demand for these services and continued our efforts to further enhance them.

We expanded the scope and support functions of the MKK Solution Center to offer centralized and integrated services to all users of our Institution's products and services, including members and investors. In 2024, over 200 thousand incoming calls were responded to through this platform.

As of 31 December 2024, more than 400 thousand users have completed the membership process on our e-INVESTOR application, which enables investors to access a wide range of current and historical information related to their portfolios. Additionally, our e-INVESTOR Mobile application was downloaded on more than 200 thousand mobile devices, and we have offered the users secure and seamless transaction capability, as well as access to up-to-date and transparent information.

We initiated work on the Crypto Asset Central Registry System (KVMKS) as a new project. Throughout the year, we closely monitored developments in technology and regulatory frameworks within Digital Asset Markets while intensifying our efforts within the framework of the Capital Markets Board's (CMB) Resolution No. 1484, published on 19 September 2024. In this context, through the establishment of KVMKS and the development of the associated application, we aim to ensure that the transaction ledgers and investor balances of platforms providing trading services to investors in the crypto asset market are maintained in a dematerialized structure. Additionally, we strive to ensure that asset reconciliation is conducted with the Custodian institutions responsible for the custody activities of these platforms on blockchain networks, and to reduce systemic market risk by making the balance and transaction information of crypto asset investors available to them via the e-INVESTOR and MKK Communication Center platforms.

We launched the Membership and Announcement Module of MCC360 (MKK Communication Center) to promote the use of e-signatures for service-related applications and eliminate the circulation of physical documents. This module enables our members to perform processes such as IP Notifications, Certificate Transactions, Representative Definition, and System Connection Extension Requests, etc., through the application by defined users.

Our service quality continues to be enhanced by the growing number of members. As of year-end 2024, there were 3,646 corporate companies using the CDS, PDP, EKK, e-TR, and e-COMPANY platforms, and 3,517 companies using the BSRS platform among market participants.

R&D ACTIVITIES AND PROJECTS

As the institution operating the first licensed R&D center in Türkiye's capital markets, we have effectively responded to developments and growing demand through our internal capabilities and highly qualified human resources. We successfully completed numerous new projects and enhancements across our depository services, data services, corporate governance services, and investor services.

In the past year, we successfully completed 9 projects within the scope of our R&D activities and continued work on 2 additional projects. In addition to R&D activities, in 2024, we maintained our efforts to create social added value by participating in the Sector on Campus Program, which has been overseen by the National Technology Academy of the Ministry of Industry and Technology of the Republic of Türkiye. The courses, which were developed by our Institution's specialists, were delivered to students at 5 different universities upon request, within the framework of the market practice transfer approach, thereby sustaining our collaboration with academia.

OUR INTERNATIONAL COLLABORATIONS AND OTHER ACTIVITIES

Our Institution hosted the 2024 AECSD (The Association of Eurasian Central Securities Depositories) & AMEDA (Africa and Middle East Depositories Association) İstanbul Summit, bringing together central securities depositories from more than 40 countries in İstanbul. On the first day of the Summit, which included the General Assembly Meetings of the AECSD and the AMEDA, as well as the Board Meeting of the World Forum of Central Securities Depositories (WFC) and the Opening Bell Ceremony, I was honored with the AMEDA Board membership.

The Opening Ceremony and sessions of our Summit, held on 3–4 October at the İstanbul Financial Center, continued with opening remarks delivered by Deputy Minister of Treasury and Finance Mr. Osman ÇELİK, Chairman of the Capital Markets Board (CMB) Mr. İbrahim Ömer GÖNÜL, MKK CEO and Board Member & AECSD Chair Dr. Ekrem ARIKAN, AMEDA President Mr. Abdulla Jaffar ABDIN, and WFC Chair Mr. Yedil MEDEU. The keynote speech was delivered by the President of the Finance Office of the Presidency of the Republic of Türkiye, Prof. Dr. Göksel AŞAN.

As part of the Summit, a Memorandum of Understanding was signed between Maroclear, the Central Securities Depository of Morocco, and MKK. This agreement aims to strengthen information sharing, knowledge exchange, and the use of products between the two institutions in the coming period. On this occasion, I would like to once again express my sincere gratitude to all participants and my colleagues who contributed to the organization of our Summit, which marked a series of firsts in terms of its scope.

We successfully concluded 2024 as a "year of communication", during which we presented MKK to the public, shared our data and activities, and enhanced our engagement with sectoral stakeholders. We take great pride in having effectively represented both our Institution and our country, particularly on the international stage. With our strong belief in the goals of the İstanbul Financial Center and the vision of the Century of Türkiye, we will strive to continue and expand these valuable efforts.

As we close a year marked by many achievements, I would like to thank the valued members of the MKK family for their exceptional efforts and dedication. I am confident that this success will continue in the years to come. I hereby present the 2024 Integrated Annual Report of the Central Securities Depository and Trade Repository of Türkiye for the benefit of relevant institutions, organizations, and the markets. On this occasion, I would like to extend my gratitude to our esteemed stakeholders, particularly the Capital Markets Board of Türkiye, Borsa İstanbul, Takasbank, and the Turkish Capital Markets Association, for their continued cooperation and support.

Dr. Ekrem ARIKAN

Chief Executive Officer & Member of the Board of Directors, Central Securities Depository and Trade Repository of Türkiye

Chairman, Association of Eurasian Central Securities Depositories (AECSD)

2024 PERFORMANCE

FINANCIAL CAPITAL AND PERFORMANCE

Balance Sheet	2024	2023	2022
Total Assets	2,011,980,950	1,036,048,193	535,227,963
Current Assets	1,434,047,114	744,701,355	401,696,747
Non-Current Assets	577,933,836	291,346,838	133,531,216
Total Liabilities and Equity	2,011,980,950	1,036,048,193	535,227,963
Total Liabilities	719,045,138	492,592,761	243,630,243
Equity	1,292,935,812	543,455,432	291,597,720

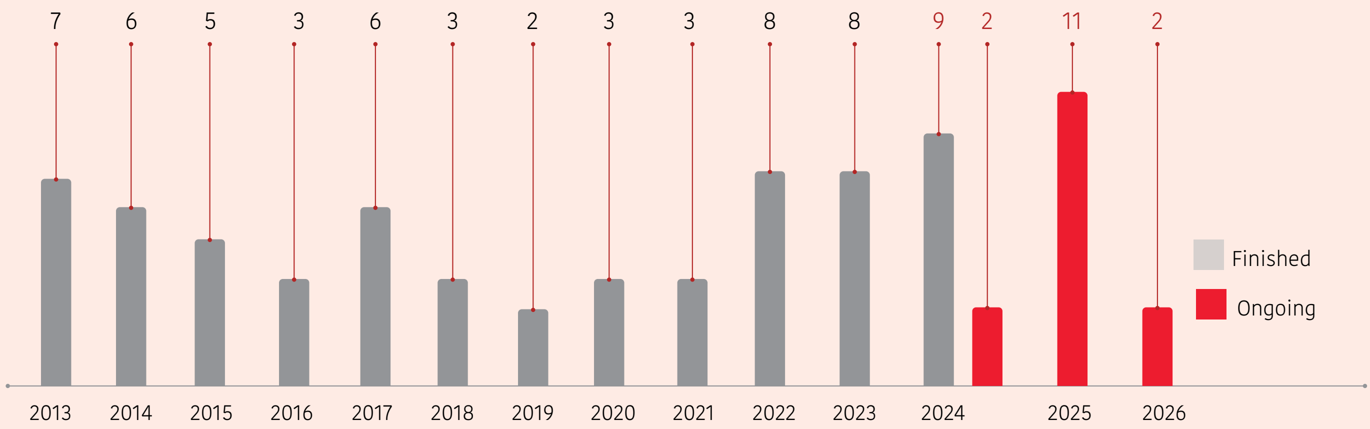
Income Statement	2024	2023	2022
Revenues	2,221,750,936	1,263,961,570	443,796,103
Operating Expenses	-1,490,711,833	-1,009,516,225	-339,929,357
Operating Profit	731,039,103	254,445,345	103,866,746
Income from Investment Activities	-	-	-
Operating Profit Before Financial Income/ Expenses	731,039,103	254,445,345	103,866,746
Financial Income/Expenses	418,580,999	107,697,215	48,001,419
Profit/Loss Before Tax	1,149,620,102	362,142,560	151,868,165
Taxes	-209,315,005	-39,236,624	-18,019,148
Net Profit for the Period	940,305,097	322,905,936	133,849,017

Financial Ratios	2024	2023	2022
Liquidity Ratio			
Current Assets/Short-Term Liabilities	2.19	1.65	1.81
Profitability Ratios			
Profit Before Tax/Total Assets	0.57	0.68	0.28
Profit Before Tax /Equity	0.89	0.67	0.52
Operating Profit / Revenues	0.33	0.20	0.23
Net Profit for the Period / Revenues	0.42	0.26	0.30
Financial Leverage			
Total Liabilities/Total Assets	0.36	0.92	0.46
Financing Ratios			
Equity/ Total Liabilities	1.80	1.10	1.20
Equity /Total Assets	0.64	1.02	0.54

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 officially designated R&D Center in the Turkish Capital Markets, MKK is committed to developing projects applicable not only in our country but also in international capital markets, utilizing its technological infrastructure and software architecture to produce the software required by the capital markets. Through the continuous adoption and development of cutting-edge application technologies using internal resources, MKK launches new projects each year, building upon a foundation shaped by its dynamic and innovative vision. The sustainability of our R&D Center is ensured by encouraging our employees, each with diverse competency portfolios, to engage in new projects and initiatives that align with the goals set by our senior management. All activities are carried out and reported in alignment with established project, program, and portfolio management methodologies. The number of completed and ongoing R&D projects by year is presented below.

NUMBER OF COMPLETED, ONGOING, AND UPCOMING R&D PROJECTS BY YEAR



Alongside the R&D activities, endeavors within the scope of the Sector on Campus Program carried out under the umbrella of the National Technology Academy of the Ministry of Industry and Technology of the Republic of Türkiye continued in 2024, intending to create social added value.

INTELLECTUAL CAPITAL AND R&D ACTIVITIES

Courses Delivered at Universities within the Scope of the Sector on Campus Program

The courses, developed by specialists from our Institution, were delivered to university students upon request within the framework of market practice transfer approach, thereby sustaining and strengthening our collaboration with academia. The universities we collaborated with and the courses delivered in 2025 are as follows:

University	Title of the Course
Batman University	Management of Digital Transformation Projects
Çanakkale Onsekiz Mart University	Public Disclosure in Capital Markets and PDP
İstanbul Nişantaşı University	Governance of Information and Communication Technologies
Tarsus University	Public Disclosure in Capital Markets and PDP
Yozgat Bozok University	Cyber Resilience and Operational Sustainability

In 2024, our R&D activities continued to expand with the implementation of infrastructure transformation projects grounded in the philosophy of building our product and application infrastructures, developed within the R&D framework, on the most advanced and secure technologies. The widespread utilization of open source has also been a point that has been carefully observed throughout the transformation efforts.

2024 PROJECTS

1) Renewal of e-WR Spot Purchase and Sale Market Processes and TURIS Integration

As part of the renewal of the e-WR Spot Purchase and Sale Market processes to include Commodity Market Intermediary Institutions (ÜPAK), integration activities were carried out for the transition to the TMEX e-WR Market Intermediary System (TURIS).

2) Blocked Equity Repo Transactions

Within the framework of the regulation made on the Guide on Investment Funds issued by the CMB regarding reverse repo transactions, improvements have been implemented in the CDS system to enable the blocking of assets associated with Equity Repo Market transactions in the reverse repo account until Value Date 2. In addition to the settlement process and reporting of blocked equity repo transactions, the bulk transfer of securities, which are credited to trader accounts under brokerage houses, to fund custody accounts under İstanbul Settlement and Custody Bank (Takasbank) was facilitated via file transfer.

3) COMPASS Investor Risk Module

New features continued to be added to the "COMPASS Intermediary Institutions MKK Data Analysis Platform" application, which is designed to report portfolio and investor data held in the CDS for intermediary institutions and development and investment banks operating in Borsa İstanbul Equity Market (Equity Market), in various breakdowns and to enable comparisons with peer group data, in line with market needs.

4) Data Transmission Platform (VIP)

A new platform has been developed by our Institution through which reports to be shared with regulatory and supervisory authorities, such as the Capital Markets Board and the Central Bank of the Republic of Türkiye, can be submitted in the form of data, graphic visuals, or files. Through this platform, we aim to enable secure data sharing via a central structure within the framework of authorization mechanisms.

5) MCC360 (MKK Communication Center) Platform Membership and Announcement Module

The Membership and Announcement Module of the MCC360 (MKK Communication Center) platform has been launched to enable the submission of applications required for the use of services and applications offered by our Institution through electronic signature, eliminating the need for physical document circulation. This module allows defined users to carry out processes such as IP notifications, Certificate Transactions, Representative Definition, and System Connection Extension Requests through the application.

6) MKK API Portal

The newly established MKK API Portal has been launched to provide access to the online services offered by MKK, enabling users to easily and quickly develop applications and integrate systems by accessing our service catalog and APIs. As of the beginning of 2025, the portal has been made available to a wide range of users, including financial institutions and solution developers. Initially, it features PDP data publishing services, and it is planned to be continuously enriched with the addition of new services, and to contribute to the development of capital markets through new applications to be developed.

7) PerGel (Corporate Performance Development System)

A new platform has been launched under the project carried out to create added value in the field of corporate development, to enable the measurement and transparent monitoring of corporate indicators within the framework of authorizations, as well as the implementation of actions for the improvement of the monitored indicators.

8) CDS (Central Dematerialized System) e-WR Infrastructure and Interface Renewal

In 2024, efforts were undertaken to modernize the CDS screens and reports by transforming them into contemporary web-based interfaces, starting with the interfaces related to Electronic Warehouse Receipts (e-WR) transactions, as part of the efforts to develop a sustainable technological infrastructure for functions used throughout the CDS. In the first quarter of 2025, sample interfaces were made accessible to licensed warehouse users, and the migration of interfaces to the new infrastructure will continue throughout the year.

INTELLECTUAL CAPITAL AND R&D ACTIVITIES

9) PDP Website Infrastructure and Interface Renewal

In line with our Institution's digital transformation vision, efforts have been undertaken to rewrite the PDP website application using the latest technologies in accordance with global standards and to update the interface design to enhance user experience, with the launch planned for the first quarter of 2025.

10) PDP Data Publishing Services Infrastructure Renewal

The infrastructure transformation efforts for PDP data publishing services, initiated as part of the goal of developing value-added services from PDP data, have been completed and implemented. With the transformation of the data publishing service infrastructure, differentiated data packages can now be created based on notification type, member type, and subject of notification, enabling institutions that utilize PDP data to meet specialized needs and allowing for the development of diverse sales and marketing strategies in data commercialization.

11) e-GMS (Electronic General Meeting System) Infrastructure Renewal

Contemporary technologies have been employed to rewrite the e-GMS application in accordance with the global standards that have been established and widely adopted by MKK. The objective has been to facilitate the organization of general meetings with substantially increased shareholder attendance on the renewed infrastructure.

12) API Gateway Infrastructure Renewal

Our Institution prioritizes the automation of processes by facilitating communication between applications through system integrations. In line with our pioneering role in the ecosystem, this contributes to the continuous improvement of market operations and the execution of end-to-end processes without manual intervention. In alignment with this approach, our Institution has updated the infrastructure of its online services to enhance and reshape the services it offers based on market needs, putting the renewed infrastructure into operation as of 2025. Some of the services have already been migrated to the new system, and by the end of 2025, all services will be provided through the new infrastructure.

13) API Architecture Renewal

Efforts were carried out in 2024 to transition the online services developed with the SOAP infrastructure to a REST API infrastructure, which offers greater flexibility, scalability, performance, and easier implementation of security features, and the transition of services to operate under the new structure will continue throughout 2025. Thus, it is anticipated that market stakeholders will be able to achieve system integrations much more easily and quickly.

14) Transition to an Open-Source Operating System on End-User Machines

Work has been carried out with the aim of establishing the infrastructure for transitioning to an open-source operating system on end-user machines. The operability of currently used applications and products on Linux systems has been reviewed, equivalent alternatives or required revisions on their own infrastructures have been identified for those needing improvement, the feasibility of these revisions has been assessed, and deployment of the new system to the machines has been carried out.

15) Transition to an Open-Source Data Governance Application

In line with our vision of developing open-source products with internal resources, a product was developed and launched for managing data governance processes, thereby integrating data governance into business processes.

16) e-GMS Indonesia Debt Instruments General Meeting Customization

The e-GMS application used by the Indonesian Central Securities Depository (KSEI) was customized in line with KSEI's requirements and launched to enable the conduct of general meetings related to debt instruments and the provision of invoice information through the product.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

Information Security Management System

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 24-25 April 2024, to ensure compliance with ISO 27001 2023 ISMS Standard. The certificate obtained from this audit will remain valid until May 2026.

Business Continuity Management System

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 10-11 September 2024 was successfully concluded, thereby ensuring the continuity of our Organization's BCMS certification until October 2025.

Personal Data Management System

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 a follow-up audit was conducted by an internationally accredited independent audit firm between the dates 24-25 April 2024. The certificate obtained will be valid until May 2026.

Quality Management System

Within the scope of compliance with the ISO 9001:2015 Quality Management System (QMS) 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 10-11 September 2024 was successfully completed. The certificate obtained will be valid until October 2026.

Information Technologies Service Management System

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 10-11 September 2024 was successfully completed. The certificate obtained will be valid until October 2027.

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 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.

SIGNIFICANT DEVELOPMENTS IN DEPOSITORY SERVICES AND SYSTEMS

1) Enhancements and Innovations in Capital Markets Operations Applications

- The initial transfer transaction to the Azerbaijan Omnibus account opened with our Institution has been completed, and it is anticipated that Azerbaijani investors will increase their investments in Turkish Government Debt Instruments in the future.

- Within the scope of capital increase transactions approved by the Board for issuer companies, summary information outlining the procedural steps to be carried out with our Institution has been automatically delivered to the companies' registered email addresses, ensuring that they can take action and be informed in a timely manner.

- It was reported to our Institution that investment companies were facing operational difficulties due to the erroneous transfer of securities to the investor blockage sub-account (YBLK), and the removal of the outgoing instruction from the YBLK sub-account by the investor. Following evaluations with the investment companies, an arrangement has been made to block transfers to the YBLK sub-account by returning an error message.

- In line with the provisions of the "Communiqué on Principles Regarding Venture Capital Investment Funds", the "Foreign Resident Investor and Balance Inquiry Services" (for Venture Capital Investment Funds) have been launched, enabling portfolio management companies and fund portfolio custodian members to access the information of foreign resident investors and their relevant balances via online integration services.

- The "Banned Investor Information Service" has been developed to enable the retrieval of information regarding investors subject to trading bans via the online integration service.

- In order to alleviate the operational burden resulting from the growing number of requests for changes in nationality and identity type, and to eliminate the need for written notifications, a development has been implemented to allow this process, previously carried out by our internal business unit, to be performed by our members directly through the system. In this context, our members have been enabled to update their nationality and identity type information for matched accounts via the relevant transaction screen without the need to submit any documents, thereby enhancing operational efficiency.

- As part of the protocol signed with the Revenue Administration, development efforts have been initiated for the Digital Foreign Investor Account Opening Process, which will enable our members to obtain potential tax identification numbers for foreign investors via the MKK Communication Center MCC360 platform. Member testing is scheduled to begin in the first quarter of 2025.

2) Expansion of Online Integration Usage

- Integrated CDS modules have been updated with online integration, and new services have been developed. In order to ensure more widespread and efficient use of the online integration system by our members, the transition to REST API has been completed for 19 services under 8 main modules within CDS, and the transition planning for the remaining services has been carried out. A total of 37 Portfolio Management Companies and 65 different Investment Institutions have started using the REST services. In addition, the issuance of e-WRs has started to be offered through the REST service.

- As part of the integration enhancements, the transition from Datapower to the Apinizer application has been completed.

3) Enhancements and Innovations Implemented in e-WR Applications

- The developments related to the transition to an intermediary system in the e-WR Market have been completed, and the system went live as of 13 January 2025. TÜRİB Merkez Ürün Piyasası Aracı Kurumu A.Ş. (ÜPAK), which will provide intermediary services for transactions in TÜRİB's intermediary system, has become a member of MKK to provide custody services for e-WRs.
- As of May 2024, e-WR issuance transactions have been conducted merely through the integration service instead of the CDS screens.
- At the request of the Turkish Grain Board (TMO) and the Ministry of Trade of the Republic of Türkiye, work was carried out to establish the principles for adjusting the number of storage days eligible for monthly rental support payments by TMO to licensed warehouses. The necessary system enhancements were developed and put into operation.
- The "Cheese" product certificate, an animal-based product, has been added to the scope of e-WRs issued for agricultural products. Based on the Ministry's approval, the product specification information has been defined in the CDS application.
- In line with the regulation issued by the Ministry, enhancements have been made for the tracking and reporting of licensed warehouse suspension processes.

4) Enhancements and Innovations Implemented in CFS Applications

- A "Platform Project-Based Balance Information Inquiry Service" has been established to enable CFS Platforms to query the "limit" information of projects.
- An enhancement has been made to enable the transfer of entrepreneur shares of companies issuing shares through crowdfunding to qualified investors to be conducted through the system.
- Reports previously obtained by CFS Platforms via the secure data sharing method "SFTP" can now be accessed through the "Platform Report Service" developed within the CFS application.
- An enhancement has been made to the "Member Update Service" in the application to enable Platforms to update the surname changes of investors registered in CFS.

5) Enhancements and Innovations Implemented in BSRS Applications

- In order to complete general meeting processes, the last registered representatives in BSRS have been enabled to perform transactions as passive users until new board members are elected.
- Daily notifications are ensured to be sent to BSRS member companies that have not submitted share declarations, starting seven days before the scheduled general meeting date, following a review of their general meeting definitions.
- When the status of a company registered in BSRS becomes cancelled on MERSIS, the company's shares defined in BSRS are automatically cancelled, and the company status is reported as "cancelled by MKK due to deregistration".

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

A) Depository Services

Custody Services in Numbers

1. Number of Investors and Accounts

	2024	2023
Total Number of Accounts	85,842,058	77,305,981
Total Number of Investors	36,095,955	34,099,443
Number of Accounts with a Securities Balance	15,185,146	14,509,074
Number of Investors with a Securities Balance	10,653,953	10,656,280

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

Security Type	2024	2023
Stocks	8,439,914	9,413,348
Government Debt Securities	19,015	17,700
Private Sector Debt Instruments	48,418	46,428
Mutual Funds	6,614,885	4,971,623
Exchange-Traded Funds	71,089	48,390
Structured Products	279,756	212,756
Other Securities	3,633	3,389

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

Security Type	2024	2023
Stocks	6,878,631	7,653,030
Government Debt Securities	18,673	17,722
Private Sector Debt Instruments	48,162	46,134
Mutual Funds	5,427,179	4,305,383
Exchange-Traded Funds	66,009	45,119
Structured Products	265,114	203,182
Other Securities	3,627	3,359

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

	Market Value		Nominal Value	
Security Type	**2024**	**2023**	**2024**	**2023**
Stocks	13,378,505	10,030,696	441,029	279,355
Government Debt Securities	1,340,708	383,156	1,124,606	186,067
Private Sector Debt Instruments	343,244	233,061	343,113	233,846
Mutual Funds	4,520,340	1,725,285	4,947,353	1,884,655
Exchange-Traded Funds	113,581	68,036	572	555
Structured Products	34,357	27,014	4,282	4,916
Other Securities	97,039	68,527	96,788	68,379
Total	**19,827,774**	**12,535,773**	**6,957,743**	**2,657,773**

5. Number of Securities Issued

	Number of Securities Issued		Total Number of Securities	
Security Type	**2024**	**2023**	**2024**	**2023**
Stocks	86	133	1,158	1,087
Stocks (Crowd-funding)	90	164	352	278
Private Sector Debt Instruments	1,287	1,440	706	750
Mutual Funds	600	499	2,142	1,791
Exchange-Traded Funds	2	6	22	20
Structured Products	31,984	12,416	5,140	3,059
Other Securities	588	518	279	274
Total	**34,637**	**15,176**	**9,799**	**7,259**

6. Nominal and Market Values of the Issued Securities

	Nominal Value of Securities (TL million)		Market Value of Securities (TL million)	
Security Type	**2024**	**2023**	**2024**	**2023**
Stocks	12,686	24,835	316,104	396,675
Stocks (Crowd-funding)	307	643	398	5,366
Private Sector Debt Instruments	470,413	368,043	470,413	368,043
Other Securities	213,291	128,819	213,291	128,819
Total	**696,697**	**522,340**	**1,000,206**	**898,903**

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

7. Corporate Actions					
		Nominal Value (TL million)		Number of Companies	
Transaction Type		2024	2023	2024	2023
Rights Issue		29,469	9,084	27	17
Bonus Issue		122,242	32,045	94	76
Transaction Type	Currency (Nominal Value)			2024	2023
Dividend Payment	TL million			139,076	86,411
Redemption Payment	TL million			492,211	377,017
Redemption Payment	EUR million			1	0
Redemption Payment	USD million			0	1
Coupon Payment	TL million			110,190	31,421
Coupon Payment	EUR million			11	1
Coupon Payment	USD million			6	2

Crowdfunding System	2024	2023
Funding Amount	1,131,407,710	793,064,986
Number of Investors	43,361	34,914
Number of Dematerialized Companies	141	108
Number of Platforms	15	12

Agricultural Products Market	2024	2023
e-WR Product Type	18	17
Number of Investors	4,725	5,521
Number of Licensed Warehouses	224	182
Capacity (Tons)	12,172,987	10,587,362

Bearer Shares Registry System	2024	2023
Number of Registered Companies	3,469	3,525
Number of Shareholders	12,040	10,767
Total Number of Bearer Shares	734,226,613,426	628,692,847,396
Company Registered Capital (Billion TL)	149,476,093,682	153,725,642,156

B) 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 functioning and development of capital markets, monitoring systemic risk and contributing to the protection of financial stability, and developing value-added data products.

1) 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 accordance with 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 2024, within the framework of e-TR Platform applications, the following improvements were made in line with member demands and designed from a user-friendly perspective:

· The Enable/Disable Method, which was used to facilitate the transition phase in the notification of derivative contracts, has been terminated; enhancements have been completed to ensure that notifications are carried out solely through the Valuation Method. Additional enhancements have been made to reinforce data consistency checks specific to the valuation method.

· 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.

Throughout the year, 7 companies began reporting to the e-TR Platform. By the end of 2024, the number of e-TR Platform members reached 239, consisting of 53 brokerage firms, 56 banks, 1 central counterparty, and 129 legal entity companies.

2) 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 (decision number 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.

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

3) 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 has been improved through facilitating access to issuer and performance information of Lease Certificates, Real Estate Investment Trust Shares and Real Estate Investment Funds traded on Borsa İstanbul with the aim of improving transparency and effective functioning. Enhancements related to Sustainable Debt Instruments and Crowdfunding have been completed and made available for access. 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.

4) 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 Central Dematerialized System (CDS) and Public Disclosure Platform (PDP), is represented in a secure, consistent, and accurate manner.

5) 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.

6) The Risk Propensity Index (REKS)

Developed by MKK's software 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 BIST 100 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.

7) Data Support Contributing to Academic Studies

In 2024, data support was provided to academic studies through 60 reports shared with a total of 30 universities.

8) Data Sharing and Reporting

In 2024, report requests received by our Institution via MEVITAS (Central Electronic Transmission Gathering and Analysis System), as well as Ad-Hoc data requests submitted by Regulatory and Supervisory Institutions, were fulfilled, and the sharing of periodic reports continued.

Number of Reports Delivered in 2024

	Type of Report	Number of Annual Reports
Hourly	6	18,000
Daily	136	37,944
Weekly	25	1,300
Monthly	106	1,272
Quarterly	586	2,344
Annually	42	42
TOTAL	**901**	**60,902**

Institutions with Which Data is Shared / Institutions Receiving Data from MKK

TR Ministry of Treasury and Finance	TR Ministry of Trade	TR Ministry of the Interior	TR Ministry of Industry and Technology	TR 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.	İstanbul Takas ve Saklama Bankası A.Ş. (TAKASBANK)	Turkish Capital Markets Association	Turkish Mercantile Exchange	Capital Markets Licensing and Training Agency of Türkiye
The Banks Association of Türkiye Risk Center	Turkish Tax Inspection Board	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 Institutions	Investor
Investor Devisees					

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

C) Public Disclosure Services (PDP)

Public Disclosure Platform (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 990 companies across Türkiye, over 2,800 funds and over 3,500 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. Independent audit firms electronically sign the financial reports related to periods subject to mandatory independent auditing via the Public Disclosure Platform (PDP) and submit them to the relevant company for public disclosure. In addition to Turkish, it is also possible to publish notifications in English at PDP. Approximately 140,000 disclosures are published annually, with around 160 million individual page views. The system disseminates data on https://www.kap.org.tr/en Also 38 data vendors disseminate PDP data simultaneously. Additionally, 7 regulatory and supervisory institutions are actively using the PDP data publication service.

PDP – INITIATIVES/PROJECTS UNDERTAKEN IN 2024

1) PDP – SPL Collaboration for Certification of PDP Users

Since 2012, e-GMS training programs have been organized in a web-based format through the Capital Markets Licensing, Registration, and Training Institution Inc. (SPL) - & MKK collaboration, and personnel of member companies expected to use the e-GMS system are required to complete these training programs before being defined in the relevant system. Discussions have been held with SPL to establish a similar training structure for users registered in the PDP system by member companies, and work on a cooperation protocol is ongoing. Through the relevant certification program, it is aimed to provide an effective learning tool to PDP users, as well as to contribute to enhancing the qualifications of personnel working in capital markets.

2) Development of the Participation Finance Principles Information Form

Upon the request of Borsa İstanbul, further enhancements were made in 2024 to the “Participation Finance Principles Information Form” template, which had been introduced in 2023 to publicly disclose the compliance of the activities carried out by publicly listed companies with participation finance principles.

3) Training Activities

As part of the Borsa İstanbul Group’s External Training Program, a total of 58 participants received training in 2024 during two separate sessions focused on the rights exercise processes related to share and debt instrument issuances.

A presentation was delivered at the AECSD & AMEDA Istanbul Summit 2024, and an additional training session was held within the scope of the AECSD Online Seminar series, covering MKK’s Public Disclosure Services and the PDP.

Furthermore, training programs on the PDP system and public disclosure regulations were provided to specialists of CMB and Borsa İstanbul, members of TÜYİD, and various universities.

PDP Statistical Data

Number of PDP Members	2024	2023
Traded Company	677	650
Investment Institution (1)	81	77
Portfolio Management Company	72	66
Independent Audit Firm	95	93
Rating Company	4	3
Other	68	46
Funds	2,803	2,331
Total	**3,800**	**3,266**

(1) 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	**2024**	**2023**
Fund Notification	60,742	61,024
Material Event Disclosure	32,902	29,167
Regulatory Authority Notification	17,716	28,030
Other	15,385	14,732
Financial Report	13,058	11,839
Total	**139,803**	**144,792**

PDP Mobile User Statistics	2024	2023
IOS	41,641	57,813
Android	97,915	134,341
Total	**139,556**	**192,154**

PDP Help Desk Service	2024	2023
Number of Inquiries Addressed	8,232	7,149

PDP Search Algorithm Statistics

The "PDP Quick Search" field processes on average 17,000 searches daily, with the primary searches focusing on news about companies listed on the stock exchange and notifications on corporate actions.

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

D) Corporate Governance Services

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

1) e-GMS: Electronic General Meeting System

e-GMS 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.

Numbers of e -GMS General Assemblies and Participants	2023	2024
Number of General Assemblies	579	659
Number of Participants via e-GMS	18,736	20,285
Number of Physical Participants	6,839	6,867

All meetings that took place in 2024 using e-GMS were monitored, and guidance and support services were provided as necessary to all stakeholders (companies, shareholders, proxies, etc.) via e-GMS. The most frequent general meeting convened on the same date occurred on 25.06.2024, with 21 general meetings. Individuals participated in the general meetings held during the year, either in person or through their proxies, and exercised their rights electronically via e-GMS.

In 2024, shareholders/representatives from 39 different countries engaged in the meetings using e-GMS. During the year, approximately 712 hours of general meetings were broadcast live in 491 different locations from 35 different cities.

Developments in the Indonesia Electronic General Meeting System

The Indonesian Central Securities Depository (KSEI) has been conducting general meeting processes through e-GMS 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 2024, a total of 902 companies held 1,440 general meetings electronically, as shareholders exercised their corporate governance rights. Additionally, in 2024, enhancements were completed to enable the general meetings of debt instrument holders to be conducted via the e-GMS application. Implementation will commence upon the publication of the relevant regulations by the Indonesian Capital Markets Authority.

In 2025, MKK continues to provide technical support and system development services as part of its cooperation with KSEI.

2) 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 2024, 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 Turkish Commercial Code (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.

3) 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 2024, the CDSP service was extended to 2,983 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 2014, 3,792 companies fulfilled their obligations without being required to take any action on their websites.

Companies uploaded 133,683 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 (19,341 items), income statements (18,132 items) and minutes of general meetings (17,642 items).

As of 2023, the infrastructure of the e-COMPANY application was renewed, and in 2024, integration with the newly launched MKK Communication Center (MCC360) platform was completed and made available to members. Furthermore, a transition to a pro rata temporis fee policy was implemented in 2024, and invoicing of all members was ensured as of January 2025.

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

E) 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.

1) MKK Communication Center - 444 0 655 (MCC)
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 contacting with MCC Call Center representatives during office hours and update their contact information (e-mail, GSM) registered in MKK.

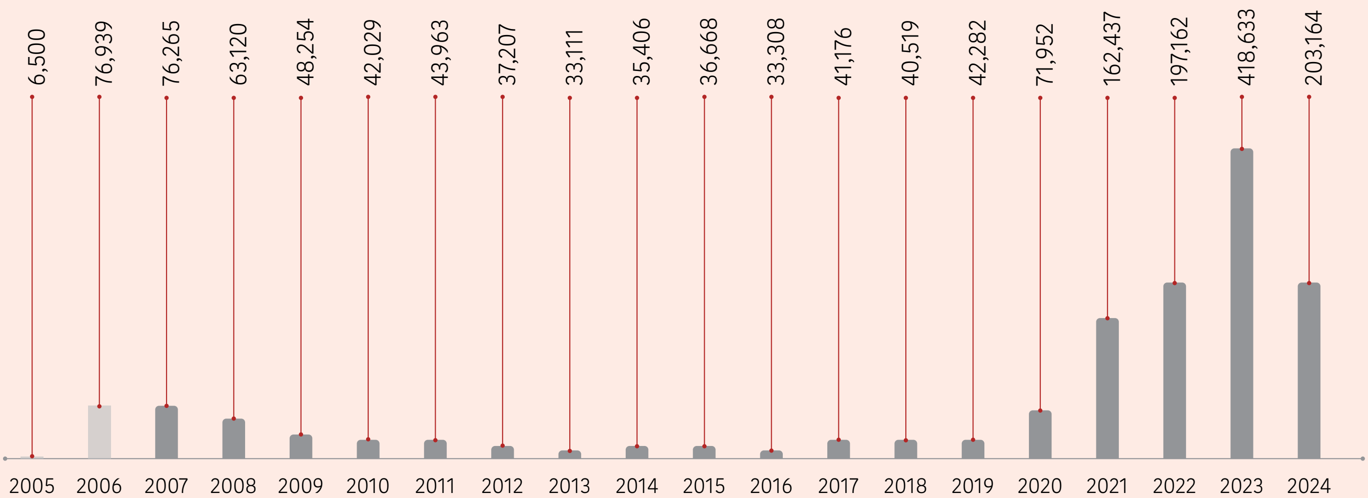
Our members and stakeholders can receive support by telephone from the Communication Center hotline for all questions and support needs related to our products and services during working hours on weekdays. Support is provided for the following products and services from the MCC line:

- e-INVESTOR - Investor Information Center,
- PDP - Public Disclosure Platform Support Services,
- e-BDS - Electronic Board of Directors Support Services,
- e-GMS - 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 2025.

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

CALL VOLUME BY YEAR



2) 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 2024, over 400 thousand users completed their membership processes in the e-INVESTOR application. Furthermore, the e-INVESTOR Mobile application was downloaded to over 200 thousand mobile devices and provided its users the services of secure, trouble-free transactions as well as up-to-date and transparent information.

3) 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 2024, approximately 5 million short message service (SMS) notifications and nearly 50 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%.

4) Investor Services New Projects

Crypto Asset Central Registry System (KVMKS)

Throughout the year, developments in technology and regulatory frameworks within the Digital Asset Markets were closely monitored, and efforts were intensified following the CMB Executive Board Resolution (No. 1484) published on 19 September 2024. Within this scope, the establishment of the Crypto Asset Central Registry System (KVMKS) and the development of its associated application aim to ensure that the transaction ledgers and investor balances of platforms providing trading services in the crypto asset market are maintained within a central dematerialized structure. Additionally, the system is designed to enable reconciliation of assets between these platforms and Custodian institutions conducting custody operations on blockchain networks. The objective is also to present crypto asset investors’ balance and transaction information via the e-INVESTOR and MKK Communication Center platforms, thereby contributing to the reduction of systemic risk in the market.

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

F) Collaborations, Sectoral and Academic Events

1- International Collaborations and Organizations

Activities MKK Carried Out as the Term Chairman of AECSD (Association of Eurasian Central Securities Depositories)

AECSD & AMEDA Istanbul Summit 2024

Hosted by MKK, the first day of the AECSD & AMEDA Istanbul Summit 2024 took place at the Borsa İstanbul Group Facility. The Summit the AECSD and AMEDA General Assembly Meetings and the World Forum of Central Securities Depositories (WFC) Board Meeting, followed by the Opening Bell Ceremony.

The summit continued with the Opening Ceremony and sessions held on 3 and 4 October at the Istanbul Financial Center. Opening remarks were delivered by Deputy Minister of Treasury and Finance Osman ÇELİK, Chairman of the CMB İbrahim Ömer GÖNÜL, MKK CEO and Board Member & AECSD Chair Dr. Ekrem ARIKAN, AMEDA President Abdulla Jaffar ABDIN, and President of the World Forum of Central Securities Depositories Yedil MEDEU. The Opening Keynote Speech was delivered by the President of the Finance Office of the Presidency of the Republic of Türkiye, Prof. Dr. Göksel AŞAN. Following the opening speeches, two Memoranda of Understanding (MoUs) were signed at the ceremony. The first one was signed by AECSD Chair Dr. ARIKAN and AMEDA President ABDIN to enhance the mutual cooperation and exchange of information between AECSD and AMEDA at a high level.

A Memorandum of Understanding was also signed between MKK and Maroclear, the Central Securities Depository of Morocco, by Maroclear President Mounir RAZKI and MKK CEO and Board Member Dr. ARIKAN. This agreement aims to enhance information exchange, knowledge transfer, and the usage of respective products between the two institutions in the upcoming period.

Following the opening ceremony, which was attended by numerous senior representatives from the financial world and capital markets, the Summit continued for two days with various presentations, panels, and sessions. The Summit brought together participants from Eurasia, Africa, the Middle East, and the Americas, and the future of capital markets and the role of Central Securities Depositories were discussed under key topics such as emerging technologies, knowledge sharing, crypto assets, sustainability, and integration.

The Summit marked a first in terms of its scale and scope at the Istanbul Financial Center, highlighting Türkiye's position as a central hub for Central Securities Depositories.

Details on the events, speakers, panels, and sessions held during the Summit are available at: https://aecsd-ameda-2024.istanbul/

Activities Carried Out with AMEDA (Africa and Middle East Depositories Association)

MKK's CEO and Board Member, Dr. Ekrem ARIKAN, who also serves as the Term Chairman of the Eurasian Central Securities Depositories Association (AECSD), participated in the 39th AMEDA Conference and General Assembly organized by the Africa and Middle East Depositories Association (AMEDA), held on 1–2 May in Doha, the capital of Qatar. During this event, significant discussions were held, and it was decided that the Annual General Assembly Meeting would be jointly organized with AECSD in Istanbul. Accordingly, the Annual General Assembly Meeting was hosted by MKK and held in Istanbul in October.

Activities Carried Out with ACG (Asia-Pacific Central Securities Depository Group)

- Following its official application, MKK successfully completed the relevant procedures and became a member of ACG as of 18 May 2024.
- Following the approval of our official membership by ACG (Asia-Pacific Central Securities Depository Group) in May 2024, MKK participated in the first program organized by the Group, which has a total of 41 members, and presented the products and services MKK offers to local and international markets. Our CEO, Dr. Ekrem ARIKAN, and the accompanying MKK delegation attended the program in Hong Kong with the goals of enhancing existing cooperation with countries in the region, advancing the e-GMS project successfully carried out with Indonesia, establishing concrete collaborations with other countries, and reinforcing our position as a bridge between continents and markets, and held important meetings during their visit.
- Participation in ACG's 26th General Assembly Meeting: We participated in the 26th General Assembly Meeting of ACG, of which MKK is a member of, hosted by the Kazakhstan Central Securities Depository (KCSD), in Almaty on 9–12 September.

ECSDA (European Central Securities Depositories Association) Conference

MKK's CEO and Board Member, Dr. Ekrem ARIKAN, who currently holds the Term Chairmanship of the Association of Eurasian Central Securities Depositories (AECSD), participated as a panel speaker at the ECSDA conference organized by the European Central Securities Depositories Association (ECSDA) in Brussels on 19 November 2024.

DEİK (Foreign Economic Relations Board) Membership

MKK has joined the Foreign Economic Relations Board (DEİK). MKK will persist in its commercial diplomacy activities within DEİK, by becoming a member of DEİK and the Digital Technologies Business Council under its framework. MKK, which owns many fintech products, primarily the Electronic General Meeting System, continues to pursue collaborations for the export and development of these products.

Visit to Indonesia's Central Securities Depository KSEI and Financial Institutions

Dr. ARIKAN and the MKK delegation held productive meetings with Mr. Samsul HIDAYAT, President of KSEI, and other institution executives to advance the e-GMS project, which has been successfully serving the Indonesian capital markets since 2020, and to explore new collaboration opportunities.

Other Organizations

Second Prize for MKK was during the IDC Future Enterprise Awards Event: MKK was awarded with Second Prize in the "Best in Future of Industry Ecosystem" category at the IDC Future Enterprise Awards with its Gold Certificate Depository Service. The Gold Certificate Depository Service project, which was launched and implemented in 2022, was developed entirely with MKK's in-house resources.

Memorandum of Understanding with Pakistan at the 50th Anniversary Conference of KSD: Dr. Ekrem ARIKAN, who currently holds the Term Chairmanship of AECSD, addressed the participants during the opening of the 50th Anniversary Conference of the Central Securities Depository of South Korea (KSD), one of the AECSD members, in Seoul. As part of the Seoul visit, a memorandum of understanding was signed between the Central Securities Depository and Trade Repository of Türkiye (MKK) and the Central Depository Company of Pakistan (CDC-PAK) for new collaborations. Under this agreement, it is aimed to facilitate information sharing and exchange of experience between the two institutions, and for MKK to provide consultancy services to CDC in the field of Electronic Warehouse Receipts (e-WR). This new agreement serves to expand the scope of the cooperation that was originally established through an agreement signed between the two institutions in 2014.

XX Eurasian Bond Congress: Dr. Ekrem ARIKAN participated as a keynote speaker at the opening of the "XX Eurasian Bond Congress" organized by Cbonds Global, where he delivered a presentation titled "Developments in the Turkish Capital Markets and Investor Analysis".

SOCIAL-RELATIONAL CAPITAL AND SERVICE PERFORMANCE

2- Domestic Sectoral and Academic Collaborations

Visit from the TCMA Delegation: Chairperson of the Board of the Turkish Capital Markets Association (TCMA), Ms. Esen Pamir KARAGÖZ, and the accompanying TCMA delegation paid a courtesy visit to MKK's CEO and Board Member, Dr. Ekrem ARIKAN. During the meeting, mutual exchanges of ideas took place, with assessments made regarding the development of our capital markets.

8th TCMA Congress: MKK, as the Borsa İstanbul Group, participated in and proudly served as the main sponsor of the 8th Turkish Capital Markets Congress, organized by the Turkish Capital Markets Association. The event, themed "The Intersection of the Triple (Green, Digital, and Social) Transformation: Capital Markets", took place on 10 December 2024, featuring the presence of our esteemed Vice President of the Republic, Mr. Cevdet Yılmaz.

9th Golden Bull Awards Ceremony: We attended the ninth edition of the Golden Bull Awards, organized by the Turkish Capital Markets Association (TCMA) since 2016, and presented awards to the 2023 leaders in the "Custody Services" category.

TÜYİD Investor Relations Summit Awards Ceremony: The Investor Relations Summit, organized by the Turkish Investor Relations Society (TÜYİD) under the theme "Making a Difference with Investor Relations", was held on 12 December 2024. The winners of the TÜYİD Investor Relations Awards presented during the Summit were determined based on Central Securities Depository of Türkiye (MKK) data, in the categories of "the institution with the highest number of countries represented in its institutional investor base among publicly traded shares" and "the institution with the highest institutional investor ratio among publicly traded shares".

International Data Science and Statistics Congress: MKK's CEO and Board Member, Dr. Ekrem ARIKAN, participated as a speaker at the International Data Science and Statistics Congress (IDSSC 2024), organized by the Turkish Statistical Association between 15–17 October 2024, with the Central Securities Depository and Trade Repository of Türkiye (MKK) among its sponsors.

Türkiye Economy Symposium: MKK participated in the Türkiye Economy Symposium, held on 8–9 November 2024, under the theme "Structural Transformation and New Industrial Policy", hosted by Bursa Uludağ University. At the symposium, which MKK was contributed in as a sponsor, Dr. Ekrem ARIKAN delivered the opening speech, sharing insights about MKK's activities in the financial markets and the infrastructure services it provides to actors in the real economy.

International EFI Congress: Dr. Ekrem ARIKAN participated as a speaker at the International Economics, Finance, and Business Congress (EFI 2024), held at Sivas Cumhuriyet University between 23–25 May 2024, and addressed the participants during the opening session of the Congress.

Other Announcements and Innovations

Launch of the Risk Propensity Index (REKS): The Central Securities Depository and Trade Repository of Türkiye (MKK) announced the details of its newly released Risk Propensity Index (REKS) at the Press Conference held at the Institution. With REKS, the market participation tendencies of capital markets investors are measured and published on the Data Analysis Platform (DAP). Reflecting changing and evolving market conditions, REKS reveals current risk tendencies based on investor behavior.

AFI Economic Outlook Index is on the Data Analysis Platform: The Association of Financial Institutions Economic Outlook Index (AFI-EGE), prepared in collaboration with Istanbul University since August 2023, has been published on DAP since July 2024.

Joint Promotions are now Available on e-INVESTOR: With a new enhancement to our e-INVESTOR application, which allows investors to access information about their investments and accounts from a single platform, investors can now give their Explicit Consent through e-INVESTOR to participate in joint promotions organized by publicly listed companies. Companies listed on the stock exchange can now offer discounts, prize draws, and campaigns to their shareholders.

Corporate Governance Data Updated: The Corporate Governance Maturity Index and the Corporate Governance Maturity Level of BIST Companies were calculated and updated as of the end of 2023. The Corporate Governance Maturity Index increased by 0.08 points compared to the previous year, reaching 88.80 in 2023.

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.

MKK aims to establish an innovative and contemporary corporate culture that takes sustainable growth into consideration, implements practices to enhance employee motivation, and aligns with its mission to ensure employee development and satisfaction while enhancing communication by developing human resources strategies. The Institution aims to create a sustainable working environment, enabling employees to make the most efficient use of their talents and fostering their development.

Training needs of MKK's 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. MKK 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.

Various training programs were organized within the Institution, outside the Institution, and online to enhance the knowledge and skills of the employees. Throughout the year, MKK employees participated in training sessions that supported their development in both technical and professional fields.

A performance evaluation system is implemented to evaluate the performance of our employees and encourage continuous development. During this process, feedback was provided to our employees, development plans were created, and career planning was carried out for those who demonstrated high performance.

An employee satisfaction survey is conducted annually to collect feedback, such as suggestions and recommendations, from employees. The 2024 survey resulted in a high level of employee satisfaction based on the scores provided.

Occupational health and safety are MKK's priority. In this context, regular risk assessments were conducted, occupational safety training sessions and emergency drills were organized for employees, and health screenings were carried out for those whose periodic medical check-up intervals had expired.

MKK promotes diversity and inclusion in the workplace. In 2024, as part of the rotation practice, employees were assigned to different areas in line with their competencies. Through equal opportunity ensured by career and talent management efforts, the aim has been to enhance employee qualifications, enable them to gain proficiency in various fields, and increase the sustainability of both the employee and the work.

The remote working practice initiated during the COVID-19 pandemic has been maintained as a flexible and hybrid working model.

In 2024, an internship program was implemented for university students and recent graduates. Candidates who successfully completed the internship program and met the recruitment criteria were included in the workforce on a part-time or full-time basis.

In the upcoming period, focus will be placed on digital transformation efforts in the human resources process, and new projects and automation systems will be implemented to enhance employee engagement. Recruitment processes will continue to be supported with innovative practices.

With projects that support the development and motivation of our employees, it is aimed to create a more efficient working environment.

Human Resources Management will continue to be one of the key elements contributing to the sustainable growth of MKK.

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.

VALUE GENERATION AND STRATEGY

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 2024.

Development/ Trend	Impact on the Markets and Our Organization	How MKK Took Action
Economic/Sectoral Developments	With the transition from tight monetary policies to a controlled easing, a decline in interest rates and an acceleration in the increase of indices, the number of investors, trading volumes, and market valuations in capital markets are expected.	The infrastructures and technologies of MKK's products and services are being transformed in line with current and internationally recognized standards, while their capacity and performance are being enhanced.
	Practices for the integration of capital markets and Central Securities Depositories (CSDs) are becoming increasingly widespread on a global scale.	In addition to its active membership in regional depository associations, MKK aims to expand its services internationally to include related and neighboring nations and states, and it continues its efforts in this direction.
	Omnibus accounts facilitate access to government bonds issued by various countries by establishing account relationships between international and national CSDs.	MKK has established omnibus accounts with Euroclear and the Azerbaijan CSD (MDM), and it persists in its efforts to set up similar account relationships with the central securities depositories of other Central Asian countries, particularly with Clearstream and Kazakhstan.
Social/Environmental Developments	The increase in the number of investors with balance, along with the growing interest from young investors and the rise in the number of women investors, are all contributing to the strengthening of financial inclusion.	MKK closely monitors the evolving investor profiles and behaviors both globally and nationally, and continues to support the development of capital markets not only through the products and services it offers to investors but also through its contributions to financial literacy.
	The development of carbon markets and the introduction of new financial instruments such as the Emissions Trading System (ETS) require CSDs to play a critical role in both pre- and post-issuance processes.	MKK remains committed to its goal of becoming an actor and contributor in the carbon market and ETS ecosystem to be established in our country.
	With the widespread adoption of sustainability reporting, the need arises for these reports to be standardized to ensure comparability and analyzability.	Through collaboration with pertinent regulators and stakeholders, particularly CMB, KGK, and BIST, it is aimed to disclose Sustainability Reports through common taxonomies to be developed via PDP, thereby ensuring their comparability and analyzability in reporting.

Development/ Trend	Impact on the Markets and Our Organization	How MKK Took Action
Technological Developments	Blockchain and DLT-based systems enhance operational efficiency in areas such as the automation of bond transactions and the custody of tokenized assets, while platforms enabling real-time settlement with CBDCs and digital assets offer new advantages in clearing processes.	The development of DLT-based dematerialization and custody systems, their harmonization with traditional custody structures, and the establishment of their interoperability are among the MKK's activities and goals within the framework of the relevant legal framework.
	Artificial intelligence and robotic process automation technologies help minimize risks by improving default management and reporting processes, while data analytics-based solutions provide market participants with deeper insights.	MKK is committed to monitoring global developments in technology and implementing projects in artificial intelligence and robotic process automation. Furthermore, to enhance the development of efficient and user-friendly products, MKK intends to expand and increase the utilization of the solutions provided in its API– data, and application integration portal.
	Electronic voting and meeting systems, along with digital applications that support corporate governance, are becoming increasingly widespread.	As MKK's environmentally friendly digital applications, such as PDP, e-GMS, and e-BDS, will become increasingly important, efforts to enhance domestic and international marketing activities for these products are ongoing.
Legal Developments	While the transition to a T+1 settlement cycle is expected to enhance transaction speed and efficiency in the markets, this situation necessitates strong collaboration and integration at both infrastructure and operational levels.	Within the scope of joint efforts with the Borsa İstanbul Group, MKK is planning the necessary infrastructure work for the transition to a T+1 settlement cycle and will implement it in line with upcoming regulatory developments.
	Regulations concerning crypto assets are increasingly being adopted on a global scale as well as within our country. Integration with crypto assets and service providers, secure data sharing, and enhancing regulatory compliance will introduce new regulatory requirements into the operational processes of CSDs.	MKK continues to develop integration projects to ensure legal compliance for crypto assets.

CORPORATE STRATEGY

The corporate mission, vision and main objectives of MKK as stated in its strategic plan for 2025-2027 are as follows:

Vision

To be the leading central securities depository of the future by providing innovative services as a financial infrastructure institution, leveraging the trust built in both local and global markets, and acting as a bridge between them.

Mission

To ensure the development and continuity of markets through reliable data and technology products focused on sustainability in central securities depository, trade repository, corporate governance, public disclosure, and investor services, and to develop innovative solutions for international markets by enhancing effectiveness in regional collaborations.

Values

Personal Values: Integrity, Merit, Responsibility

Corporate Values: Reliability, Innovation and Agility, Synergy

Social Values: Sustainability, Financial Literacy, Justice and Equality, Prosperity and Development

Goals

Main Goal	Sub-Goals
Corporate Development	Strengthening Human and Knowledge Capital
	Supporting Corporate Culture and Brand
Operational Competence	Enhancing Maturity in Internal Processes
	Developing and Transforming Application Infrastructures
	Reinforcing Technological Infrastructure
	Promoting Environmental, Social, and Corporate Sustainability
Market Effectiveness	Improving/ Expanding Our Products and Services
	Developing New Products/Markets
	Enhancing Stakeholder Synergy and Collaborations
Financial Strength	Boosting the Efficiency of Financial and Budget Management
	Diversifying and Strengthening Our Operating Revenue Structure

VALUE CREATION MODEL

INPUTS

Social Relational Capital

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

Financial Capital

Paid-in Capital at the end of 2023 (TL 100 million)

Human Capital

Our employees (259 people by the end of 2023)

Intellectual Capital

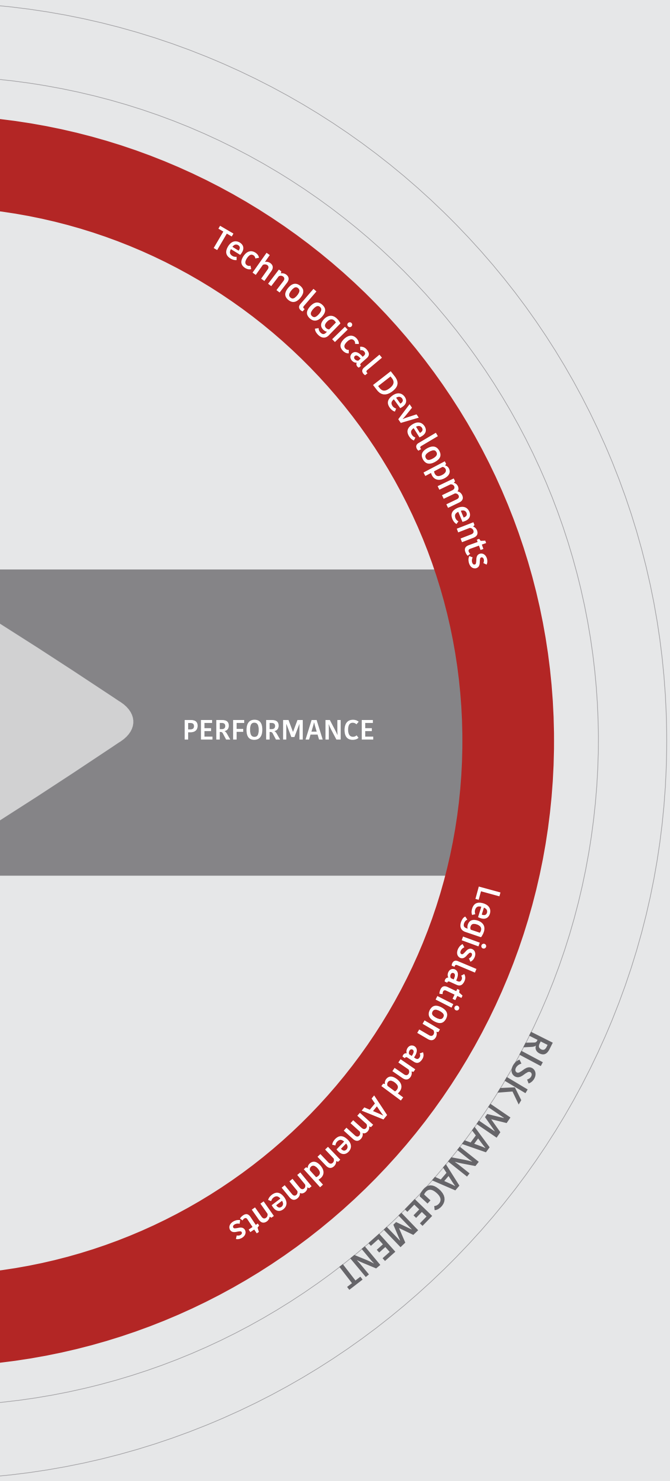
R&D Center License and R&D Capability; Management Systems Certifications and Governance Maturity

Produced Capital

MKK 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 Services
- Data Services
- Corporate Governance Services
- Investor Services

Outputs

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

Results of Our Activities

Social Relational Capital

85% customer satisfaction in 2024

Human Capital

Employees by the end of 2024 (314 people)

Intellectual Capital

11 R&D projects completed in 2024

Maintained sustainability of ISO 27701 ISMS, ISO 27701 PIMS, ISO 20000-1 ITSMS, ISO 22301 BCMS, and ISO 9001 QMS certifications

Financial Capital

TL	2024	2023
Net Sales	2,221,750,936	1,263,961,570
Operational Profit	731,039,103	254,445,345
Net Profit for the Period	940,305,097	322,905,936

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

Financial Capital

Monetary capital

Human Capital

Employees

Produced Capital

Building and equipment

Intellectual Capital

Software and intellectual assets

Social and Relational Capital

Stakeholder relations

Natural Capital

Natural resources used

DUTIES AND AUTHORITIES

- Central Securities Depository & Registrar of Dematerialized Capital Market Instruments
- Financial Accounts Center of Türkiye
- Securities Settlement System operator for all Dematerialized Capital Market Instruments
- 'Electronic Registry Agency' for electronic warehouse receipts
- Developer of the system for conducting controls related to Crowdfunding, and dematerialization
- "Registration Center for Bearer Shares of Unlisted Joint-Stock Companies"
- "Platform provider for electronic monitoring of the shareholders" of companies listed at the TRNC Stock Exchange
- Trade Repository for derivatives transactions
- "Infrastructure Provider for Capital Markets Risk Center"
- Operator of PDP
- Electronic General Meeting System (e-GMS) for all Borsa İstanbul listed companies
- Central Database Service Provider for Companies
- "Electronic Board of Directors System Provider" for companies
- "Provider of Electronic General Meeting and Electronic Board of Directors Services for Sports Clubs"
- "Infrastructure Provider for Integration with Crypto Asset Service Providers, Enabling the Maintenance of Records Related to Crypto Assets and Their Visibility to Investors"

SERVICES AND PRODUCTS

Depository Services
- Account Maintenance Operations
- Issuance Operations
- Securities Transfer Operations
- Corporate Actions Operations
- Legal Operations
- SWIFT Operations
- e-WR Operations
- Membership Operations
- Crowdfunding System
- Bearer Share Depository System

Data Services
- e-TR: Electronic Trade Repository
- MEVİTAS: Central Electronic Transmission Gathering and Analysis System
- DAP: Data Analysis Platform
- IRMS: Investor Risk Monitoring System
- LRS: Leasing Registry System
- COMPASS: Broker Institutions MKK Data Analysis Platform
- REFIS: Real Estate Based and Developing Financial Instruments Information System

Public Disclosure Services
- PDP: Public Disclosure Platform

Corporate Governance Services
- e-GMS: Electronic General Meeting System
- e-BDS: Electronic Board of Directors System
- e-COMPANY: Companies Information Portal

Investor Services
- e-INVESTOR: Investor Information Center
- Investor Information Services

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
- Entrepreneur registrations, Integrated control system
- 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

Public Disclosure Services

- Operation of PDP

Corporate Governance Services

- Electronic General Meetings
- Companies provided with centralized database services
- Electronic Board of Directors meetings

Investor Services

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

RESULTS OF MKK's 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

2001-2005

- Regulatory Framework and Establishment of MKK,
- Completion of the “Central Dematerialized System (CDS)” project,
- Dematerialization of shares,
- Dematerialization of mutual funds

2005-2012

- First issuance of dematerialized private sector debt instruments,
- First issuance of dematerialized commercial papers,
- Obtaining the Information Security Management System Certificate ISO 27001,
- First issuance of dematerialized bank bills,
- First issuance of dematerialized 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)
- TEFAS, developed with Takasbank (İstanbul Settlement and Custody Bank) was launched.
- First initial public offering promotion campaign 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),

2012-2019

- Dematerialization of Government Debt Securities was completed,
- e-GMS 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,
- Obtaining the Business Continuity Management System Certificate ISO 22301,
- MKK appointed as “R&D Center” by the Turkish Ministry of Science, Industry and Technology,
- Public Disclosure Platform handover from Borsa İstanbul,
- Launch of e-TR
- Export of e-GMS to Indonesia,
- Development of e-BDS and its introduction as a new generation Board of Directors system,
- PDP Mobile was developed,

2019- 2025

- 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,
- Initiation 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-GMS 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,
- 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.
- Transition to an intermediary structure through TMEX technological transformation,
- Preparation of online integration infrastructure for CDS,
- Development of the Data Transmission Platform (VIP),
- Completion of infrastructure transformation for PDP data publishing services and PDP Management Module,
- Calculation and commencement of publication of MKK indices and Financial Ratios on DAP,
- Automation of the calculation process for MKK Indices,
- Completion of infrastructure transformation for the PDP Mobile application,
- Organization of the AECSD & AMEDA Summit in Istanbul.

STAKEHOLDER RELATIONS

As one of the critically important financial market infrastructures for the capital markets, MKK is in close and continuous interaction 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	2024	2023
Number of Employees	314	259
Female Employee (%)	32	33
Number of R&D project employees (monthly average)	85	58
Average total working year of employees	11.9	13.7
MKK average working period	6.9	7.9
Employee Turnover	6	3.1

What We Do and Our Goals

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

We organize personal development and professional expertise training, 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 2024 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 routinely audited by the CBRT and the CMB and carry out the requested improvements. 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 Borsa İstanbul Group synergy, MKK actively contributes to the enhancement of internal processes and ensures regulatory compliance.

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.

SUSTAINABILITY

The transparent, reliable, and sustainable operation of financial markets is critically important for economic growth to progress on a sound foundation. As one of the cornerstones of the capital markets, MKK supports the sustainability of the financial system by securely managing dematerialized custody, settlement, and operational processes for capital market instruments.

By continuously enhancing its technological infrastructure, MKK focuses on providing reliable, efficient, and environmentally friendly solutions for investors, financial institutions, and regulatory authorities it serves. In line with the sustainable finance approach, key priorities for the Institution include the development of digitalization initiatives that improve resource efficiency, practices that mitigate environmental impact, and responsible business models based on the principles of corporate governance.

This section outlines MKK's sustainability approach, the practices implemented across environmental, social, and governance dimensions, and its contributions to the sustainable development of the financial ecosystem. Additionally, it presents the mandatory disclosures on Governance, Strategy, Risk Management, and Metrics and Targets, in accordance with TSRS 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and TSRS 2 "Climate-related Disclosures", published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) in the Official Gazette dated 29 December 2023 and numbered 32414 (1st Supplement).

SUSTAINABILITY

GOVERNANCE

The Board of Directors and senior management are responsible for defining the sustainability strategy, establishing the risk management framework, and setting of long-term goals of our Institution. The oversight of sustainability and climate-related risks and opportunities is carried out by the Board of Directors and the Early Detection of Risk Committee (EDRC), which operates under the Board of Directors. The EDRC focuses on the early detection of risks and opportunities, particularly those related to environmental, social, economic, governance, and value chain factors. The EDRC provides recommendations and guidance to the Board of Directors regarding the necessary measures for managing identified risks and opportunities, establishing a robust corporate risk management culture, ensuring its adoption by employees, with the support of management.

As part of our Institution's Corporate Risk Management process, sustainability and climate-related risks and opportunities are regularly monitored and reviewed. The processes for identifying, assessing, prioritizing, and monitoring sustainability and climate-related risks and opportunities are integrated into our Corporate Risk Management activities. The Directorate of Information Security and Risk Management updates the results of risk and opportunity reviews and developments on a quarterly basis, reporting them to the EDRC (and to the Board of Directors when deemed necessary by the Committee), and on an annual basis to both the EDRC and the Board of Directors.

The members and biographies of the Early Detection of Risk Committee (EDRC) are provided in the section of the report covering the Board of Directors and Committees. With their professional and managerial backgrounds and experience, the members possess the skills and competencies required to oversee strategies designed to respond to sustainability and climate-related risks and opportunities. Performance metrics related to sustainability and climate-related risks and opportunities have not yet been incorporated into the remuneration policy.

At the management level, the identification, monitoring, and oversight of sustainability and climate-related risks and opportunities are carried out through committees and working groups comprising all our relevant departments of our Institution, including primarily the Planning Office, Finance and Accounting, Information Security and Risk Management, Legal Office, and Internal Audit and Surveillance. In this context, some of the initiatives undertaken in 2024 can be summarized as follows:

- While determining the Strategy and targets of our Institution for the 2025–2027 Strategic Plan period, environmental developments were analyzed, and sustainability and climate-related risks and opportunities were considered when defining our vision, mission, and goals.

- In 2025, the Management Systems Committee meetings are scheduled to be held twice a year, to assess the sustainability strategy, policies, and goals, with the aim of making sustainability development and improvement approach a part of the corporate culture.

- A Sustainability Working Group consisting of employees from across the Institution, has been established to ensure the effective implementation of sustainability policies in day-to-day operational activities.

- Through amendments to the organizational directive, responsibilities related to sustainability and climate-related risks and opportunities have been added to the job descriptions of relevant units.

STRATEGY

Our Institution has identified the following sustainability and climate-related risks and opportunities that are expected to potentially impact its financial viability in the future.

Sustainability and Climate-related Risks and Opportunities			
Risk Category	**Risk Description**	**Type of Risk**	**Risk/Opportunity Time Horizon**
Climate-related Risks	Adverse impacts on weather patterns, natural disasters, or water resources that may occur due to climate change	Physical Risk	Long Term (5–10+ Years)
Sustainability and Climate-related Risks	Non-compliance with environmental regulations	Transition Risk	Short Term (1–3 Years)
Sustainability and Climate-related Opportunities	Taking an active role in carbon markets and sustainability reporting practices, and contributing to the mitigation of stakeholders' sustainability risks through products and services	Transition Risk	Short Term (1–3 Years)

In line with our Institution's planning periods, the short term is defined as 1–3 years, the medium term as 3–5 years, and the long term as 5–10+ years.

SUSTAINABILITY

Current and anticipated impacts of sustainability and climate-related risks and opportunities on our Institution's business model and value chain:

The transparent, reliable, and sustainable functioning of capital and other markets is critically important for ensuring sound and stable economic growth. As one of the financial infrastructure institutions of the capital markets, MKK contributes to the sustainability of the financial system by securely carrying out the dematerialization, settlement, and operational processes of capital market instruments, while also providing services to its stakeholders and the markets in the areas of depository, trade repository and reporting, corporate governance and investor services.

Our Institution's business model, core activities, and stakeholders are explained in detail in the relevant sections of this report. In this context, the following aspects are considered significant in terms of how sustainability and climate-related risks and opportunities may affect our business model and value chain:

Custody services and their revenues comprise the majority of our Institution's revenue structure and business model. Investment institutions and issuers are the primary sources of custody revenues, which are generated through the issuance, custody, transfer, corporate actions, and other transactions of dematerialized securities traded in capital markets and commodities markets. In the event that transactions in the markets are suspended due to sustainability and climate-related physical and transition risks, or if the market value of any company listed on the equity market drops significantly as a result of such risks, our Institution's revenues may be adversely affected. Although such impacts are not expected to materially affect our overall revenue structure if they remain limited to individual companies, a broader market impact or stagnation could result in a significant loss of revenue for our Institution.

Additionally , our potential involvement in the Carbon Market currently being established in our country, particularly in terms of dematerialization and custody services, is considered a transition opportunity for MKK in the context of sustainability and climate-related developments.

Another key activity of our Institution that is considered significant in terms of sustainability and climate-related risks and opportunities is its role as the operator of the Public Disclosure Platform (PDP). PDP is an electronic system to which the information required to be disclosed to the public pursuant to capital market legislation is transmitted with an electronic signature, and through which such information is disclosed to the general public. Our Institution develops comparable, analyzable, and reportable datasets and indices based on PDP disclosures and shares them with regulatory and supervisory institutions, data vendors and the public. Under the regulations of the Public Oversight, Accounting and Auditing Standards Authority (KGK), the authorized institution on sustainability reporting in our country, sustainability reports will be published via PDP, which has the potential to significantly enhance the accuracy, comparability, and measurability of sustainability-related data. Centralized public disclosure platforms, such as PDP, are used to ensure that sustainability disclosures are submitted in standard-compliant formats. PDP's provision of data services in line with taxonomies in the field of sustainability will increase transparency in capital markets and strengthen investor confidence by enabling informed decision-making based on comparable data. Ensuring full analyzability of all sustainability reports within the PDP system and consolidating this information through a centralized platform will provide valuable expertise, creating potential for PDP to be positioned and marketed as a sustainability reporting system. This is considered a transition opportunity for our Institution.

In addition to the primary activities, MKK plays a significant role in enhancing corporate governance practices among its key stakeholders, including issuers and investment institutions, by offering a range of additional products and services (e-GMS, e-BDS, e-COMPANY, PDP, COMPASS). These services support the institutionalization of these companies and the establishment of effective decision-making and corporate governance processes. In this respect, it supports strengthening the corporate governance structures of the entities that form the main source of its revenue base, thereby enhancing their resilience, while also creating alternative revenue potential.

“IT IS ANTICIPATED THAT CAPITAL MARKETS STAKEHOLDERS WILL NEED COMPARABLE AND ANALYZABLE SUSTAINABILITY-RELATED DATA IN THE COMING PERIOD, AND OUR STRATEGIC PLAN INCLUDES OBJECTIVES FOR PROVIDING PUBLIC DISCLOSURE, TRANSPARENCY, AND VALUE-ADDED DATA SETS RELATED TO SUSTAINABILITY AND SUSTAINABLE ISSUANCES.”

The export potential of the products and services developed by MKK to international markets is also considered an opportunity.

Through the Electronic Trade Repository (e-TR), the necessary infrastructure has been established for the reporting of derivative transactions conducted in organized and over-the-counter markets, as well as for the transmission of such reports to Regulatory and Supervisory Institutions (DDK). This contributes to monitoring systemic risk and enables data-driven decision-making by authorities, serving the early detection of emerging risks.

The Investor Risk Monitoring System tracks investor-based risks and supports regulatory and supervisory institutions in monitoring the risk of investors operating in capital markets. It also contributes to decision-making process aimed at taking preventive measures against actions that may disrupt the financial soundness of investment institutions.

The impacts of sustainability and climate-related risks and opportunities on our Institution's strategy and decision-making mechanisms can be expressed as follows:

While determining the vision, mission, values, and goals for the 2025–2027 period, sustainability and climate-related risks and opportunities were assessed in both the planning analysis and strategy development phases, and relevant considerations were included in the Institution's vision, mission, values, and goals. In this context, , necessary resources will be allocated in the upcoming period to develop and implement projects related to sustainability and climate-related opportunities within MKK's business model and to collaborate with Borsa İstanbul Group, of which we are a tenant and a member, in line with common carbon emission reduction goals. Progress towards these goals, along with qualitative and quantitative information, is planned to be included starting from the next reporting period.

Inclusion of sustainability and climate-related risks and opportunities in our Institution's financial planning, and their impacts on financial position, financial performance, and cash flows:

Sustainability and climate-related risks and opportunities have been incorporated not only into our Institution's goals but also into its financial planning for the upcoming period, and no impact has been identified on our financial position, financial performance, or cash flows for the 2024 reporting period.

In the short term, the financial impact of sustainability and climate-related risks and opportunities on MKK is expected to remain limited.

The domestic and international sales potential of our products, particularly e-GMS and e-BDS, has been taken into account in our financial planning.

It is anticipated that capital markets stakeholders will need comparable and analyzable sustainability-related data in the coming period, and our strategic plan includes objectives for providing public disclosure, transparency, and value-added data sets related to sustainability and sustainable issuances.

SUSTAINABILITY

Scenario Analysis

1. MKK's Strategy and Resilience of its Business Model to Sustainability and Climate-Related Risks

MKK analyzes the resilience of its business model to sustainability and climate-related risks and develops initiatives to enhance this resilience, incorporating them into its strategic planning and risk management processes. Within the scope of this analysis, applicable measures and scenarios have been considered for the short, medium, and long term. Our Institution's policies aimed at reducing its carbon footprint and their implications on financial products have also been evaluated.

2. Climate-Related Scenario Analyses and Impacts

Climate scenarios have been assessed based on the following three main conditions:

• **Scenario 1 (Most Optimistic Scenario, SSP1-1.9):** This scenario describes a world that reaches global net-zero CO_2 emissions around 2050. Society transitions to sustainable practices by prioritizing well-being over economic growth. Investments in education and healthcare increase, while inequality decreases. Although extreme weather events become more frequent, the worst impacts of climate change are avoided. This is the only scenario aligned with the Paris Agreement's goal of keeping global warming to around 1.5°C; temperatures initially rise to 1.5°C and then decline to 1.4°C by the end of the century.

• **Scenario 2 (Moderate Scenario, SSP2-4.5):** This "middle of the road" scenario assumes that CO_2 emissions remain near current levels and begin to decline around mid-century, but do not reach net-zero by 2100. Socioeconomic factors follow historical trends, and progress toward sustainability occurs gradually. Temperatures rise by 2.7°C by the end of the century.

• **Scenario 3 (Worst-Case Scenario, SSP5-8.5):** As projected by the IPCC, this worst-case scenario involves a doubling of current CO_2 emissions by 2050. Rapid economic growth is fueled by exploiting fossil fuels and energy-intensive lifestyles. Global warming rises to 4.4°C by 2100.

The potential impacts on MKK's strategy and business model have been assessed for each scenario as follows:

Most Optimistic Scenario (SSP1-1.9)

- The transition to a low-carbon economy accelerates, and investment in green finance projects increases.
- The green bond and sustainable fund markets deepen and expand.
- Participation in carbon trading markets increases.
- Sustainability reporting practices become widespread.

Moderate Scenario (SSP2-4.5)

- Decarbonization processes progress partially, but transformation is delayed in certain sectors..
- Regulatory obligations to reduce carbon footprint increase, potentially impact costs and company valuations.

Worst-Case Scenario (SSP5-8.5)

- Physical risks (extreme weather events, natural disasters) increase and may directly impact MKK's operations.
- Financial markets fluctuate due to investors' risk perception, putting pressure on our Institution's revenue sources.
- With rising regulatory pressures and insurance costs, volatility in financial markets increases.

3. Scope and Assumptions of Climate-Related Scenario Analyses

- Scenarios used: IPCC (Intergovernmental Panel on Climate Change) AR6 scenarios.
- Time horizons covered: Short-term (2021–2040), medium-term (2041–2060), and long-term (2081–2100).
- Geographical scope: Türkiye, along with the entire world.
- Climate policies of countries where activities are conducted: National carbon neutrality targets and sustainable finance regulations in our country.
- Macroeconomic trends: Economic volatility, contingent upon the rate of transition to a low-carbon economy.
- Technological developments: Green financing solutions and blockchain-based sustainable investment platforms.
- Energy use and diversification: Acceleration of the transition to renewable energy use and support for energy efficiency projects.

“MKK ANALYZES THE RESILIENCE OF ITS BUSINESS MODEL TO SUSTAINABILITY AND CLIMATE-RELATED RISKS AND DEVELOPS INITIATIVES TO ENHANCE THIS RESILIENCE, INCORPORATING THEM INTO ITS STRATEGIC PLANNING AND RISK MANAGEMENT PROCESSES.”

4. Conclusion and Recommendations

Considering the potential impacts of climate change on our Institution, the following strategic recommendations have been developed:

- Promotion of green bonds and sustainable financing products through broader adoption and discounts on MKK tariffs
- Implementation of initiatives aimed at participating as a stakeholder and actor in carbon markets
- Integration of climate risk management processes within our Institution
- Conducting periodic updates to climate-related scenario analyses
- Enhancing insurance and risk management policies
- Enhancing investor awareness and strengthening sustainability reporting, and facilitating access to reports in comparable and analyzable formats

SUSTAINABILITY

RISK MANAGEMENT

Management of Sustainability and Climate-Related Risks

Sustainability and climate-related risks and opportunities are managed in an integrated manner within our Institution's Corporate Risk Management activities. Further details on this topic are provided in the "Risk Management" section of the report. Additionally, risks related to environmental, social, economic, governance, and value chain aspects are periodically reviewed, assessed, and continuously monitored.

In the identification, assessment, prioritization, monitoring, and reporting of sustainability-related risks and opportunities:

• All areas of improvement related to corporate operations and fields of activity, energy consumption, carbon emissions, supply chain and climate change risks, feedback from stakeholders, findings, and improvement areas identified through internal and external audits, and requirements from regulatory and supervisory authorities are taken into consideration.

• Scenario analyses are conducted to assess the potential impacts of sustainability and climate-related risks on our Institution. These analyses consider various factors such as different climate scenarios, the increase in carbon footprint and non-compliance with environmental regulations, operational and financial impacts of natural disasters, and changes in laws and regulations. Thus, strategies are developed to enhance our resilience against short, medium, and long-term risks, and measures are taken to mitigate potential impacts.

• In our risk assessment processes that encompass sustainability and climate risks, qualitative and quantitative analyses are employed. In determining the level of risks, impact criteria are drawn from operational, reputational, compliance, and financial dimensions, as well as from information security elements such as confidentiality, integrity, and availability. The likelihood score is assigned within the framework of predefined criteria related to the frequency of risk occurrence. Natural risk levels are calculated using impact and likelihood scores, and after applying existing controls, residual risk levels are determined, risks are prioritized according to their level, and managed within the scope of risk response strategies.

• Within our Institution, sustainability and climate risks are regularly monitored and reviewed as part of the Corporate Risk Management process. Continuous monitoring of activities is ensured through reports submitted to the Early Detection of Risk Committee (EDRC) and the Board of Directors, as well as through the use of key risk indicators.

• Our Institution continues to align its sustainability and climate risk management practices with the commitment of Senior Management. In 2024, these risks were managed in an integrated manner within existing risk monitoring processes. The preventive strategies developed against sustainability risks contribute to the achievement of our Institution's long-term goals, while also supporting the development of a more resilient structure against climate risks.

METRICS AND TARGETS

This section presents the performance data that MKK is required to report in accordance with relevant legislation concerning the sustainability and climate-related risk and opportunity targets. Within this scope, disclosures related to the Sustainability Accounting Standards Board (SASB) Securities and Commodities Exchanges Standard, as well as greenhouse gas emissions, are provided.

Metrics and Targets Under the SASB Security and Commodity Exchanges Standard

Topic	Metric	Category	Unit of Measure	Current Status	Target
Promoting Transparent & Efficient Capital Markets	(1) Number and (2) average duration of (a) halts related to public disclosure of information and (b) pauses related to volatility	Quantitative	Number, Minutes	In 2024 (1) 4 halts (2) lasted 20, 45, 40, and 270 minutes, respectively.	For 2025 A decrease in the number and duration of halts.
	Description of alert policy regarding timing and nature of public disclosure of information	Discussion and Analysis	n/a	In this regard, the regulations of the Capital Markets Board (CMB) and MKK are fundamental. Primarily, the CMB's Communiqué on Material Events Disclosure and Communiqué on Principles Regarding Financial Reporting in Capital Markets, among other communiqués, establish rules concerning the timing and nature of disclosures. Additionally, MKK has issued the Directive on the Procedures and Principles Regarding KAP Membership and Submission of Disclosures to KAP regarding this subject.	
	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	Discussion and Analysis	n/a	The Sustainability Compliance Framework and the Sustainability Compliance Report format have been published by the Capital Markets Board (CMB), and within the scope of the Corporate Governance Communiqué, the Corporate Governance Communiqué, annual reports are required to include a statement on whether the sustainability principles have been implemented, a reasoned explanation if they have not, and a disclosure on the impacts on environmental and social risk management resulting from partial or non-compliance with these principles. It is also mandatory to publish the Sustainability Compliance Report together with the annual report.	

SUSTAINABILITY

Topic	Metric	Category	Unit of Measure	Current Status	Target
Managing Business Continuity and Technology Risks	(1) CDS service availability rate, (2) Root cause detection rate for major incident records, (3) Testing rate of critical business processes within the scope of the Disaster Drill	Quantitative	Percentage (%)	In 2024 (1) 99.96% (2) 100% (3) 100%	For 2025 (1) 99.5% (2) 100% (3) 100%
	(1) Number of security breaches, (2) Closure rate of information security incidents/breaches	Quantitative	Number, Percentage (%)	In 2024 (1) 0 (2) 100%	For 2025 (1) 0 (2) 100%
	(1) Closure rate of Critical/High findings in security penetration testing, (2) Completion rate of periodic risk assessment activities	Quantitative	Number, Percentage (%)	In 2024 (1) 100% (2) 100%	For 2025 (1) 100% (2) 100%

Merkezi Kayıt Kuruluşu Emissions (tCO_2e)		2022	2023	2024
Scope 1	Stationary Combustion Emissions	149.27	101.42	110.39
	Mobile Combustion Emissions	69.09	76.20	40.76
	Fugitive Emissions	42.29	91.94	21.23
Scope 2	Emissions from Purchased Energy	1,490.45	1,540.66	1,723,.88
Scope 3	Emissions from Transportation or Distribution of Inbound Products	211.36	209.80	222.71
	Emissions from Employee Commuting	193.43	245.06	297.56
	Emissions from Customer Visits	-	-	-
	Emissions from Business Travels (Flights, Accommodation, Train, etc.)	1.37	2.23	9.02
	Emissions from Purchased Raw Materials	18.07	32.47	34.41
	Emissions from Capital Goods	6.44	8.20	19.81
	Emissions from Waste Disposal	0.04	0.04	0.05
	Emissions from Purchased Services	3.96	5.66	18.88
	Total Emissions (tCO_2e)	**2,185.76**	**2,313.69**	**2,498.72**

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 through diligent adherence to the following guiding principles:

- As part of our corporate sustainability approach, we prioritize identifying and addressing risks that may threaten our human resources, society, environment, and ecological balance. We maintain 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 is conducted in accordance with the risk appetite framework.
- The Corporate Risk Management structure 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 assets at our organization are managed in accordance with the guidelines outlined in our Corporate Risk Management.
- The integration of the cyber resilience framework into corporate risk management operations is a strategic response to the escalating cyber threats today.

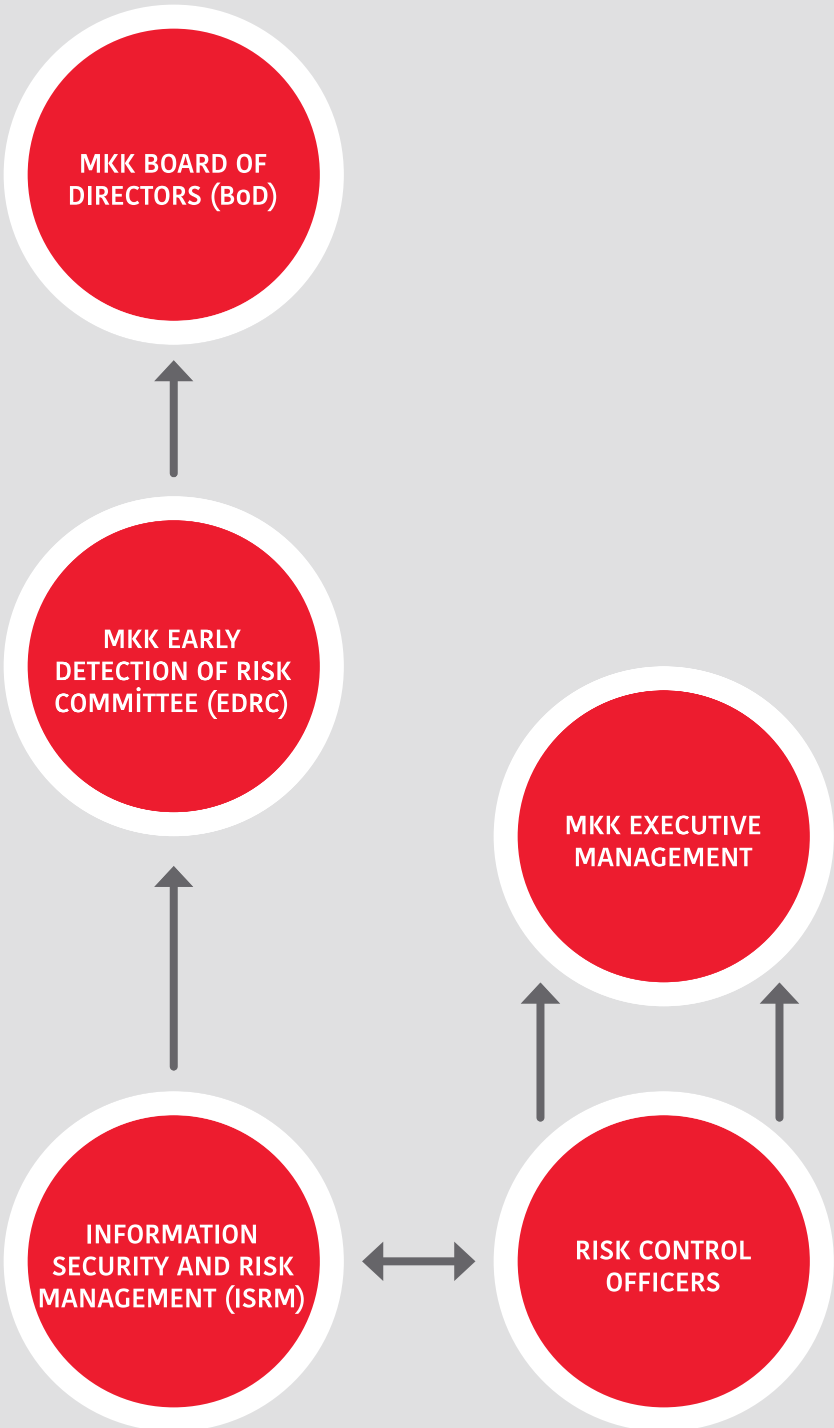
Our corporate risk management structure has been established and is operated based on the following legislation and international standards:

- Communiqué by the Capital Markets Board on the Determination and Implementation of Corporate Governance Principles
- Presidency of the Republic of Türkiye Digital Transformation Office (CBDDO) Information and Communication Security Guide
- ISO 31000 Corporate Risk Management Standard
- Articles of Association of Merkezi Kayıt Kuruluşu A.Ş.
- 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
- TSRS 1 – General Requirements for the Disclosure of Sustainability-related Financial Information
- TSRS 2 – Climate-related Disclosures
- Institute of Internal Auditors (IIA) Three Lines Model

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, established 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 authorized by the Board of Directors. Their primary responsibility is to assess the effectiveness and ongoing improvement of the Corporate Risk Management system and monitors it on a quarterly basis. 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 2024.

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 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

- Decisions that will negatively affect MKK's long-term financial sustainability

REPUTATION

- 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

COMPLIANCE

- 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

HUMAN RESOURCES

- Situations that pose a risk to the well-being and safety of MKK employees and guests, compromising occupational health and safety
- Discrimination on the basis of race, language, religion or gender in terms of human resources policies
- 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.

OPERATIONAL

- Tasks and transactions that hinder our organization's activities in a reliable, transparent, effective, stable, fair, honest and competitive manner
- System errors, information and data security breaches, disclosure of confidential information and failure to ensure personal data security
- Within the scope of our operations, interruptions that may occur in all our services, particularly in the critical services provided to the capital markets
- Interruptions in market activities caused by third-party business partners from whom services are received
- Operational risks which arise in the implementation of strategic plans and changes which affect external customers.

ENVIRONMENTAL

- Issues or decisions which may harm the environment, ecological balance and society

RISK MANAGEMENT

MKK Corporate Risk Management Activities

All risks and opportunities at every level that may threaten the sustainability of our Institution's existence are identified, analyzed, and measured. For risks and opportunities exceeding our risk appetite, action plans are developed, implemented, monitored, and reported.

As part of the risk assessment and review activities conducted in 2024, reporting was carried out in accordance with the rules outlined in our policies and procedures to the EDRC and the Board of Directors on 26.03.2024, and to the EDRC on 23.07.2024, 16.10.2024, and 30.12.2024.

Key Risk Indicators (KRIs)

Key risk indicators that serve as proactive early warning signals indicating the direction of the likelihood or impact of risks that may significantly affect the Institution's assets have been established, with the aim of enhancing the effectiveness of the risk management process. Under the traffic light methodology adopted for the use of KRIs, each key risk indicator is monitored as "Red", "Yellow", or "Green" based on threshold values. As of 2024, a total of 52 KRIs are monitored on "Monthly", "Quarterly", "Semi-Annual", and "Annual" periods. Reporting on the realization of KRIs is made to Senior Management on a monthly basis, to the EDRC quarterly, and to the Board of Directors annually.

ALL RISKS AND OPPORTUNITIES AT EVERY LEVEL THAT MAY THREATEN THE SUSTAINABILITY OF OUR INSTITUTION'S EXISTENCE ARE IDENTIFIED, ANALYZED, AND MEASURED.

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	· Misinterpretation of the provisions of the law and related sub-regulations · Failure to comply with the law and related sub-regulations in a timely manner · 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 · 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.	· 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, · Assuming an active role in the implementation of regulations for the development, improvement and deepening of the markets, · Establishing open, transparent and fair regulations and oversight systems to ensure that the investor data stored is protected in a safe and stable manner. · Maximum awareness level of our employees regarding all legal activities.
Credit and Liquidity Risk	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.	· Inability to pay for services as a result of bankruptcy or default of members or persons or organizations using the services · Financial loss due to reasons such as the failure to recover advances offered to suppliers · 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 · 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.	· Effective management of Restructuring Plans devised to take essential precautions against potential risks that may arise within the established parameters. · 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. · 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. · 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.

RISK MANAGEMENT

RISK CATEGORY	RISK DEFINITION	POSSIBLE RISKS	PREVENTION STRATEGIES
Investment and Custody Risk	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	· Decrease in the market value of capital market instruments or securities · Failure of issuers of capital market instruments or securities to pay their debts on time · 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 · Bankruptcy of banks in which MKK cash assets are kept as deposits · Bank employees committing misconduct in connection to MKK deposits · Failure to recover MKK deposits in a timely manner due to the operational errors, negligence or incorrect records at the bank. · Bankruptcy of banks or custodians where capital market instruments or securities owned by MKK are held	· 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. 1. Collateral mechanism related to stock market transactions, 2. Investor Compensation Center, extraordinary reserves within the scope of strengthening MKK capital, 3. Allocating, 4. Professional liability and crime policies, · 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.
General Business Risk	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.	· Risks arising from errors in the business strategy · Inability of cash inflows to meet the cash outflows as a result of disruptions in cash flow · Operational losses arising from extraordinary reasons (such as natural disasters, epidemics or cyber-attacks), · Loss in company activity and harm to the financials due to reasons such as a lack of process recovery plans or ineffective management	· 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. · 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); · Eliminating the risks that may arise by utilizing restructuring resources within the scope of restructuring plans.

RISK CATEGORY	RISK DEFINITION	POSSIBLE RISKS	PREVENTION STRATEGIES
Operational Risks	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.	· 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, · Inaccessibility of our services, loss of image, reputation and income may or violation of legislation arising from of business continuity risks. · 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. · Failure to ensure the sustainability of services as a result of human resource risks · Emergence of occurrences and conditions that endanger human health and disrupt service continuity	· Since any service interruption will result in a loss of reputation and income, continuous monitoring of the systems and adherence to performance criteria, · Control and warning mechanisms for systemic risks and information channels established to monitor the operation of the system, · Effective operation of business continuity strategies and plans designed to ensure the cyber and operational resilience of our organization, · 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, · Implementation of human resources strategies for the employment and retention of competent and sufficient human resources, · Ensuring the continuity of our services at the expected level thanks to our business continuity policies that prioritize human health and life safety.

RISK MANAGEMENT

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. In accordance with the regulations of Supervisory and Regulatory Institutions, and within the framework of protocols signed with relevant stakeholders and parties, our Institution carries out evaluations and monitoring of the content and transmission methods of information provided to external institutions. In this context, in 2024, the compliance of 56 external report requests was reviewed, and their conformity was assessed.

Our Institution is subject to the provisions of Law No. 6493 dated 20.06.2013 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions, as well as the Regulation on the Operations of Payment and Securities Settlement Systems and the Regulation on the Oversight of Payment and Securities Settlement Systems, both issued by the CBRT and published in the Official Gazette dated 28.06.2014, and the Communiqué on Information Systems Used in Payment and Securities Settlement Systems, published in the Official Gazette dated 09.01.2016 (CBRT Payment and Securities Settlement Systems Legislation). In this context, in line with the principle of transparency, a total of 19 notifications were submitted to the CBRT in a timely manner in 2024.

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 2024, we addressed 15 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”.

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 2024.

Information Security Management

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.

> **“IN 2024, THE COMPLIANCE OF 56 EXTERNAL REPORT REQUESTS WAS REVIEWED, AND THEIR CONFORMITY WAS ASSESSED.”**

Data exiting 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 2024 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.

Based on the NIST Cybersecurity Framework, the maturity of our Institution’s cybersecurity activities has been assessed, and alignment of the MKK Cybersecurity Framework with the NIST Cybersecurity Framework has been ensured.

All applications that MKK supports within the capital markets have their data securely stored in databases. In 2024, the Database Activity Monitoring (DAM) product was implemented 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 active use of the product was ensured 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.

Administrative and technical measures outlined in the MKK Cyber Resilience Framework, developed to enhance our Institution’s cyber resilience, are being implemented. In 2024, the controls in the Cyber Resilience Framework were executed, and review and update activities were carried out to strengthen them.

Security bulletins and notifications issued by the Capital Markets Board (CMB), the National Cyber Incidents Response Center (USOM), TR Ministry of Treasury and Finance, the Borsa İstanbul Cybersecurity Operations Center, the Cyber Threat Intelligence Product and related application vendors are monitored instantly. Immediate actions are taken regarding security notifications relevant to our Institution. Within this scope, 464 notifications were monitored in 2024, and necessary corrective actions were implemented.

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.

RISK MANAGEMENT

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 a follow-up audit was conducted by an internationally accredited independent audit firm between the dates 24-25 April 2024. 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

In line with the Information and Communication Security Guide ("Guide") published by the Digital Transformation Office (DDO) of the Presidency of the Republic of Türkiye, which outlines the general measures that public institutions and organizations, as well as enterprises providing critical infrastructure services, must take regarding information and communication security, security measures have been determined to eliminate threats that may lead to the disruption of the confidentiality, integrity, and accessibility of data stored within our Institution, and the activities to be carried out in this context have also been defined. As part of the "Guide Implementation Process", and in consideration of the requirements under the Change Management section, both amendments to the Guide and updates to our Institution's existing asset inventories and asset group criticality classifications were reviewed in 2024, and necessary updates were made.

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 acts as a centralized point of coordination for monitoring, evaluation, and incident response . It also 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 simulating 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.

> **MKK'S ACTIVITIES TO INCREASE ITS CYBER RESILIENCE CONTINUE TO PREVENT TYPES OF ATTACKS SUCH AS PHISHING, RANSOMWARE AND SOCIAL ENGINEERING.**

Business Continuity Management

The establishment of the MKK Business Continuity System (BCMS) and Business Continuity Policy aims to ensure personnel safety 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 strategic goals 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. 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.

Based on the MKK Business Continuity Policy, Business Continuity Strategies have been defined, and Business Continuity Plans have been developed, taking into account the strategic objectives, risks, and opportunities. In business continuity planning, comprehensive business impact analyses are considered to identify the resources, internal and external dependencies, alternative business continuity methods, and critical processes required to ensure that MKK's products and services can be sustained at defined service levels following an interruption or incident. In 2024, business impact analyses were conducted for a total of 363 processes, and critical processes were identified. All our critical services are maintained within a redundant framework in ODVM.

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.

To ensure timely and effective response to events that can be defined as business interruption, loss, emergency or crisis due to performance problems that may cause disruption or interruption in our organization's services, the incident management structure is utilized 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 2024 was successfully concluded on 2 November 2024, 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 support the continuous improvement of our organization's business continuity practices, regular audits are conducted for renewal and follow-up purposes. Corrective and preventative measures are consistently

RISK MANAGEMENT

deployed. The external audit conducted by an internationally accredited independent audit firm on 10-11 September 2024 was successfully concluded, thereby ensuring the continuity of our Organization's BCMS certification until October 2025.

As part of preparations for the Marmara earthquake, meetings were held in 2024 with Borsa İstanbul and Takasbank under the coordination of the Banks Association of Türkiye to enable benchmark analysis with certain banks conducting earthquake preparedness efforts. As MKK, studies were carried out regarding additional actions that could be taken within the scope of earthquake risk.

In addition, earthquake risk heat maps were prepared based on Istanbul districts and neighborhoods, taking into account the seismic risk levels of the districts and neighborhoods where MKK employees reside. While conducting this study, the "District Level Earthquake Loss Estimation Booklets" prepared in 2019 for Istanbul's 39 districts within the scope of the "Project for Updating Probable Earthquake Loss Estimates for Istanbul Province" by the Boğaziçi University Kandilli Observatory and Earthquake Research Institute Department of Earthquake Engineering and the Istanbul Metropolitan Municipality Department of Earthquake Risk Management and Urban Improvement Directorate of Earthquake and Soil Investigation were taken as the basis. Using the criteria in these booklets, including estimated number of fatalities, severe injuries, hospitalizations, and light injuries for each district and neighborhood in the event of a possible Istanbul earthquake, were calculated as "Very High", "High", "Medium", and "Low". An analysis was conducted to determine the risk concentration based on the areas of residence of all MKK employees in Istanbul, particularly critical staff and search and rescue team members. Based on the findings of the study, action planning continues with due consideration of the criticality levels of the respective districts and neighborhoods.

In February 2024, a theoretical and practical light search and rescue training organized by the Disaster and Emergency Management Presidency (AFAD) was provided to employees of the Borsa İstanbul Group at the Istanbul AFAD Training Center, with 11 participants attending from our Institution.

Audit and Oversight

To ensure that the organization's operations are conducted regularly, efficiently and in compliance with applicable legislation, internal audits were carried out across all units using a risk-based approach. In this process, the effectiveness of risk management, internal control and governance processes was evaluated. The 2023 internal audit reports of the directorates were submitted to the Audit Committee and the Board of Directors in 2024. 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 "2023 Internal Audit and Supervision Directorate Annual Report" were presented at the Audit Committee meetings.

In accordance with the requirements of the ISO 27001 Information Security Management System, ISO 27701 Privacy Information Management System, ISO 20000 1 Information Technology Service Management System, ISO 22301 Business Continuity Management System, and ISO 9001 Quality Management System standards, internal audits were conducted and reported to senior management and the relevant units. In 2024, an ethics audit was conducted to monitor compliance with ethical principles and rules, anti-bribery and anti-corruption rules. The results of this audit were presented to the Audit Committee and the Board of Directors.

In 2024, the information systems independent audit, the e-BDS technical audit, and the e-COMPANY technical audit were conducted. The coordination of these independent audits was ensured.

In alignment with the Presidential Circular regarding Information and Communication Security Measures, institutions and organizations are mandated to fulfill compliance obligations 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-based approach within the framework of the methodology specified in the Information and Communication Security Audit Guide.

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.

Data consistency checks are carried out through automatically generated reports developed within the scope of the oversight function.

Internal Control

In the internal control system activities of our Institution are based on relevant laws and regulations, the Institute of Internal Auditors' (IIA) Three Lines Model, and the COSO internal control system standard, as well as COBIT Control Objectives for Information and Related Technologies, ISO 27001 Information Security Management System, ISO 22301 Business Continuity Management System, ISO 20000 Information Technology Service Management System, ISO 27701 Privacy Information Management System, and ISO 9001 Quality Management System. The duties, authorities, and responsibilities of all units involved in the Three Lines Model, along with their regulatory and reporting mechanisms, have been defined based on the line in which they are positioned.

As part of the internal control activities conducted in our Institution, internal control activities are carried out periodically to assess, analyze, and identify control gaps with a risk-based perspective. Based on the outcomes of these internal control activities, the aim is both to identify and eliminate control gaps and to ensure the operation of a more effective internal control system across the Institution. As of 2024, within the scope of internal control activities conducted:

- Internal control activities were conducted for 143 risks with high natural risk levels and the 322 controls corresponding to these risks. Some of these controls were subject to internal control activities once a year, while others were reviewed twice a year.
- In the first half of 2024, a total of 219 risk-based internal control activities were conducted.
- In the second half of 2024, 256 internal control activities were conducted.
- Immediate actions were taken regarding the issues where nonconformities were identified. The results of the internal control activities were presented to the General Directorate on 22.07.2024 and 09.01.2025.

The main internal control activities conducted within our Institution are as follows:

Controls related to log management, DLP management, cybersecurity, network security, middleware, version management, system management, database management, data governance, and application development are evaluated in terms of functionality and effectiveness, and the results are reported.

The functionality and effectiveness of controls related to compliance with the uniform chart of accounts, compliance with legal regulations, provisional tax returns, corporate tax returns, financial statements, budget monitoring, recruitment, termination of employment, occupational health and safety practices, employment of disabled personnel, use of annual leaves, capital markets operations, e-WR, CFS, BSRS operations, PDP operations, data services operations, and membership transactions operations are reviewed and reported.

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.

CORPORATE GOVERNANCE

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. 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). 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 securities 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 essence, 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 Securities Depository in Türkiye

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 1994 financial crisis, which caused some financial companies to go bankrupt, the CMB ordered ISE Settlement and Custody, Inc. to create a system that would keep publicly traded shares safe for investors instead of physically holding them. ISE Settlement and Custody Inc. changed its name to the ISE Settlement and Custody Bank Inc. (Takasbank) after receiving an investment banking license in 1997. 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 basis and then on an investor basis. Therefore, the traditional valuable papers law and the physical system still existed legally for shares.

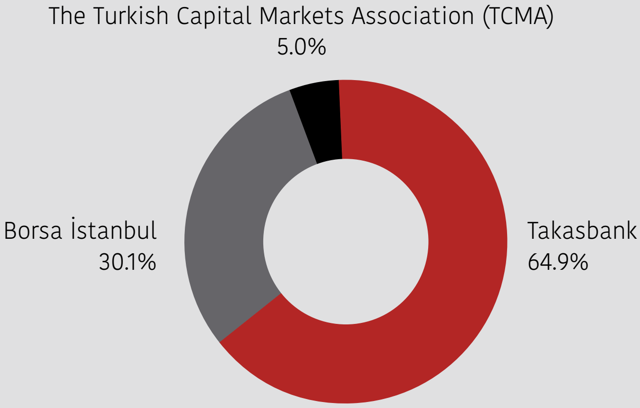
Takasbank continued its duties accordingly until 28 November 2005.

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 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 market instruments and investor rights affixed to them in an electronic bookkeeping 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

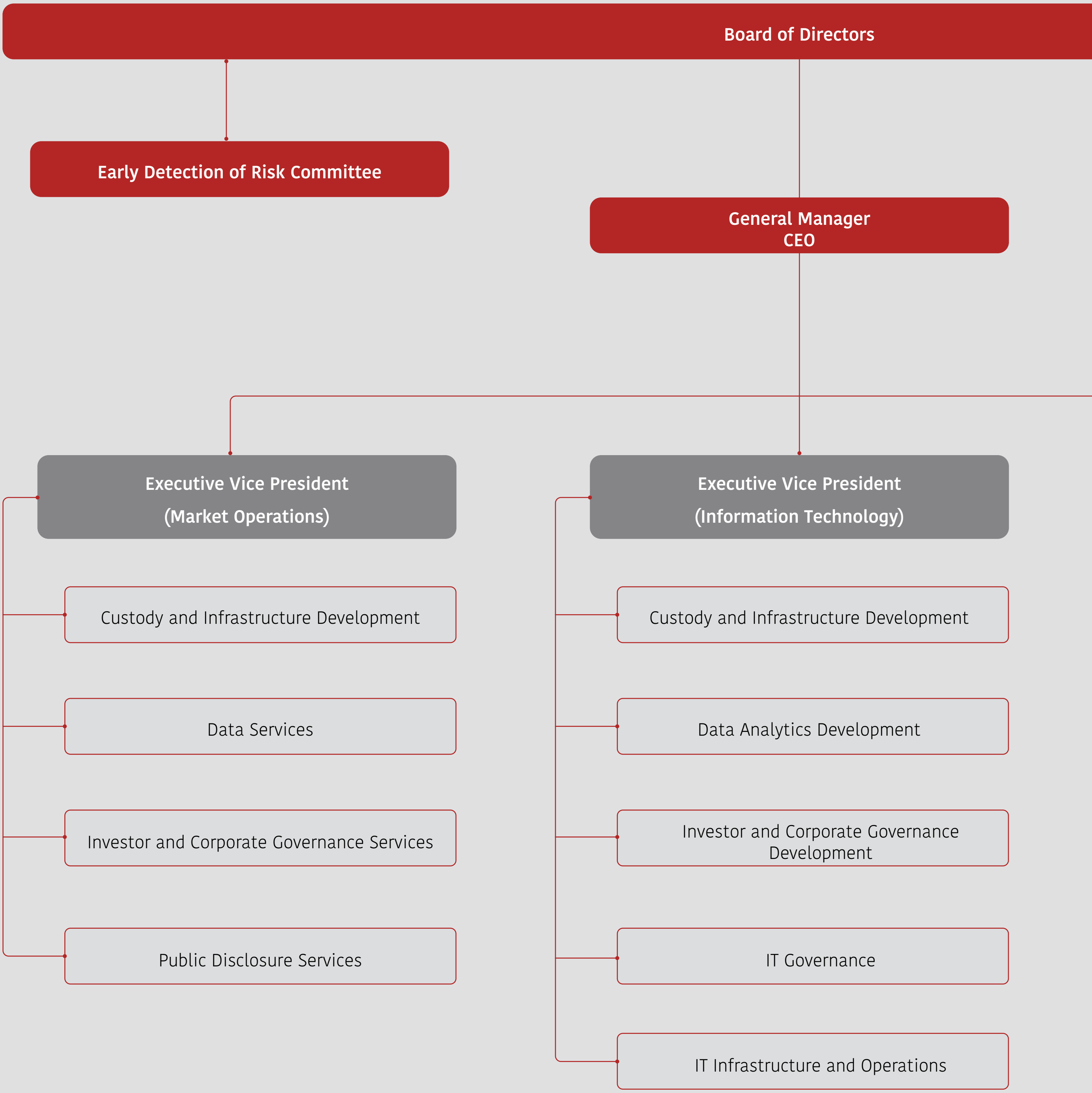
Shareholder	Share Group	Rate (%)	Shares Held (Units)	Shares Held (TL)
Takasbank	A	64.9	64,900,000	64,900,000
Borsa İstanbul	A	30.1	30,100,000	30,100,000
The Turkish Capital Markets Association (TCMA)	B	5.0	5,000,000	5,000,000
Total		**100**	**100,000,000**	**100,000,000**

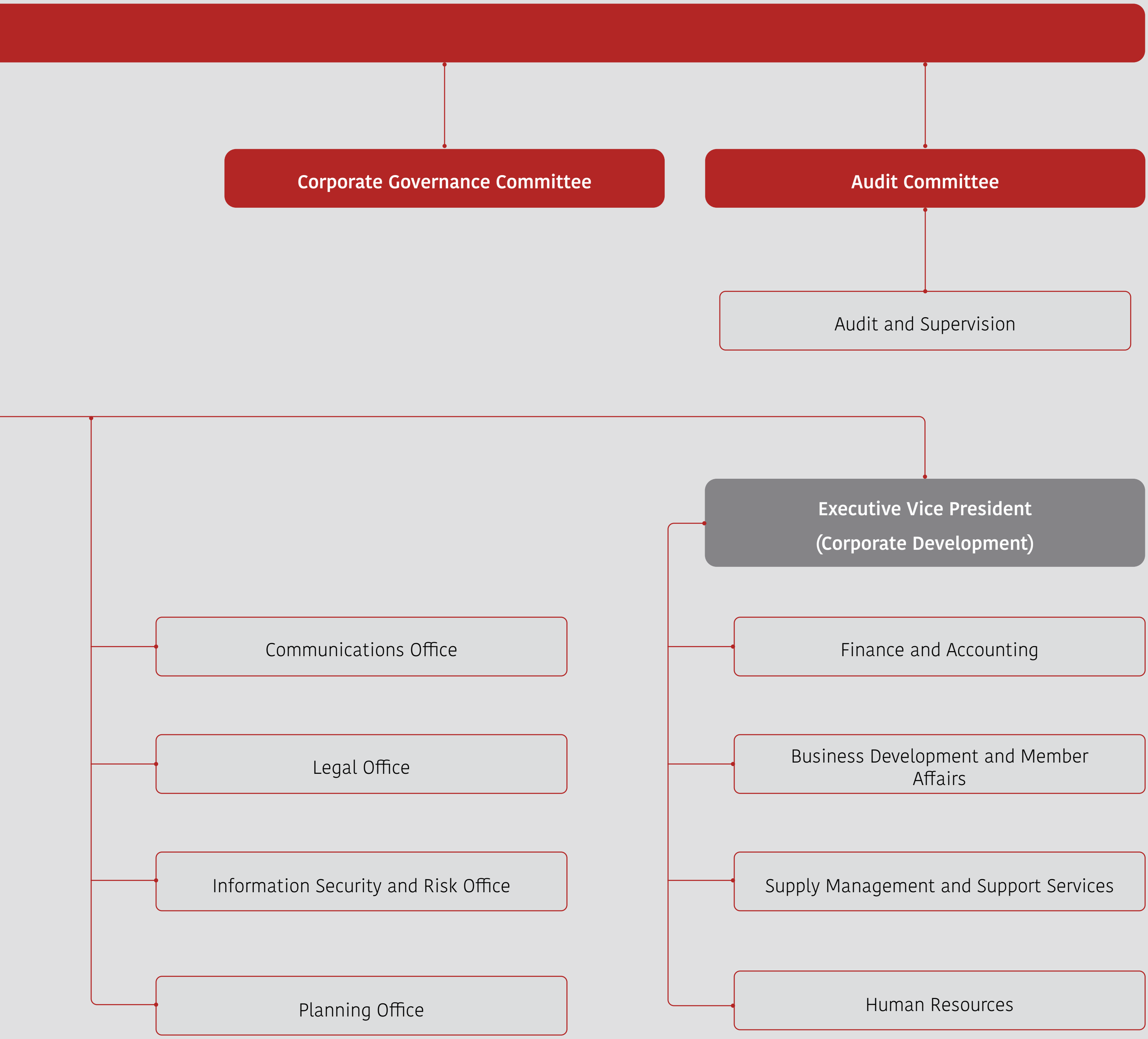


Affiliates

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




Corporate Governance Committee
Audit Committee
Audit and Supervision
Executive Vice President (Corporate Development)
Communications Office
Legal Office
Information Security and Risk Office
Planning Office
Finance and Accounting
Business Development and Member Affairs
Supply Management and Support Services
Human Resources

BOARD OF DIRECTORS AND SUPERVISORY BOARD

Board of Directors

Name/Surname	Title	Date of Commencement of Office
Ali İhsan GÜNGÖR	Chairman	25.03.2021
TCMA (Representative: Esen Pamir KARAGÖZ)*	Deputy Chairman	12.06.2024
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 13 meetings in 2024. The participation rate of the members in the meetings was 70%.

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.

* Our Legal Entity Board Member has served on the Board of Directors as the representative of the Turkish Capital Markets Association. As of 10.03.2025, Mr. Serdar SÜRER has begun representing the TCMA on the Board of Directors.

COMMITTEES

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 2024. 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	25.06.2024
Hamdi GÜLEÇ	Member	25.06.2024

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 institution. 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 2024. 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
Mehmet ARABACI	Chairman	25.06.2024
Emre TEZMEN, CFA	Member	25.06.2024

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 2024. 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: Esen Pamir KARAGÖZ)	Chairman	25.06.2024
Ahmet BORA	Member	25.06.2024

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 has 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 the 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 also leads the regulatory efforts concerning crypto assets in our country.

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.

Esen Pamir KARAGÖZ
Deputy Chairman of the Board*

Pamir Karagöz began her professional career in 1998 as an auditor. Between 1999 and 2008, she held various roles in Citibank Turkey's Retail Banking division, including Strategy, Sales, Wealth Management, and Affluent Customer segment management.

In 2008, she was appointed as a senior executive responsible for Premier Banking and Investment products at Barclays' Emerging Markets regional office in Dubai. At Barclays, she led new market entry strategies, product development, customer value management, and strategic channel management across 14 countries, including Russia, the United Arab Emirates, India, Indonesia, Egypt, Pakistan, and several African countries.

Between 2011 and 2012, she served as a senior executive responsible for the sales and marketing of wealth management, investment, insurance, and mortgage products during the restructuring of Mashreqbank in the United Arab Emirates, Egypt, and Qatar. From 2012 to 2015, Karagöz served as Director responsible for strategy, marketing, and business development at Deloitte Turkey. Between 2015 and 2018, she was Executive Vice President responsible for Retail and Wealth Management at QNB Finansinvest. Since February 2018, Karagöz has been serving as the CEO and a Board Member of QNB Finansinvest, as well as a Board Member of QNB Finans Varlık. As of March 2024, she was appointed Chairperson of the Board of QNB Dijital Varlıklar A.Ş.

Since 2018, Pamir Karagöz has served as a member of the Board of Directors and Board of Auditors of the Turkish Capital Markets Association, and since 2020, as a member of the Board of Directors of the Capital Markets Licensing Registry and Training Agency. In May 2024, she was elected Chairperson of the Board of the Turkish Capital Markets Association.

Pamir Karagöz holds a degree in Business Administration from Middle East Technical University, an MBA from the University of Chicago Booth School of Business, and a Leadership Program certificate from Harvard Business School.

Pamir Karagöz is married and has one child.

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. During this period, he also served as a contracted lawyer for TÜBİTAK and Türk Telekom companies. 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 in 2012. 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 President of the Public Procurement Authority by the Decision of the Council of Ministers dated 18.04.2016, and has continued his role through reappointments as the President of the Public Procurement Authority by the Presidential Decrees No. 2020/174 and 2024/118. Mr. Güleç was elected as a member of the Board of Directors of Merkezi Kayıt Kuruluşu A.Ş. on 18 September 2021.

* Our Legal Entity Board Member has served on the Board of Directors as the representative of the Turkish Capital Markets Association. As of 10.03.2025, Mr. Serdar SÜRER has begun representing the TCMA on the Board of Directors.

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 founded Tera Yatırım Menkul Değerler A.Ş. in 2005, 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. In 2023, he founded Tera Yatırım Bankası A.Ş. and continues to serve as its Chairman of the Board.

In 2025, he acquired 60 percent of the shares of Barikat Cyber Security and became the Chairman of the Board. In the same year, he also became the Chairman of the Board of Pera Investment Holding, holding 29.5 percent of the shares.

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 was born in 1979 in Gebze. He graduated from the Faculty of Political Science at Ankara University. He completed his master's degrees in the Department of Political Science and International Relations at Boğaziçi University and at the Fletcher School of Law and Diplomacy in Boston, USA, with a focus on "International Organizations and Foreign Trade Law". He pursued his doctoral studies in the field of Area Studies at the Middle East Technical University.

Tuzcu began his career in 2002 as a sector specialist at the Exporters' Association. In 2004, he joined the Undersecretariat of Foreign Trade as an Assistant Foreign Trade Specialist. Between 2005 and 2014, he served in various roles within the Undersecretariat of Foreign Trade, the Ministry of Economy, and the Ministry of Trade, including as Foreign Trade Specialist, Advisor to the Minister, and Deputy Director General of Agreements. He also held positions as the Baghdad Commercial Counsellor in the Ministry's Overseas Organization and as the Chief Commercial Counsellor at the World Trade Organization. On 8 May 2021, he was appointed Deputy Minister of Trade of Türkiye.

During his tenure, he served as Chair of the WTO Committee on Safeguards, Co-chair of the Türkiye–Arab League Economy and Investment Committee, and Chair of the Trade and Investment Working Group during Türkiye's G20 term presidency. He represented Türkiye in the WTO committees, where international trade rules are shaped, as well as in international agreement negotiations. He served as the chief negotiator in international negotiations conducted under the WTO, UNCTAD, and OECD, and led preferential and free trade agreement negotiations with numerous countries, including Ukraine, Pakistan, Uzbekistan, and Azerbaijan. He also chaired joint economic commission meetings. Representing Türkiye in the negotiations for the establishment of the OECD Istanbul Centre for Competitiveness, Mustafa Tuzcu also served as Chair of the G20 Trade and Investment Working Group during Türkiye's G20 term presidency.

He played a leading role in shaping key strategies to support Turkish exporters in expanding into new markets and strengthening their presence in existing ones. He spearheaded the development of major initiatives such as Türkiye's Distant Countries Strategy and the Green Deal Strategy and Action Plan, which provide guidance for goods and services exporters.

He currently serves as Deputy Minister of Trade, responsible for overseeing international trade and economic relations under the Ministry of Trade, shaping and implementing import and product safety policies, developing the free zones system and establishing new zones, managing the Ministry's budget, and handling matters under the purview of the Halal Accreditation Agency.

Mustafa Tuzcu is also the Chairman of the Board of Directors at İhracatı Geliştirme A.Ş. and a Member of the Board of Directors at Merkezi Kayıt Kuruluşu A.Ş.

He is married with three children and speaks English fluently, as well as intermediate Arabic and French.

BOARD OF DIRECTORS

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.

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 EPİAŞ (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 EPİAŞ 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-GMS 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 been serving as a Member of the Review Board of Access to Information since 2019, and as of January 2025, he continues to hold the position of Chairman of the Konya Regional Board for the Protection of Cultural Heritage.

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

EXECUTIVE MANAGEMENT

Dr. Ekrem ARIKAN
CEO & Board Member

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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

After completing his undergraduate studies in Computer Engineering at Marmara University in 1996, Hasan Hilmi Hakyemez earned a master's degree in Business Administration. He began his professional career in 1996 as a Software Engineer at BIS Çözüm, where he developed financial technology solutions for Capital Markets Intermediary Institutions and Participation Banks. In 2001, he joined CarrefourSA as a Software Development Engineer and Project Manager, delivering numerous local and international projects in the areas of Business Intelligence, ERP, and CRM. In 2005, he joined Türkiye Finans Katılım Bankası as a Software Architect. During the merger of Anadolu Finans and Family Finans that formed Türkiye Finans, he served as the software team lead. He then worked for four years as the service manager for the unit, developing the Bank's credit software. In 2009, he was appointed to establish the Bank's IT Project Management Office. Over his five-year tenure in this role, he led numerous digital transformation projects in the fields of Banking and Financial Technology. From 2014 to 2015, he served as the Head of Software Development at Medipol Sağlık ve Eğitim Grubu. In 2015, he joined Ziraat Katılım Bankası as part of the founding team and served as Head of the Information Technologies Department, overseeing the establishment of the Bank's IT processes and infrastructure. In 2018, he worked at Ziraat Teknoloji as Group Manager responsible for Participation Banking. In this role, he led Core Banking, Digital Banking, and Business Intelligence software development, as well as Project Management and IT governance activities on behalf of Ziraat Katılım.

Since October 2020, Hasan Hilmi Hakyemez has been serving as Executive Vice President responsible for Information Technologies at Merkezi Kayıt Kuruluşu A.Ş.

Özkan İlkay KIZILTOPRAK
Executive Vice President, Market Operations

Özkan İlkay 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 A Finance 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, Corporate Development

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. as of March 2020, was appointed as the Executive Vice President responsible for Finance, Human Resources and Strategy at MKK as of February 2022. As of January 2025, he has been holding the position of Executive Vice President responsible for Corporate Development.

DIRECTORS*

Ali Sadık KUMLALI
IT Governance Director

Barış YILDIRIM
IT Infrastructure and Operations Director

Dr. Fatma Ayzer BİLGİÇ
Data Services Director

Fatih GÜMÜŞ
Human Resources Director

Fatih ÖZYURT
Finance and Accounting Director

İbrahim Oral EMÜL
Data Analytics Development Director

İlker KIZILKAYA
Public Disclosure Services Director

Kağan ŞAR
Audit and Surveillance Director

Kemal BAYINDIR
Custody and Infrastructure Development Director

*In 2024, Gül ÖZCAN served as Custody Services Director and İzzet Gökhan KAREL served as Investor and Corporate Governance Services Director. Both directors retired in December 2024.

Muhammed Salih EROĞLU
Planning Office Director

Murat ÇELEBİ
Information Security and Risk Office Director

Mustafa AKGÜN
Investor and Corporate Governance Development Director

Özgür BÜLBÜL
Legal Office Director

Dr. Özgür UYSAL
Business Development and Membership Director

Serdar KÜÇÜKERDOĞAN
Supply Management and Support Services Director

Dr. Setenay YAĞANOĞLU
Custody Services Director

Talha Erhan ÖZCAN
Communications Office Director

Tolga ÖZTÜRK
Investor and Corporate Governance Services Director

CORPORATE GOVERNANCE POLICIES

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 diems, 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, other legal arrangements, and 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 among 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 institution 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 not being a publicly traded company.

Based on the view that effective corporate governance is the fundamental aspect of 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 01.01.2024-31.12.2024 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

Hamdi GÜLEÇ

Member of the Corporate Governance Committee
Board Member

Mustafa TUZCU

Chairman of the Corporate Governance Committee
Board Member

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Meeting is posted on the company website.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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						
1.7.1 - There are no restrictions preventing shares from being transferred.		X				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%.
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.
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.

CORPORATE GOVERNANCE COMPLIANCE REPORT

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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					
3.3.4-Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT	COMPLIANCE STATUS					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
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					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
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					
4.1. ROLE OF THE BOARD OF DIRECTORS						
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					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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 Office 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 organizationðs 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					
	YES	PARTIAL	NO	EXEMPTED	NOT APPLICABLE	EXPLANATION
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.
4.5. BOARD COMMITTEES						
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					
4.6. FINANCIAL RIGHTS						
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.) organized by the company during the year	The institution did not convene an investor conference or meeting throughout the year.
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 Communique 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 Communique 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
06.06.2024	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
ç) 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 Institution 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 Institution 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 institution 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 program	There is no employee stock ownership program 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 institution 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 two female members on the board.

CORPORATE GOVERNANCE INFORMATION FORM

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
Esen Pamir KARAGÖZ-Deputy Chairman - (The Turkish Capital Markets Association (TCMA))	Member (non-executive)	Not independent	12.06.2024	-	-	-	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

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	13
Director average attendance rate at board meetings	70%
Whether the board uses an electronic portal to support its work or not	Our institution 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 institution.
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	-	Mehmet ARABACI	Yes	Board member
Audit Committee	-	Emre TEZMEN	No	Board member
Corporate Governance Committee	-	Mustafa TUZCU	Yes	Board member
Corporate Governance Committee	-	Hamdi GÜLEÇ	No	Board member
Committee of Early Detection of Risk	-	Esen Pamir KARAGÖZ	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)	2024 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					
Names of the Board Committees	**Name of Committees Defined as "Other" in the First Column**	**The Percentage of Non-executive Directors**	**The Percentage of Independent Directors in the Committee**	**The Number of Meetings Held in Person**	**The Number of Reports on its Activities Submitted to the Board**
Audit Committee	-	100%	-	4	15
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 2024

MERKEZİ KAYIT KURULUŞU A.Ş.
STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTS FOR THE YEAR 2024

We hereby declare that:

a) the financial statements and integrated annual report of Merkezi Kayıt Kuruluşu A.Ş. (MKK) for the year 2024 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.

xx.02.2024

Dr. Ekrem ARIKAN	**Emre TEZMEN**	**Mehmet ARABACI**
CEO	Member of the Audit Committee	Chairman of the Audit Committee
Board Member	Board Member	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, Takasbank and Merkezi Kayıt Kuruluşu are conducted in accordance with applicable legal regulations, primarily capital market legislation. These transactions and operations are regular commercial activities as stated in our Institution's articles of association. 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 Institution. In the 2024 activity period, all transactions conducted with our Institution, 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 2024 activity year have been evaluated. Based on the situations and conditions known pertaining to the 2024 activity year, it has been concluded that our Institution did not incur any losses due to a transaction in this regard.

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT

Merkezi Kayıt Kuruluşu A.Ş. Genel Kurulu'na

1. Görüş

Merkezi Kayıt Kuruluşu A.Ş.'nin ("Şirket") ve bağlı ortaklıklarının (hep birlikte "Grup" olarak anılacaktır) 1 Ocak - 31 Aralık 2024 tarihli hesap dönemine ilişkin yıllık faaliyet raporunu denetlemiş bulunuyoruz.

Görüşümüze göre, Yönetim Kurulu'nun yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun Grup'un durumu hakkında denetlenmiş olan konsolide finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemeler, tüm önemli yönleriyle, denetlenen tam set konsolide finansal tablolarla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlıdır ve gerçeği yansıtmaktadır.

2. Görüşün Dayanağı

Yaptığımız bağımsız denetim, Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Denetim Standartlarının bir parçası olan Bağımsız Denetim Standartları'na ("BDS") uygun olarak yürütülmüştür. Bu standartlar kapsamındaki sorumluluklarımız, raporumuzun Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumlulukları bölümünde ayrıntılı bir şekilde açıklanmıştır. KGK tarafından yayımlanan Bağımsız Denetçiler için Etik Kurallar (Bağımsızlık Standartları Dâhil) ("Etik Kurallar") ve bağımsız denetimle ilgili mevzuatta yer alan etik hükümlere uygun olarak Grup'tan bağımsız olduğumuzu beyan ederiz. Etik Kurallar ve mevzuat kapsamındaki etiğe ilişkin diğer sorumluluklar da tarafımızca yerine getirilmiştir. Bağımsız denetim sırasında elde ettiğimiz bağımsız denetim kanıtlarının, görüşümüzün oluşturulması için yeterli ve uygun bir dayanak oluşturduğuna inanıyoruz.

3. Tam Set Konsolide Finansal Tablolara İlişkin Denetçi Görüşümüz

Grup'un 1 Ocak - 31 Aralık 2024 hesap dönemine ilişkin tam set konsolide finansal tabloları hakkında 25 Mart 2025 tarihli denetçi raporumuzda olumlu görüş bildirmiş bulunuyoruz.

4. Yönetim Kurulu'nun Yıllık Faaliyet Raporuna İlişkin Sorumluluğu

Grup yönetimi, 6102 sayılı Türk Ticaret Kanunu'nun ("TTK") 514. ve 516. Maddelerine göre yıllık faaliyet raporuyla ilgili olarak aşağıdakilerden sorumludur:

a) Yıllık faaliyet raporunu bilanço gününü izleyen ilk üç ay içinde hazırlar ve genel kurula sunar.

b. Yıllık faaliyet raporunu; Grup'un o yıla ait faaliyetlerinin akışı ile her yönüyle finansal durumunu doğru, eksiksiz, dolambaçsız, gerçeğe uygun ve dürüst bir şekilde yansıtacak şekilde hazırlar. Bu raporda finansal durum, finansal tablolara göre değerlendirilir. Raporda ayrıca, Grup'un gelişmesine ve karşılaşması muhtemel risklere de açıkça işaret olunur. Bu konulara ilişkin yönetim kurulunun değerlendirmesi de raporda yer alır.

c) Faaliyet raporu ayrıca aşağıdaki hususları da içerir:

– Faaliyet yılının sona ermesinden sonra şirkette meydana gelen ve özel önem taşıyan olaylar,

- Şirketin araştırma ve geliştirme çalışmaları,

- Yönetim kurulu üyeleri ile üst düzey yöneticilere ödenen ücret, prim, ikramiye gibi mali menfaatler, ödenekler, yolculuk, konaklama ve temsil giderleri, ayni ve nakdî imkânlar, sigortalar ve benzeri teminatlar.

Yönetim kurulu, faaliyet raporunu hazırlarken Ticaret Bakanlığı'nın ve ilgili kurumların yaptığı ikincil mevzuat düzenlemelerini de dikkate alır.

5. Bağımsız Denetçinin Yıllık Faaliyet Raporunun Bağımsız Denetimine İlişkin Sorumluluğu

Amacımız, TTK hükümleri çerçevesinde yıllık faaliyet raporu içinde yer alan finansal bilgiler ile Yönetim Kurulu'nun denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin, Grup'un denetlenen konsolide finansal tablolarıyla ve bağımsız denetim sırasında elde ettiğimiz bilgilerle tutarlı olup olmadığı ve gerçeği yansıtıp yansıtmadığı hakkında görüş vermek ve bu görüşümüzü içeren bir rapor düzenlemektir.

Yaptığımız bağımsız denetim, BDS'lere uygun olarak yürütülmüştür. Bu standartlar, etik hükümlere uygunluk sağlanması ile bağımsız denetimin, faaliyet raporunda yer alan finansal bilgiler ve Yönetim Kurulu'nun denetlenmiş olan finansal tablolarda yer alan bilgileri kullanarak yaptığı irdelemelerin konsolide finansal tablolarla ve denetim sırasında elde edilen bilgilerle tutarlı olup olmadığına ve gerçeği yansıtıp yansıtmadığına dair makul güvence elde etmek üzere planlanarak yürütülmesini gerektirir.

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

Özge Arslan Yılmaz, SMMM
Sorumlu Denetçi

İstanbul, 25 Mart 2025

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024 WITH INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR’S REPORT

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MERKEZİ KAYIT KURULUŞU A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AS AT 31 DECEMBER 2024

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

	Notes	Audited 31 December 2024	Audited 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,045,692,778	554,541,780
Financial investments	4	100,493,363	23,831,664
Trade receivables	5	242,966,262	133,375,523
- Trade receivables due from related parties		*37,522,299*	*26,971,832*
- Trade receivables due from other parties		*205,443,963*	*106,403,691*
Other receivables		8,043,038	5,780,129
- Other receivables due from other parties		*8,043,038*	*5,780,129*
Prepaid expenses		36,461,345	25,628,948
- Prepaid expenses due to other parties		*36,461,345*	*25,628,948*
Other current assets		390,328	2,609,949
- Other current assets due to other parties		*390,328*	*2,609,949*
TOTAL CURRENT ASSETS		**1,434,047,114**	**745,767,993**
NON-CURRENT ASSETS			
Financial investments	4	2,873,082	2,873,082
Tangible assets	7	70,054,008	58,112,398
Intangible assets	8	298,500,827	105,888,651
Deferred tax assets	17	183,965,513	106,990,748
Prepaid expenses		22,540,406	16,415,321
TOTAL NON-CURRENT ASSETS		**577,933,836**	**290,280,200**
TOTAL ASSETS		**2,011,980,950**	**1,036,048,193**

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 2024

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

	Dipnot	Audited 31 December 2024	Audited 31 December 2023
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		79,987,667	104,376,288
- Trade payables due to related parties	*5*	*5,839,840*	*9,032,223*
- Trade payables due to other parties	*5*	*74,147,827*	*95,344,065*
Other payables	6	94,449,567	39,852,950
- Other trade payables due to related parties	*6*	*14,274,172*	*206,917*
- Other trade payables due to other parties		*80,175,395*	*39,646,033*
Deferred income		14,928,716	11,238,737
- Deferred income from other parties		*14,928,716*	*11,238,737*
Lease liabilities		349,122	474,023
Short term provisions		411,068,749	243,773,677
- Short-term provisions for employee benefits	*11*	*313,822,289*	*169,479,841*
- Other short-term provisions	*10*	*97,246,460*	*74,293,836*
Current tax payable	17	53,112,936	51,588,228
TOTAL CURRENT LIABILITIES		**653,896,757**	**451,303,903**
NON-CURRENT LIABILITIES			
Long term provisions		50,780,160	36,138,515
- Long-term provisions for employee benefits	*11*	*50,780,160*	*36,138,515*
Lease liabilities		1,370,307	1,245,406
Long Term Borrowings		4,500,000	-
Deferred income		8,497,913	3,904,937
TOTAL NON-CURRENT LIABILITIES		**65,148,381**	**41,288,858**
TOTAL LIABILITIES		**719,045,137**	**492,592,761**

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 2024

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

	Dipnot	Audited 31 December 2024	Audited 31 December 2023
EQUITY			
Equity of the Parent		**1,292,935,812**	**543,455,432**
Paid-in capital	12	100,000,000	100,000,000
Other comprehensive expense not to be reclassified to profit or loss	12	(20,476,176)	(15,592,548)
- Losses on remeasurement of defined benefit plans (-)	*12*	*(20,476,176)*	*(15,592,548)*
Restricted reserves from profit	12	59,576,527	41,482,418
Accumulated profit/(losses)		213,530,364	94,659,626
Net profit for the period		940,305,097	322,905,936
TOTAL EQUITY		**1,292,935,812**	**543,455,432**
TOTAL LIABILITIES AND EQUITY		**2,011,980,950**	**1,036,048,193**

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 2024

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

	Dipnot	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Revenue	13	2,221,750,936	1,263,961,570
Gross profit		**2,221,750,936**	**1,263,961,570**
General administrative expenses	14	(1,412,586,255)	(952,758,025)
Other operating income	15	7,518,865	5,224,915
Other operating expense	15	(85,644,443)	(61,983,115)
Gross operating profit		**731,039,103**	**254,445,345**
Operating profit before financing expense		**731,039,103**	**254,445,345**
Finance income	16	421,008,651	111,611,299
Finance expense	16	(2,427,652)	(3,914,084)
Profit before taxation from continued operations		**1,149,620,102**	**362,142,560**
Taxation expense from continued operations			
- Current year tax expense	17	(284,196,786)	(106,060,341)
- Deferred tax income (expense)	17	74,881,781	66,823,717
Net profit from continued operations		**940,305,097**	**322,905,936**
Distribution of profit for the period			
- Parent company shares		940,305,097	322,905,936
Other comprehensive income/(expense)		**(4,883,628)**	**(7,874,090)**
Other comprehensive income/expense items not to be reclassified to profit or loss		(4,883,628)	(7,874,090)
Remeasurements of employment termination benefits	*11*	*(6,976,612)*	*(11,248,700)*
Deferred tax income/(expense)	*17*	*2,092,984*	*3,374,610*
TOTAL COMPREHENSIVE INCOME		**935,421,469**	**315,031,846**

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 2024

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

			Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss	Restricted Reserves
	Notes	Paid-in Capital	Gains/(Losses) on Remeasurements of Defined Benefit Plans	Legal Reserves
PRIOR PERIOD				
1 January 2023	**12**	**100,000,000**	**(7,718,458)**	**65,419,042**
Transfers	12	-	-	(23,936,624)
Total comprehensive income		-	(7,874,090)	-
Dividens	12	-	-	-
31 January 2023	**12**	**100,000,000**	**(15,592,548)**	**41,482,418**
CURRENT PREIOD				
1 January 2024	**12**	**100,000,000**	**(15,592,548)**	**41,482,418**
Transfers	12	-	-	18,094,109
Total comprehensive income		-	(4,883,628)	-
Dividens	12	-	-	-
31 January 2024	**12**	**100,000,000**	**(20,476,176)**	**59,576,527**

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

	Retained Earnings		
Other Reserves	Net Profit or Loss	Prior Years' Profits or (losses)	Total Equity
127,770	**133,849,017**	**(79,651)**	**291,597,720**
(127,770)	(133,849,017)	157,913,411	-
-	322,905,936	-	315,031,846
-	-	(63,174,134)	(63,174,134)
-	**322,905,936**	**94,659,626**	**543,455,432**
-	**322,905,936**	**94,659,626**	**543,455,432**
-	(322,905,936)	304,811,827	-
-	940,305,097	-	935,421,469
-	-	(185,941,088)	(185,941,088)
-	**940,305,097**	**213,530,364**	**1,292,935,812**

MERKEZİ KAYIT KURULUŞU A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Notes	Audited 1 January 2024- 31 December 2024	Audited 1 January 2023- 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/(loses) for the period		**940,305,097**	**322,905,936**
Adjustments to reconcile net period to net cash provided by operating activities		**218,775,205**	**190,055,772**
Adjustments for depreciation and amortization charges	7, 8	43,841,246	29,524,724
Provision for employee termination benefits	17	16,497,179	7,948,530
Gains on sale of tangible assets		(2,311,078)	-
Adjustments for employment termination benefits provision		291,842,448	160,870,566
Provision to CMB share accrual	15	84,243,704	61,739,614
Adjustments for interest income accrual	16	(418,580,999)	(107,697,215)
Adjustments for tax provision	17	209,315,005	39,236,624
Increase/(decrease) in provisions for litigation	10	449,526	118,985
Provisions	15	(215,189)	(425,533)
Adjustments for impairment		61,291	12,452
Fair value adjustments of financial assets		(6,367,928)	(1,272,975)
Changes in working capital		**1,159,080,302**	**512,961,708**
Tax paid		(278,172,081)	(69,039,225)
Personnel bonus paid	11	(147,500,000)	(30,965,165)
Increase in trade receivables		(111,185,086)	(72,380,924)
CMB share accrual paid		(61,739,613)	(39,962,208)
Increase in trade payables		(10,628,414)	(12,775,288)
Employee termination benefits paid	15	(8,832,146)	(1,621,720)
Increase in net change in other current assets		(8,612,776)	(15,998,700)
Decrease/(increase) in ther non-current assets		(6,125,085)	(11,815,860)
Decrease/(increase) in other receivables		(2,262,910)	(1,109,143)
Increase/(decrease) in employee benefits		3,427,598	393,313
Increase/(decrease) in deferred income		4,592,978	2,057,106
(Decrease)/increase in other payables		27,245,732	57,706,513
Cash provided by the operating activities		**559,288,499**	**317,450,407**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	7, 8	(249,410,687)	(104,934,833)
Proceeds from sales of property, plant and equipment and intangible assets	7	3,326,733	545,102
Purchase of financial assets measured at amortised cost		(132,633,536)	(34,285,577)
Sale of financial assets measured at amortised cost		78,918,670	87,138,832
Increase in venture capital investment funds		(2,511,650)	(936,429)
Decrease in precious metals		-	2,870,635
Interest received		401,139,451	110,373,615
Dividends received from financial investments	16	5,000,000	-
Cash used in investing activities		**103,828,981**	**60,771,345**
Dividends paid	12	(185,941,088)	(63,174,134)
Net cash flow from financing activities		**(185,941,088)**	**(63,174,134)**
Net changes in cash and cash equivalents		**477,176,392**	**315,047,618**
Cash and cash equivalents at the beginning of the period		**553,247,034**	**238,199,416**
Cash and cash equivalents at the end of the period		**1,030,423,426**	**553,247,034**

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 2024

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

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 operates in accordance with Articles 13, 80 and 81 of the Capital Markets Law No. 6362 and the principles set forth in the "Regulation on the Principles of Establishment, Activities, Operation and Audit of the Central Registry Agency" and the "Communiqué on the Procedures and Principles of Keeping Records of Dematerialized Capital Market Instruments (II-13.1)" published by the Capital Markets Board in the Official Gazette dated 7 August 2014.

On the other hand, pursuant to the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions No. 6493 dated 20 June 2013 and related sub-regulations, MKK applied to the Central Bank of the Republic of Turkey ("CBRT") for an operating license to operate as a securities settlement system operator and MKK was granted an operating license as a system operator with the CBRT's decision dated 12 June 2015 and numbered 10160/19759 published in the Official Gazette dated 19 June 2015 and numbered 29391. Accordingly, MKK continues its operations in accordance with the aforementioned law and the regulations, communiqués and other arrangements issued by the CBRT based on this law.

The Group's capital structure are as follows;

Shareholders	Ownership ratio (%) 31 December 2024	Ownership ratio (%) 31 December 2023
İstanbul Takas ve Saklama Bankası A.Ş.	64.90	64.90
Borsa İstanbul A.Ş.	30.10	30.10
Turkish Capital Markets Association	5.00	5.00

As of 31 December 2024, the total number of employees of the Group is 315 (31 December 2023: 259).

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Statement of compliance with the applied accounting standards and TAS

The accompanying consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRSs") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") in accordance with the Communiqué No: II-14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette No: 28676. TFRSs comprise Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations issued by POA.

MERKEZİ KAYIT KURULUŞU A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

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

2.1 Basis of presentation (Continued)

Statement of compliance with the applied accounting standards and TAS

The financial statements are presented in accordance with the TFRS Taxonomy developed on the basis of the financial statement examples specified in the Financial Statement Examples and User Guide published by POA in the Official Gazette dated 7 June 2020 and numbered 30794.

Approval of Consolidated Financial Statements:

These consolidated financial statements were approved by the Company's Board of Directors on 25 March 2025. The General Assembly of the Company has the right to amend these consolidated financial statements, and the relevant regulatory bodies have the right to request amendments.

Basis of measurements

The consolidated financial statements are based on historical cost except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Functional currency

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

Preparation of consolidated financial statements in hyperinflationary periods

The financial statements of the companies operating in Turkey as at 31 December 2004 are expressed in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies, with adjustments reflecting the changes in the general purchasing power of the TRY. TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the end of the reporting period and that corresponding figures for previous periods be restated in the same terms.

In accordance with the letter of the Republic of Turkey Ministry of Treasury and Finance dated 4 April 2005 and numbered 19387, the Group has prepared the opening financial statements of 2005 by restating the financial statements as of 31 December 2004 in accordance with the provisions of the "Restatement of Financial Statements in Hyperinflationary Periods" in the "Communiqué on Accounting Standards in Capital Markets" ("Communiqué Serial: XI No: 25") published in the Official Gazette dated 15 January 2003 and numbered 25290 by the Capital Markets Board ("CMB"). In addition, in accordance with the same letter of the Republic of Turkey Ministry of Treasury and Finance, the application of inflation adjustment of financial statements has been terminated as of the beginning of 2005. Accordingly, non-monetary assets and liabilities and equity items including share capital in the balance sheet as at 31 December 2024 are restated for the effects of inflation until 31 December 2004 and subsequent additions are carried at their nominal values.

MERKEZİ KAYIT KURULUŞU A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

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

2.1 Basis of prensentation (Continued)

2.1.2 Restatement of financial statements in hyperinflationary periods

With the announcement dated 23 November 2023, POA announced that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in Hyperinflationary Economies ("TAS29"), however, institutions or organizations authorized to regulate and supervise among themselves may determine different transition dates for the application of TAS 29. At the CMB meetings held on 28 December 2023 and 16 May 2024, it was decided that the interim and annual consolidated financial statements of the Group as of 31 December 2024 and 2023 will not be subject to inflation adjustment in accordance with TAS 29. Accordingly, TAS 29 has not been applied and inflation adjustment has not been made in the consolidated financial statements as of 31 December 2024 and 31 December 2023.

Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the prior period. Comparative information is reclassified, and differences are explained when necessary to conform to the presentation of the current period financial statements.

In accordance with TFRS, financial statements should be presented with comparative information for the prior period. The Group has prepared the statement of financial position as at 31 December 2024 and the statements of profit and loss, other comprehensive income, changes in equity and cash flows for the year then ended comparatively.

	Reported Prior Period 31 December 2023	Effects of Reorganisation	Restated Prior Period 31 December 2023
Financial investments	22,765,026	1,066,638	23,831,664
Trade receivables	133,375,523	-	133,375,523
- Trade receivables from related parties	9,988,628	16,983,204	26,971,832
- Trade receivables from third parties	123,386,895	(16,983,204)	106,403,691
TOTAL CURRENT ASSETS	**744,701,355**	**1,066,638**	**745,767,993**

	Reported Prior Period 31 December 2023	Effects of Reorganisation	Restated Prior Period 31 December 2023
Financial investments	3,929,720	(1,066,638)	2,873,082
TOTAL NON-CURRENT ASSETS	**291,346,838**	**(1,066,638)**	**290,280,200**

MERKEZİ KAYIT KURULUŞU A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

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

2.2 Basis of presentation (Continued)

2.1.2 Restatement of financial statements for hyperinflationary periods (Continued)

	Reported Prior Period 31 December 2023	Effects of Reorganisation	Restated Prior Period 31 December 2023
- Trade payables to related parties	6,610,354	2,421,869	9,032,223
- Trade payables to third parties	97,765,934	(2,421,869)	95,344,065
TOTAL SHORT-TERM LIABILITIES	**451,303,903**	**-**	**451,303,903**

	Reported Prior Period 31 December 2023	Effects of Reorganisation	Restated Prior Period 31 December 2023
Restricted reserves	136,014,274	(94,531,856)	41,482,418
Other reserves	127,770	(127,770)	
Retained earnings	-	94,659,626	94,659,626
TOTAL SHAREHOLDERS' EQUITY	**543,455,432**	**-**	**543,455,432**

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 for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively in future periods. The Group has not made any significant changes in accounting estimates in the current year.

MERKEZİ KAYIT KURULUŞU A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

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

2.3 Changes in accounting policies

The accounting policies applied in these consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2024, except for the accounting policies set out below.

2.4 The new standards, amendments, and interpretations

a. New standards, amendments and interpretations to existing standards effective as of 31 December 2024:

- **Amendment to IAS 1, Long-term liabilities with contractual terms;** Effective for annual periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendments are also intended to improve the information that an entity provides about liabilities subject to these conditions.
- **Amendment to IAS 12, Deferred tax on assets and liabilities arising from a single transaction;** Effective for annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, when first recognized in the financial statements, give rise to taxable and deductible temporary differences in equal amounts.
- **Amendment to IAS 12, International tax reform;** The temporary exemption is effective for the December 2023 year-end and the disclosure requirements are effective for accounting periods beginning after 1 January 2023, with early adoption permitted. These amendments provide companies with a temporary relief on accounting for deferred taxes arising from the Minimum Tax Implementation Guide international tax reform. The amendments also include disclosure requirements for affected companies.
- **IFRS 17, 'Insurance contracts';** Effective for annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently allows for a wide range of applications. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

b. Standards, amendments and interpretations issued but not yet effective as at 31 December 2024:

- **IFRS 16, Sale and leaseback transactions;** Effective for annual periods beginning on or after 1 January 2024. These amendments include the sale and leaseback provisions in IFRS 16 that clarify how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not linked to an index or rate are likely to be affected.
- **Amendment to IAS 1, Long-term liabilities with contractual terms;** Effective for annual periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendments are also intended to improve the information that an entity provides about liabilities subject to these conditions.

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

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

- **Amendments to TAS 7 and TFRS 7 on supplier financing arrangements;** Effective for annual periods beginning on or after 1 January 2024. These amendments require disclosures to increase transparency about supplier financing arrangements and their impact on an entity's liabilities, cash flows and liquidity risks. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently clear and hinder investor analysis.
- **IAS 21 Lack of Interchangeability;** Effective for annual periods beginning on or after 1 January 2025. An entity is affected when it has a transaction or activity in a foreign currency that is not convertible into another currency at a particular measurement date for a particular purpose. A currency can be exchanged when the ability to obtain another currency is available (with a normal administrative delay) and the transaction occurs through a market or clearing mechanism that creates enforceable rights and obligations.
- **TSRS 1, "General requirements for disclosure of sustainability-related financial information";** Effective for annual periods beginning on or after 1 January 2024. This standard provides a basic framework for disclosing a company's significant sustainability-related risks and opportunities across its value chain.
- **TSRS 2, "Climate-related disclosures";** Effective for annual periods beginning on or after 1 January 2024. This is the first subject standard on setting disclosure requirements for companies about climate-related risks and opportunities.

These amendments did not have any significant impact on the financial position or performance of the Group.

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 a five-step approach to revenue recognition for all contracts with customers.

Step 1: Defining the contract

A contract is only recognized under TFRS 15 if it is legally enforceable, collectible, the rights and payment terms for goods and services are identifiable, the contract has commercial substance, the contract is approved by the parties and the parties are committed to fulfill their obligations.

When contracts are negotiated as a single commercial package or when there is a single obligation under one contract that is dependent on goods or services (or a portion of goods or services) under another contract, the Group treats the contracts as a single contract.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Step 2: Defining performance obligations

The Group defines a "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 each commitment to the customer to transfer one of the following as a performance obligation:

(a) a different good or service (or a package of goods or services) or

(b) a distinct series of goods or services that are substantially similar and have the same mode of transfer to the customer

The Group identifies a good or service in a contract as a distinct good or service if it is separately identifiable from other commitments in the contract and enables the customer to benefit from the good or service, either alone or in combination with other resources available to it. A contract may include a number of different commitments to provide goods or services that are essentially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determining the transaction price

To determine the transaction price, the Group assesses the amount of consideration it expects to receive upon fulfillment of its obligation under the contract. In making the assessment, the Group considers whether the contract contains elements of variable amounts and a significant financing component.

Important financing component

The Group revises the amount that reflects the cash selling price of the promised goods or services by the amount that the Group is committed to pay for the effects of a significant financing component. 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 Group expects the period between customer payment and the transfer of goods or services to be one year or less. Where the Group's obligations incurred during the period and the advances received and the payment schedule are broadly consistent, the Group assesses that the period between the settlement of the obligation and payment will never exceed 12 months.

Variable consideration

The Group determines whether the customer contract contains price concessions, incentives, performance bonuses, early completion bonuses, price adjustment clauses, penalties, discounts or similar items that may result in variable consideration.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Step 4: Allocation of the transaction price to performance obligations

If different goods or services are delivered under a single contract, the contract price is allocated based on the relative stand-alone selling prices of the separate goods or services (different performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in contracts is allocated on the basis of expected cost plus a profit margin.

Step 5: Revenue recognition

The Group recognizes revenue over time when any of the following conditions are met:

- The customer simultaneously benefits from and consumes the benefits provided by the entity.
- As the entity creates or improves the asset, control of the created or improved asset passes to the customer at the same time; or
- If the obligation fulfilled by the Group does not constitute an asset with an alternative use for the Group and the Group has a legally enforceable right to collect the payment to be made against the obligation completed until that day.

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

If a performance obligation is not satisfied over time, then the Group recognizes revenue when it transfers control of the goods or services to the customer.

The Group recognizes a provision in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the costs to be incurred by the Group in fulfilling its obligations under the contract exceed the economic benefits expected to be obtained under the contract.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Contract modifications

If the Group commits to provide an additional service, it recognizes the contract modification as a separate contract. If the existing contract is terminated and a new contract is created, the entity recognizes the related changes if the services provided are different. If the contract modification does not constitute a separate service, the entity accounts for the modification together with the original contract as if the additional goods or services were part of the original contract.

Details of the Group's significant accounting policies and revenue recognition methods for various services are set out below.

Commissions

If the Group acts as an intermediary in a transaction and not as a principal, the revenue recognized is the net commission received by the Group.

Finance income and finance expenses

Finance income comprises interest income on bank deposits, interest income on invested funds, receivables from third parties, foreign exchange gains and losses recognized in profit or loss on financial assets and liabilities (other than trade receivables and payables) that form part of the financing cycle.

Finance costs include foreign exchange losses on financial assets and liabilities (other than trade receivables and payables). Borrowing costs that are not directly attributable to the acquisition, construction or production of an asset are recognized in profit or loss using the effective interest rate method.

Foreign exchange gains and losses on financial assets and liabilities (other than trade receivables and payables) are reported net in finance income or finance expenses, depending on the net position of the foreign exchange movements. Foreign exchange gains and rediscount income on trade receivables and payables are reported in other operating income and foreign exchange losses and rediscount expenses are reported in other operating expenses.

Interest income is recognized using the effective interest method. Dividend income is recognized in profit or loss when the Group's right to receive payment is established.

Tangible assets

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

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. 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.

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

Depreciation on property, plant and equipment is provided on a straight-line basis over the useful lives of the assets based on the dates of acquisition or installation.

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the leasehold improvements.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

	Useful life
Plants, machinery, and equipment	4-10 years
Vehicles	5 years
Furniture and fixtures	2-50 years
Special costs	5 years

Intangible assets

Intangible assets acquired

Acquired intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Purchased computer software is capitalized at the time of purchase and at the costs incurred from the time of purchase until the software is ready for use. These costs are amortized over their useful lives (3-5 years).

Internally generated intangible assets - research and development expenditures

Research costs are recognized in the statement of profit or loss in the period in which they are incurred.

Internally generated intangible assets resulting from development activities are recognized only when all of the following conditions are met

- It is technically feasible to complete the intangible asset so that it is ready for use or sale,
- The Group has the intention to complete, use or sell the intangible asset,
- The intangible asset can be used or sold,
- It is clear how the asset is likely to generate future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell it,
- The development cost of the asset can be measured reliably during the development process.

The amount of internally generated intangible assets is the total amount of expenditure incurred from the time the intangible asset meets the recognition criteria described above. When internally generated intangible assets are not recognized, development expenditure is recognized as an expense in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets, like separately acquired intangible assets, are carried at cost less accumulated amortization and accumulated impairment losses.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

The amortization periods used for intangible assets are as follows;

	Useful life
Capitalized research and development expenses	5 years
Rights	3-10 years

Impairment of assets

Assets 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 if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that are subject to impairment are reviewed for possible reversal of impairment at each reporting date.

Borrowing costs

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

Financial instruments

(i) Recognition and initial measurement

The Group recognizes trade receivables and debt instruments on the date that they are originated. The Group recognizes all other financial assets and liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Financial assets (other than trade receivables that do not have a significant financing component) and financial liabilities other than those at fair value through profit or loss are measured at initial recognition at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component are measured at transaction cost on initial recognition.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial instrument is classified as follows: measured at amortized cost; measured at FVOCI - investments in debt instruments; measured at FVOCI - investments in equity instruments; or measured at FVTPL - investments in equity instruments.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Subsequent to initial recognition, financial instruments are not reclassified unless the Group changes its business model for managing financial assets.

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

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

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

All financial assets above that are not measured at amortized cost or at FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition of financial assets, a financial asset may be irrevocably designated as at FVTPL, provided that the designation eliminates or significantly reduces an accounting mismatch that would arise from measuring financial assets and recognizing gains or losses on them differently.

Financial assets – Business model assessment:

The Group assesses the purpose for holding a financial asset at a portfolio level to ensure that the business model best reflects the way in which assets are managed and the information provided to management. The information considered includes:

- the policies and objectives set for the portfolio and the application of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining the benefit of a given interest rate, aligning the maturity of financial assets with the maturity of the debt that funds those assets, or realizing cash flows through the sale of assets;
- the purpose of the business model may be to manage daily liquidity needs, to maintain a given interest yield, or to align the maturity of financial assets with the maturity of the debt that funds those assets;
- the business model and how the performance of financial assets held within the business model is reported to Group management;
- the risks affecting the performance of the business model (the financial assets held under the business model) and, in particular, how these risks are managed;
- how additional payments to business managers are determined (for example, whether additional payments are based on the fair value of assets under management or on contractual cash flows collected); and the frequency, value, timing and reason for sales in prior periods and expectations of future sales.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

(ii) Classification and subsequent measurement

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

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

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

For the purposes of this assessment, principal is the fair value of the financial asset on initial recognition. Interest comprises the time value of money, the credit risk associated with the principal amount outstanding at a particular point in time, other principal lending risks and costs (for example, liquidity risk and administrative costs) and a profit margin.

In assessing whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Group considers the characteristics of the contractual cash flows. This requires an assessment of whether the financial asset contains contractual terms that modify the timing or amount of contractual cash flows in a way that does not fulfill this condition. In making this assessment, the Group considers the following:

(i) any contingent event that could change the timing or amount of contractual cash flows (i.e. a trigger event);

(ii) terms that adjust the contractual coupon interest rate, including floating rate features

(iii) features that allow for prepayment and extension of maturity; and

(iv) terms that restrict the Group's contractual rights to receive cash flows from certain assets (for example, non-recourse features).

(v) The prepayment feature is consistent with the principal and interest payments only criterion if the prepayment amounts, which include reasonable consideration where the contract is terminated before maturity, substantially reflect the unpaid amount of principal and interest on the principal amount outstanding.

In addition, a financial asset is considered to meet this criterion if (i) it is acquired at a premium or discount to its contractual nominal amount, (ii) the amounts prepaid, including any reasonable additional consideration where the contract is terminated before maturity, substantially reflect the contractual nominal amount plus accrued (but unpaid) interest, and (iii) the fair value of the prepayment feature is insignificant at initial recognition.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by the amount of any impairment losses. Interest income, foreign currency gains and losses and impairment losses are recognized in profit or loss. Gains or losses arising on derecognition are recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, foreign currency gains and losses and impairment losses calculated using the effective interest method are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless they are clearly in the nature of a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

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

A financial liability is classified as at FVTPL if it meets the definition of held for trading. A financial liability is classified as held for trading if it is a derivative financial liability or is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including interest income, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, less any impairment losses. Interest expense and foreign exchange differences are recognized in profit or loss. Gains or losses on derecognition of these liabilities are recognized in profit or loss.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

(ii) 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 substantially all the risks and rewards of ownership of the financial asset, or it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, unless the Group continues to control the financial asset.

If the Group continues to retain substantially all the risks and rewards of ownership of a financial asset, the Group continues to recognize the financial asset in the statement of financial position.

Financial liabilities

The Group derecognizes a financial liability when, and only when, the liability is discharged or cancelled. The Group also derecognizes a financial liability when there is a significant change in the terms or cash flows of an existing financial liability. Instead, it requires the recognition of a new financial liability at fair value based on the modified terms.

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

(iii) 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 are cash on hand, demand deposits and other short-term investments with a maturity of less than 3 months from the date of purchase, which can be immediately converted into cash and which do not carry a significant risk of change in value (Note 3).

Effect of exchange rate changes

The Group's financial position and operating results are expressed in TRY, which is the Group's functional currency and the presentation unit for consolidated financial statements.

During the preparation of the Group's consolidated financial statements, transactions in foreign currencies (currencies other than TRY) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the balance sheet are translated into Turkish Lira (TRY) using the exchange rates valid on the balance sheet date. Non-monetary items recorded in foreign currency that are monitored at fair value are translated into TRY based on the exchange rates on the date the fair value is determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to retranslation.

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

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Subsequent events

Events after the balance sheet date; even if they occur after any announcement regarding profit or other selected financial information is disclosed to the public, they include all events between the balance sheet date and the date of authorization for the publication of the balance sheet.

In the event of events requiring adjustments after the balance sheet date, the Group adjusts the amounts included in the consolidated financial statements in accordance with this new situation.

Provisions, contingent liabilities, contingent assets

A provision is set aside in the consolidated financial statements when there is a current obligation arising from past events, when the obligation is likely to be fulfilled, and when the amount of the obligation can be reliably estimated.

The amount set aside as a provision is calculated by estimating the expense to be made to fulfill the obligation as of the balance sheet date, taking into account the risks and uncertainties related to the obligation.

If the provision is measured using the estimated cash flows required to meet the current obligation, the book value of the provision is equal to the present value of the relevant cash flows.

In cases where a part or all of the economic benefit required for the payment of the provision is expected to be met by third parties, the amount to be collected is recognized as an asset when the collection of the relevant amount is almost certain and can be measured reliably.

Government incentives and grants

Government incentives are not reflected in the consolidated financial statements without a reasonable assurance that the company will fulfil the conditions required to obtain the incentive and that the incentive will be obtained.

Government incentives are systematically reflected in profit or loss during the periods in which the costs intended to be covered by these incentives are recognized as expenses.

Taxes calculated over corporate earning

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

Current tax

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

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the consolidated financial statements and the amounts taken into account in the calculation of the legal tax base according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from such differences by earning taxable profit in the future. The assets and liabilities in question are not recognized if they arise from the initial recognition of temporary differences, goodwill or other assets and liabilities related to transactions that do not affect commercial or financial profit/loss in the consolidated financial statements (other than business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and shares in joint ventures, except for cases where the Group can control the elimination of temporary differences and the probability of such differences eliminating in the near future is low. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly probable to benefit from such differences by earning sufficient taxable profit soon and that the relevant differences will be eliminated in the future.

The registered value of the deferred tax asset is reviewed as of each balance sheet date. The registered value of the deferred tax asset is reduced to the extent that it is not probable to earn a financial profit at a level that will allow the benefit to be obtained from a part or all of it.

Deferred tax assets and liabilities are calculated based on the tax rates (tax regulations) expected to be valid in the period in which the assets will be realized or the liabilities will be fulfilled, and which have been legalized or substantially legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax consequences of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into consideration.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and current tax liabilities, or when such assets and liabilities are associated with income tax collected by the same tax authority, or when the Group intends to settle current tax assets and liabilities by netting them.

Current and deferred tax for the period

Current tax and deferred tax for the period, other than those associated with items recognized directly as receivables or payables in equity (in which case the deferred tax related to the relevant items is also recognized directly in equity) or those resulting from the initial recording of business combinations, are recognized as expense or income in the income statement. In business combinations, the tax effect is considered in the calculation of goodwill or in determining the excess of the purchase cost of the share acquired by the purchaser in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

Termination and retirement benefits

The Group accounts for its obligations regarding severance pay, leave rights and other benefits provided to employees in accordance with the provisions of the "Turkish Accounting Standard for Employee Benefits" ("TMS 19") and classifies them in the balance sheet under the "Provisions for employee benefits" account.

According to the current Labor Laws in Turkey, the Group is obliged to make a certain lump sum payment to employees whose employment is terminated due to retirement or resignation and for reasons other than those specified in the Labor Law. The severance pay provision is calculated based on the present value of the possible obligation to occur within the scope of this Law using certain actuarial estimates and is reflected in the consolidated financial statements.

According to TMS 19, which was updated with the circular published in the Official Gazette dated 21 June 2013 and numbered 28585 by the KGK, the actuarial gains and losses arising from changes in actuarial assumptions or differences between actuarial assumptions and actual results in the calculation of the Group's severance pay liability should be recognized under the "Other comprehensive income" account in the "Statement of profit or loss and other comprehensive income" in the annual reporting periods starting on or after 1 January 2013.

Since the standard allows the application to start retroactively under the title "Transition and effective date", the Group recognizes the actuarial gains and losses arising in the relevant reporting periods under the "Other comprehensive income/ expense" account and shows the relevant accumulated gains and losses under the "Actuarial gains/losses related to benefits provided to employees" account under the Equities section in the statement of financial position.

Statement of cash flows

In the cash flow statement, cash flows for the period are reported by classifying them according to main, investment and financing activities. Cash flows from main activities show the cash flows from the Group's service revenues.

Cash flows related to investment activities show the cash flows used and obtained by the Group in investment activities (fixed investments and financial investments).

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

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 the right of use asset and lease liability in its consolidated financial statements on the effective date of the lease. The right of use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability.

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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT (Continued)

2.5 Summary of significant accounting policies (Continued)

At the effective date of the lease, the lease liability is measured at the present value of the lease payments outstanding at that date. Lease payments are discounted using the Group's alternative borrowing rate if the interest rate implicit in the lease can be easily determined, or if it cannot be easily determined, using the Group's alternative borrowing rate. In general, the Group has used the alternative borrowing rate as the discount rate.

After the effective date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. In the event of a change in the lease term and the assessment made regarding the option to purchase the asset, and a change in the amounts expected to be paid under the residual value commitment and a change in the index or rate, these payments are remeasured.

2.6 Significant accounting estimates and assumptions

Preparation of consolidated financial statements requires making estimates and assumptions affecting the amounts of assets and liabilities reported as of the balance sheet date or the amounts of contingent assets and liabilities disclosed and the amounts of revenues and expenses reported as incurred during the relevant period. Although these estimates are based on the best judgment and information of management, actual results may differ from these estimates. Significant accounting estimates and assumptions used in the preparation of consolidated financial statements are explained in the relevant footnotes.

3. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents as of 31 December 2024 and 2023 are as follows:

As of 31 December 2024, the maturities of short-term bonds and bond funds are less than 3 months (31 December 2023: TRY 498.758.299). In the financial statements for the accounting periods ending on 31 December 2024 and 2023, short-term bonds and bond funds are classified by considering the relevant maturities.

	31 December 2024	31 December 2023
Short term bond and bill fund	540,123,187	498,758,299
Cash at banks	505,627,094	55,779,459
Time deposits	*500,758,906*	*42,601,281*
Demand deposits	*4,868,188*	*13,178,178*
Reverse repo receivables	7,638	10,481
Expected credit losses (-)	(65,141)	(6,459)
Total	**1,045,692,778**	**554,541,780**

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3. CASH AND CASH EQUIVALENTS (Continued)

Interest and maturity details of time deposits at banks as of 31 December 2024 and 2023 are as follows:

Currency type	Interest rate (%)	Maturity date	31 December 2024
TRY	50.25%	21 March 2025	307,659,845
TRY	51.00%	31 January 2025	168,136,066
TRY	34.98%	2 January 2025	18,719,839
USD	17.76%	2 January 2025	5,945,189
EUR	11.15%	2 January 2025	297,967
Total			**500,758,906**

Currency type	Interest rate (%)	Maturity date	31 December 2024
TRY	34.98%	2 January 2024	39,595,814
USD	2.00%	2 January 2024	3,005,467
Total			**42,601,281**

The Group has a reverse repo receivable of TRY 7,638 as of 31 December 2024 (31 December 2023: TRY 10,481).

As of 31 December 2024, there is an interest accrual of TRY (15,334,494) (31 December 2023: TRY 1,294,746) on time deposits. The cash flow statements for the accounting periods ending on 31 December 2024 and 2023 are shown by deducting interest accruals from the total of cash and cash equivalents.

	31 December 2024	31 December 2023
Short term bond and bill fund	540,188,329	498,758,299
Cash at banks	505,627,094	55,779,459
Interest income accruals from cash and cash equivalents	(15,334,494)	(1,294,746)
Expected loss provisions (-)	(65,141)	(6,459)
Reverse repo receivables	7,638	10,481
Cash and cash equivalents at the statement of cash flows	**1,030,423,426**	**553,247,034**

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4. FINANCIAL INVESTMENTS

The details of the Group's short-term financial investments consisting of asset-backed securities (ABS), Sukuk and GSYF as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Sukuk	82,640,903	-
Restricted bank balance (Note 8, 27)	14,274,172	206,917
Venture capital investment fund [1]	3,578,288	1,066,638
Asset based security	-	22,558,109
Total	**100,493,363**	**23,831,664**

[1] It was shown in Long-Term Financial Investments on 31 December 2023 and in Short-Term Financial Investments on 31 December 2024.

As of 31 December 2024, the details and movement schedule of the Group's SUKUK and asset-backed securities are as follows:

ISIN Code	Maturity	Interest rate (%)	Nominal value	Fair value
TRYVVGS00412	9 September 2025	45.00%	75,000,000	82,640,903
			75,000,000	**82,640,903**

	31 December 2024	31 December 2023
Opening balance	**22,558,109**	**67,324,950**
Additions	132,633,536	34,285,577
Disposals/amortization	(78,918,670)	(80,325,393)
Foreign exchange gains/(loses)	-	-
Capital increase (net)	6,367,928	1,272,975
End of the year	**82,640,903**	**22,558,109**

The details of the Group's lease certificates and asset-based securities as of 31 December 2023 are as follows:

ISIN Code	Maturity	Interest rate (%)	Nominal value	Fair value
TRPFB3F22425	1 February 2024	42.00%	7,140,541	7,617,099
TRPFB3F32424	5 March 2024	46.36%	2,080,000	2,233,229
TRPFB3F32432	15 March 2024	44.00%	10,544,593	11,094,870
TRPFB3F42415	17 April 2024	49.58%	1,520,000	1,612,911
Total			**21,285,134**	**22,558,109**

As of 31 December 2023, lease certificates are classified as financial assets at fair value through profit or loss.

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4. FINANCIAL INVESTMENTS (Continued)

As of 31 December 2023, the Group's venture capital investment fund details are as follows:

	31 December 2024	31 December 2023
Türkiye Kalkınma Fonu- Kalkınma ODTÜ Teknokent	3,448,079	936,429
Albaraka Portföy Bilişim Vadisi Venture Capital Investment Fund	130,209	130,209
Total	**3,578,288**	**1,066,638**

As of 31 December 2024 and 2023, the details of the Group's long-term financial assets are as follows:

	Share ratio (%)	31 December 2024	Share ratio (%)	31 December 2023
Türkiye Ürün İhtisas Borsası A.Ş.	5.00	2,500,000	5.00	2,500,000
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
Total		**2,873,082**		**2,873,082**

	31 December 2024	31 December 2023
Financial assets measured at amortised cost	82,640,903	22,558,109
Total	**82,640,903**	**22,558,109**

	31 December 2024	31 December 2023
Financial assets at fair value through other comprehensive income	2,873,082	2,873,082
Total	**2,873,082**	**2,873,082**

5. TRADE RECEIVABLES AND PAYABLES

The details of the Group's trade receivables as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Receivables from members [(1)]	205,573,090	106,477,989
Trade receivables from related parties	37,522,299	26,971,832
Expected credit loss provision	(129,127)	(74,298)
Short-term trade receivables	**242,966,262**	**133,375,523**

[(1)] The relevant balance represents commercial receivables from various customers to whom the Group provides services within the scope of its activities.

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5. TRADE RECEIVABLES AND PAYABLES (Continued)

The movement table of provisions set aside for the Group's trade receivables during the period is as follows:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Opening balance (1 January)	(74,298)	(33,655)
Provisions made during the period	(54,829)	(40,643)
Total	**(129,127)**	**(74,298)**

As of 31 December 2024, the Group's receivables that are not due and have a high collectibility are TRY 242,966,262 (31 December 2023: TRY 133,375,523). As of 31 December 2024, there is no overdue trade receivables for which no provision has been made. (31 December 2023: None).

As of 31 December 2024, the Group has no collateral against its trade receivables (31 December 2023: None).

Explanations regarding the nature and level of risks related to trade receivables are included in Note 19.

Short-term trade payables

As of 31 December 2024, and 31 December 2023, the details of the Group's trade payables are as follows:

	31 December 2024	31 December 2023
Suppliers	74,147,827	95,344,065
Trade payables to related parties	5,839,840	9,032,223
Short term trade payables	**79,987,667**	**104,376,288**

The Group does not have long-term trade payables as of 31 December 2024 and 2023.

6. OTHER RECEIVABLES AND PAYABLES

	31 December 2024	31 December 2023
Taxes and funds payable	56,544,002	20,812,528
Social security premiums payable	18,636,424	18,002,583
Amounts held at Takasbank (1) (Note 18)	14,274,172	206,917
Payables to personnel	3,945,723	518,124
Advances received	1,043,496	294,459
Other short-term payables	5,750	18,339
Other short-term payables	**94,449,567**	**39,852,950**

(1) It refers to the amounts that have not yet been distributed from the payment transactions made through accounts opened at Takasbank in relation to dividend, priority, fund and redemption payment transactions made by intermediary institutions and other relevant institutions.

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7. TANGIBLE ASSETS

The movements of property, plant and equipment for the accounting periods ending on 31 December 2024 and 2023 are as follows:

	Machinery and equipment	Vehicles	Furniture and fixture	Special Cost	Right-of-use assets	Construction in progress (1)	Total
Cost							
1 January 2024	**71,079,641**	**24,958,478**	**11,628,319**	**2,053,713**	**5,525,326**	**66,506**	**115,311,983**
Additions	8,772,351	19,544,570	7,033,483	-	-	-	35,350,404
Disposals (-)	-	(1,015,655)	-	-	-	-	(1,015,655)
31 December 2024	**79,851,992**	**43,487,393**	**18,661,802**	**2,053,713**	**5,525,326**	**66,506**	**149,646,732**
1 January 2024	**(44,851,431)**	**(1,410,246)**	**(6,136,181)**	**(596,807)**	**(4,204,920)**	**-**	**(57,199,585)**
Current year depreciation (-)	(13,498,908)	(5,758,126)	(2,822,640)	(313,465)	-	-	(22,393,139)
31 December 2024	**(58,350,339)**	**(7,168,372)**	**(8,958,821)**	**(910,272)**	**(4,204,920)**	**-**	**(79,592,724)**
Net book value as at 31 December 2024	**21,501,653**	**36,319,021**	**9,702,981**	**1,143,441**	**1,320,406**	**66,506**	**70,054,008**

	Machinery and equipment	Vehicles	Furniture and fixture	Special Cost	Right-of-use assets	Construction in progress (1)	Total
Cost							
1 January 2023	**70,556,993**	**1,758,339**	**9,001,224**	**2,053,713**	**6,032,693**	**19,468,345**	**108,871,307**
Additions	522,648	23,200,139	2,664,830	-	-	78,547,216	104,934,833
Transfers	-	-	-	-	-	(50,154,702)	(50,154,702)
Disposals (-)	-	-	(37,735)	-	(507,367)	(47,794,353)	(48,339,455)
31 December 2023	**71,079,641**	**24,958,478**	**11,628,319**	**2,053,713**	**5,525,326**	**66,506**	**115,311,983**
1 January 2023	**(31,426,939)**	**(363,175)**	**(4,902,754)**	**(545,701)**	**(3,060,421)**	**-**	**(40,298,990)**
Current year depreciation (-)	(13,424,492)	(1,047,071)	(1,233,427)	(51,106)	(1,144,499)	-	(16,900,595)
31 December 2023	**(44,851,431)**	**(1,410,246)**	**(6,136,181)**	**(596,807)**	**(4,204,920)**	**-**	**(57,199,585)**
Net book value as at 31 December 2023	**26,228,210**	**23,548,232**	**5,492,138**	**1,456,906**	**1,320,406**	**66,506**	**58,112,398**

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8. INTANGIBLE ASSETS

For the years ended 31 December 2024 and 2023, intangible assets of the Group are as follows:

	Capitalized development costs (1)	Rights	Construction in progress (1)	Total
Cost				
1 January 2024	**127,815,049**	**5,126,494**	**47,794,353**	**180,735,896**
Additions	-	-	214,060,283	214,060,283
Transfers	186,505,629	-	(186,505,629)	-
31 December 2024	**314,320,678**	**5,126,494**	**75,349,007**	**394,796,179**
Accumulated amortization				
1 January 2024	**(70,596,400)**	**(4,250,845)**	**-**	**(74,847,245)**
Charge for the period (-)	(20,696,404)	(751,703)	-	(21,448,107)
31 December 2024	**(91,292,804)**	**(5,002,548)**	**-**	**(96,295,352)**
Net book value as at 31 December 2024	**223,027,874**	**123,946**	**75,349,007**	**298,500,827**

	Capitalized development costs (1)	Rights	Construction in progress (1)	Total
Cost				
1 January 2023	**77,660,347**	**5,126,494**	**-**	**82,786,841**
Additions	-	-	47,794,353	47,794,353
Transfers	50,154,702	-	-	50,154,702
31 December 2023	**127,815,049**	**5,126,494**	**47,794,353**	**180,735,896**
Accumulated amortization				
1 January 2023	**(59,535,522)**	**(2,687,594)**	**-**	**(62,223,116)**
Charge for the period (-)	(11,060,877)	(1,563,252)	-	(12,624,129)
31 December 2023	**(70,596,400)**	**(4,250,846)**	**-**	**(74,847,245)**
Net book value as at 31 December 2023	**57,218,650**	**875,648**	**47,794,353**	**105,888,651**

(1) The Group is registered as an R&D Center by the Ministry of Industry and Technology of the Republic of Turkey within the scope of the R&D Law No. 5746. Following the completion of the projects, the total capitalized project cost is classified as an intangible fixed asset and the depreciation amount corresponding to the period is expensed.

9. GOVERNMENT INCENTIVES AND GRANTS

Within the scope of the R&D Law No. 5746, the Group was notified by the Ministry of Industry and Technology of the Republic of Turkey with a letter dated 2 November 2020 that the R&D Center status would be continued.

As of 31 December 2024, the R&D expenditure of TRY 208,623,249 was considered as a deduction item in the tax calculation (31 December 2023: TRY 78,547,216) (Note 17).

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10. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The details of the Group's provisions, contingent assets and liabilities accounts as of 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
CMB share accrual [1]	84,243,704	61,739,614
Lawsuit provisions [2]	13,002,756	12,554,222
Toplam	**97,246,460**	**74,293,836**

[1] Consists of the board share amount (CMB Board Share) to be paid by the Group to the Capital Markets Board in 2025 in accordance with the relevant article of the Capital Markets Law.

[2] Consists of the provisions set aside for reinstatement lawsuits and other lawsuits.

Movement of provisions for case as below:

	1 January 2024 31 December 2024	1 January 2023 31 December 2023
Opening balance	12,554,222	12,860,770
Charge for the year	449,526	118,985
Reversal of provision (-)	(992)	(425,533)
Total	**13,002,756**	**12,554,222**

	31 December 2024	31 December 2023
Letter of guarantee	582,396	515,000
Guarantees given	**582,396**	**515,000**

As of the balance sheet date, the Group does not have any pledges or mortgages given to third parties to secure its debts.

11. PROVISION FOR EMPLOYEE BENEFITS

Short term provisions for employee benefits

Short term provisions for employee benefits consist of the unused vacation accrual.

	31 December 2024	31 December 2023
Provision for personal bonus	265,481,780	147,500,000
Provision for unused vacation	48,340,509	21,979,841
Total	**313,822,289**	**169,479,841**

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11. PROVISION FOR EMPLOYEE BENEFITS (Continued)

The movement of the bonus provision for the year ended 31 December 2024 and 2023 is stated below:

	31 December 2024	31 December 2023
Opening balance	147,500,000	30,965,165
Paid within the period	(147,500,000)	(30,965,165)
Current year charge	265,481,780	147,500,000
Total	**265,481,780**	**147,500,000**

The movement of the unused vacation accrual for the year ended 31 December 2023 and 2022 is stated below:

	31 December 2024	31 December 2023
Opening balance	21,979,841	8,609,275
Current year charge	26,360,668	13,370,566
Total	**48,340,509**	**21,979,841**

Long term employee benefits

	31 December 2024	31 December 2023
Employment termination benefits provision	50,780,160	36,138,515
Total	**50,780,160**	**36,138,515**

According to the Turkish Labor Law, the Group is obliged to pay severance pay to its personnel who have completed one year and whose relationship with the Group has been terminated or who have retired, who have completed 25 years of service (20 for women) and who have retired (58 years for women, 60 years for men), who have been called to military service or who have died. After the legislative amendment on 31 May 2002, some transitional period articles regarding the service period before retirement have been removed.

The compensation to be paid is one month's salary for each year of service and this amount has been limited to 41,828.4 full Turkish Lira as of 31 December 2024 (31 December 2023: 23,489.8 full Turkish Lira). The severance pay obligation is not subject to any legal funding and there is no funding requirement.

The severance pay is calculated by estimating the present value of the probable liability that will be required to be paid in the event of retirement of the employees. IAS 19 requires the development of actuarial valuation methods to estimate the Group's severance pay provision.

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11. PROVISION FOR EMPLOYEE BENEFITS (Continued)

	31 December 2024	31 December 2023
Opening balance	36,138,515	18,563,005
Interest cost	11,840,060	4,154,002
Actuarial gain/(loss)	6,976,612	11,248,700
Service cost	4,657,119	3,794,528
Employee termination benefits paid	(8,832,146)	(1,621,720)
Total	**50,780,160**	**36,138,515**

12. SHAREHOLDER'S EQUITY

Paid in capital

The paid in capital structure of the Group as at 31 December 2024 and 2023 are as follows:

Shareholders	31 December 2024	Share Ratio %	31 December 2023	Share Ratio %
İstanbul Takas ve Saklama Bankası A.Ş.	64,900,000	64.90	64,900,000	64.90
Borsa İstanbul A.Ş.	30,100,000	30.10	30,100,000	30.10
Türkiye Sermaye Piyasaları Birliği	5,000,000	5.00	5,000,000	5.00
Total	**100,000,000**	**100.00**	**100,000,000**	**100.00**

As at 31 December 2024, the Group have 100 million shares comprises of 95 million group A and 5 million group B. The total value of shares TRY 100,000,000 which each of the share is TRY 1 (31 December 2023: 100 million shares comprise of 95 million group A and 5 million group B and TRY 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 2024	31 December 2023
Legal reserves	59,576,527	41,482,418
	59,576,527	**41,482,418**

According to the Turkish Commercial Code, legal reserve funds consist of first and second legal reserve funds. First legal reserve funds are allocated at the rate of 5% of the legal period profit until it reaches 20% of the Company's capital. Second legal reserve funds are 10% of the distributed profit exceeding 5% of the capital. First and second legal reserve funds cannot be distributed unless they exceed 50% of the total capital; however, they can be used to cover losses in the event of depletion of optional reserve funds.

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12. SHAREHOLDER'S EQUITY (Continued)

Other comprehensive income not to be reclassified to profit or loss

Gains/losses on remeasurements of defined benefit plans

As of 31 December 2024, the actuarial loss amount after tax arising from the Group's severance pay liability in accordance with TAS 19 is TRY 20,476,176 (31 December 2023: TRY 15,592,548). The aforementioned amount is included in the "Defined benefit plans remeasurement losses" account under the Group's equity.

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 2024	31 December 2023
Accumulated profit/(losses)	213,530,364	94,659,626
	213,530,364	**94,659,626**

The Group, with the decision of the Ordinary General Assembly dated 6 June 2024, decided to set aside TRY 18,094,109 as 2nd series reserve fund, distribute TRY 185,941,088 profit to the partners and keep TRY 167,846,980 as extraordinary reserve fund within the Group, according to the net profit calculations for 2023, within the scope of the Articles of Association of the Company and the Capital Markets Board Profit Distribution Communique.

The Group distributed TRY 185,941,088 as dividend to the partners for 6 June 2023, 2024.

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13. SALES

For the years ended 31 December 2024 and 2023, details of the Group's sales as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Custody operations service revenue	**1,993,693,082**	**1,147,204,142**
- Depository service revenues	780,952,881	386,111,033
- Transfer rransaction revenues	470,151,174	278,577,490
- Account transaction revenues	369,312,093	270,890,365
- Right of use revenues	185,626,670	89,321,741
- Cash payment transaction revenues	63,822,242	40,470,657
- Exporter establishment transaction revenues	49,402,443	29,863,221
- Exportation transaction revenues	37,769,110	22,935,773
- Dues revenues	16,856,908	16,437,078
- ELÜS transaction revenues	8,541,883	4,683,258
- Administrative and law transaction revenues	4,859,553	4,970,589
- KFS revenues	1,342,566	801,364
- HPKS revenues	850,933	875,306
- Other custody operation transaction revenues	4,204,626	1,266,267
Data custody and reporting service revenues	**17,269,262**	**9,347,504**
- Data broadcast service revenue	11,693,186	5,817,494
- E-vedo service revenue	3,381,376	2,137,045
- Mevitas reporting	2,190,022	972,965
- Data organization service revenue	4,678	420,000
Corporate governance service revenues	**126,744,298**	**68,469,928**
- KAP services revenues	76,461,086	40,855,443
- E-General assembly services revenues	24,840,264	13,810,391
- E-Company services revenues	14,006,921	7,959,319
- E-Board of management services revenues	11,436,027	5,844,775
Technology sales revenues	**76,474,011**	**38,794,118**
- Infrastructure operation service revenues	54,391,494	21,611,235
- Revenue from development and maintenance services	14,046,318	10,781,995
- Hosting service revenues	8,036,199	6,400,888
Other revenues	**8,928,568**	**836,168**
- Other	8,928,568	836,168
Sales return	**(1,358,285)**	**(690,290)**
Total	**2,221,750,936**	**1,263,961,570**

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14. GENERAL ADMINISTRATIVE EXPENSES

For the years ended 31 December 2024 and 2023, details of Group's general administrative expenses as follows:

	1 January- 31 December 2024	1 January- 31 Decemer 2023
Personnel expenses	1,126,856,829	572,772,842
Donations and aids	49,844,739	223,584,580
Amortization expenses	43,841,246	29,524,724
Maintenance support expenses	40,653,866	22,669,471
Taxes and fees	39,688,250	36,151,036
Other outsource expenses	24,761,370	14,226,945
Promotion and representation expenses	23,370,472	8,540,689
Lease expenses	17,144,411	11,815,358
Energy expenses	11,844,172	9,249,062
Audit consultancy expenses	9,851,266	4,977,476
Travel and transportation expenses	3,927,971	2,486,066
Material expenses	3,747,577	2,674,674
Communication expenses	3,150,928	1,783,669
Education expenses	2,953,769	1,271,847
Insurance expenses	2,578,158	1,730,808
Membership and subscription expenses	1,676,191	668,002
Other expenses	6,695,040	8,630,776
Total	**1,412,586,255**	**952,758,025**

As of 31 December 2024 and 2023, the details of personnel expenses of the Group are as follows;

	1 January- 31 December 2024	1 January- 31 December 23
Monthly and fee	564,555,609	288,453,431
Social security premiums	265,481,780	147,500,000
Social donations	119,047,567	58,961,737
Compensation and provisions	67,596,158	20,762,171
Social security employer shares	67,350,512	36,320,961
Health aids	42,825,203	20,774,542
Personnel expenses	**1,126,856,829**	**572,772,842**

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15. OTHER OPERATING INCOME/EXPENSES

As of 31 December 2024 and 2023, details of the other operating income of the Group are as follows;

	1 January- 31 December 2024	1 January- 31 December 2023
Social security incapacity payments	2,245,242	937,204
Gains on sale of tangible assets	2,311,078	9,187
Social security incentives	1,510,443	3,609,430
Provisions no longer required	215,189	425,533
Other income	1,236,913	243,561
Other operating income	**7,518,865**	**5,224,915**

The details of other expenses from main operations for the fiscal periods ending on 31 December 2024, and 2023 are presented below:

	1 January- 31 December 2024	1 January- 31 December 2023
CMB share accrual	84,243,704	61,739,614
Other provision expenses	1,400,739	243,501
Other operating expense	**85,644,443**	**61,983,115**

16. FINANCE INCOME

The details of financial income for the years ended 31 December 2024 and 2023 are stated below:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	415,179,199	109,904,500
Dividend income	5,000,000	-
Foreign exchange gains	829,452	1,706,799
Finance income	**421,008,651**	**111,611,299**

As of 31 December 2024 and 2023, details of financial expenses are as follows;

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange losses	2,427,652	3,914,084
Finance expenses	**2,427,652**	**3,914,084**

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17. TAX ASSETS AND LIABILITIES

As of 31 December 2024 and 31 December 2023, tax liabilities/assets are as follows;

	31 December 2024	31 December 2023
Provision for current period corporate taxes (-)	284,196,786	106,060,341
Prepaid taxes and deductions	(231,083,850)	(54,472,113)
Current year tax liability/(asset)	**53,112,936**	**51,588,228**

Tax expense on income statement:

Tax (expense)/income comprises:

	1 January - 31 December 2024	1 January - 31 December 2023
Current period income tax expense	(284,196,786)	(106,060,341)
Deferred tax income/(expense)	74,881,781	66,823,717
Current year tax expense	**(209,315,005)**	**(39,236,624)**

Dividends paid to non-resident corporations that have a place of business or permanent representative in Turkey and dividends paid to resident corporations in Turkey are not subject to withholding tax. While dividend payments made to persons and institutions other than these were subject to withholding tax at the rate of 15%, this rate was changed to 10% with the Presidential Decree published in the Official Gazette dated 22 December 2021 and numbered 31697. Addition of profit to capital is not considered as dividend distribution.

With the Law dated 15 July 2023 and published in the Official Gazette dated 15 July 2023, "Law on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurred on 6 February 2023 and Amendments to Certain Laws and Decree Law No. 375", the corporate tax rate was increased from 25% to 30%. As of 1 October 2023, it has entered into force starting from the declarations to be submitted as of 1 October 2023.

Companies calculate advance tax on their quarterly financial profits at the rate determined by law and declare it by the 14th day of the second month following that period and pay it by the evening of the 17th day. Advance tax paid during the year is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If there is any amount of advance tax paid despite the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

Global Minimum Complementary Corporate Income Tax

In September 2023, POA issued amendments to TAS 12 that introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws that have been enacted, or are substantively enacted, for the purpose of applying the Second Pillar Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also introduce certain disclosure requirements for entities affected by such tax laws. The exemption for not recognizing and disclosing information about deferred taxes and the disclosure requirement for when the exemption is applied apply when the amendment is issued.

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17. TAX ASSETS AND LIABILITIES (Continued)

On 16 July 2024, with a Bill submitted to the Turkish Grand National Assembly, it started to adopt the OECD's Global Minimum Complementary Corporate Tax regulations (Pillar 2). These regulations are On 2 August 2024, it entered into force through laws published in the Official Gazette. The Turkish practice is broadly in line with the OECD's Pillar 2 Model Rules and is similar in terms of scope, exemptions, consolidation, tax calculations and filing periods. Although the secondary regulation regarding the calculation details and the method of application has not yet been published, preliminary assessments based on the regulations published by the OECD have concluded that these regulations will not have an impact on the financials.

Domestic minimum corperate tax

Turkey enacted the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated 2 August 2024. This tax will be applied starting from the fiscal year 2025. "Law No. 7524 introduced the Minimum Corporate Tax and stipulated that the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deducting deductions and exemptions. The regulation will enter into force on the date of its publication to be applied to the corporate earnings of the taxation period of 2025. In addition, the General Communiqué on Corporate Tax Serial No. 23 has been published.

Deferred tax assets and liabilities

The Group and its subsidiaries recognize deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported for TFRS purposes and their statutory tax financial statements. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and liabilities are offset, and the net deferred tax assets and liabilities are reported in the financial statements of the different companies subject to consolidation. However, in the consolidated financial statements, net deferred tax assets and liabilities arising from different companies subject to consolidation are shown separately in assets and liabilities without netting off in the consolidated financial statements.

	31 December 2024		31 December 2023	
	Total temporary differences	Deferred tax assets/liabilities	Total temporary differences	Deferred tax assets/liabilities
Bonus and donation provision (Note 9)	265,481,780	79,644,534	147,500,000	44,250,000
Temporary differences on tangible and intangible assets	127,064,306	38,119,292	38,498,349	7,699,670
CMB share provision (Note *11)*	84,243,704	25,273,111	61,739,614	18,521,884
Employee termination benefits provision (Note 17)	50,780,160	15,234,048	36,138,515	10,841,555
Provision for unused vacation	48,340,509	14,502,153	21,979,841	6,593,952
Legal case, court provision	13,002,756	3,900,827	12,554,222	3,766,267
Expected lose provision	228,022	68,404	102,489	30,745
Other	24,077,150	7,223,144	38,122,805	15,286,675
Deferred tax assets	**613,218,387**	**183,965,513**	**356,635,835**	**106,990,748**

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17. TAX ASSETS AND LIABILITIES (Continued)

	1 January 2024- 31 December 2024	1 January 2023 31 December 2023
Opening balance	106,990,748	36,792,422
Accounted under profit and loss statement	74,881,781	66,823,716
Accounted under other comprehensive income	2,092,984	3,374,610
End of the year	**183,965,513**	**106,990,748**

In Turkey, there is no practice of agreeing with the tax authority on the taxes to be paid. Corporate tax returns are submitted to the tax office until the 25th of the fourth month following the close of the accounting period. The tax authorities may examine the accounting records for five years and if an incorrect transaction is detected, the tax amounts may change due to the tax assessment to be made.

Under the Turkish tax system, losses can only be carried forward for 5 years to offset future taxable profits. Losses cannot be carried back to offset profits of previous periods.

The reconciliation of the Group’s tax expense for the years ended 31 December 2024 and 31 December 2023 is as follows;

	1 January- 31 December 2024	Ratio (%)	1 January- 31 December 2023	Ratio (%)
Profit before tax	**1,149,620,102**		**362,142,560**	
Income tax using the group’s statutory tax rate (-)	344,886,031	(30.00)	108,642,768	(30.00)
Disallowable expenses (-) [1]	(112,727,951)	(30.00)	(113,099,585)	(30.00)
Disallowable expenses (-)	48,481,715	(30.00)	75,961,040	(30.00)
Effect of inflation adjustments made according to VUK provisions [2]	(54,014,576)	(30.00)	(17,786,005)	(30.00)
Effect of change in tax rate	-	(30.00)	(7,358,485)	(30.00)
Other	(17,310,214)	(30.00)	(7,123,109)	(30.00)
Tax expenses	**209,315,005**	**(30.00)**	**39,236,624**	**(30.00)**

[1] Tax exempt income consists of R&D capitalized expenses, participation income, donations and grants.

[2] Consists of the deferred tax effect of temporary differences arising from the adjustments made for inflation accounting in accordance with the Communiqué No: 32415 (2nd Repeated) of the Tax Procedure Law dated 30 December 2023.

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18. RELATED PARTY DISCLOSURES

The details of transactions between the Group and other related parties are explained below.

	31 December 2024	31 December 2023
Takasbank	14,274,172	206,917
Financial Investments	**14,274,172**	**206,917**

	31 December 2024	31 December 2023
Takasbank	18,612,604	9,362,439
Ziraat Yatırım Menkul Değerler A.Ş	5,074,799	8,337,656
T.C. Ziraat Bankası A.Ş.	4,746,032	2,281,654
Türkiye Halk Bankası A.Ş.	3,199,971	1,542,788
Halk Yatırım Menkul Değerler A.Ş.	3,161,300	3,540,540
Ziraat Portföy Yönetimi A.Ş	1,566,810	467,934
Other	1,160,783	1,438,821
Trade Receivable	**37,522,299**	**26,971,832**

	31 December 2024	31 December 2023
Borsa İstanbul A.Ş.	5,190,604	6,606,334
Türk Telekomünikasyon AŞ.	361,645	400,263
Superonline İletişim Hizmetleri A.Ş (Turkcell Superonline)	118,483	35,890
TTNET A.S.	104,187	37,692
Other	64,921	1,952,044
Trade Payables	**5,839,840**	**9,032,223**

	31 December 2024	31 December 2023
Takasbank	14,274,172	206,917
Other Payables	**14,274,172**	**206,917**

Revenues from related party transactions:

	1 January - 31 December 2024	1 January - 31 December 2023
Commission income	398,242,060	242,242,118
Service revenue	6,501,735	3,014,247
Total	**404,743,795**	**245,256,365**

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18. RELATED PARTY DISCLOSURES (Continued)

	1 January - 31 December 2024	1 January - 31 December 2023
Takasbank	189,476,495	95,028,508
Ziraat Yatırım Menkul Değerler A.Ş.	76,334,228	71,046,175
T.C. Ziraat Bankası A.Ş.	47,272,055	20,468,056
Halk Yatırım Menkul Değerler A.Ş.	39,361,869	30,187,191
Türkiye Halk Bankası A.Ş.	28,889,833	15,555,176
Ziraat Portföy Yönetimi A.Ş.	11,559,240	5,843,467
Other	11,850,075	7,127,792
Total	**404,743,795**	**245,256,365**

Expenses from Related Party Transactions:

	1 January - 31 December 2024	1 January - 31 December 2023
Advertising and sponsorship fee	53,153,052	58,083,353
Electricity, water, natural gas, and cleaning expenses	27,577,064	19,327,976
Rent expense	17,309,500	10,642,363
Data line expense and data broadcast sharing expense	6,482,959	5,053,714
Insurance expense	920,966	2,326,598
Other	2,026,578	1,850,995
Total	**107,470,119**	**97,284,999**

Compensation of key management personnel:

Compensation of key management personnel in the current period are stated below:

	1 January- 31 December 2024	1 January- 31 December 2023
Wages and other short-term benefits	25,971,190	13,064,754
	25,971,190	**13,064,754**

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19. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Financial risk factors

Financial instruments carry the risk that counterparties may not fulfill their contractual obligations.

Capital risk management

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to maximize the return to shareholders and institutional investors while maintaining the most efficient capital structure to reduce the cost of capital.

Credit risk management

The Group's credit risk arises mainly from its trade receivables. The Group has not experienced any significant collection problems related to its receivables in the past. As of the balance sheet date, the Group has no overdue receivables for which no provision has been provided (31 December 2023: None).

Credit risks per financial instrument categories:

	Trade receivables			Other Receivables		
31 December 2024	**Related party**	**Other party**	**Related party**	**Related party**	**Other party**	**Related party**
Maximum credit risk as at reporting date (A+B+C+D+E)	18,632,104	224,334,158	-	8,043,038	1,045,692,778	100,493,363
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	18,632,104	224,463,285	-	8,043,038	1,045,757,919	100,493,363
D. Net book value of impaired assets	-	489,539	-	-	-	-
Past due (gross carrying amount)	-	(489,539)	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals etc.	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals etc.	-	-	-	-	-	-
Expected credit losses	-	(129,127)	-	-	(65,141)	-

[1] Consists of bank deposits and investment funds.

[2] Consists of bank deposits with maturities longer than three months, asset-backed securities, and lease certificates.

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19. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	Trade receivables			Other Receivables		
31 December 2023	**Related party**	**Other party**	**Related party**	**Related party**	**Other party**	**Related party**
Maximum credit risk as at reporting date (A+B+C+D+E)	**9,988,628**	**123,386,895**	**-**	**5,780,129**	**554,535,321**	**22,765,026**
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	9,988,628	123,461,193	-	5,780,129	554,541,780	22,765,026
D. Net book value of impaired assets	-	129,146	-	-	-	-
Past due (gross carrying amount)	-	(129,146)	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals etc.	-	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Portion of net value under guarantee with collaterals etc.	-	-	-	-	-	-
Expected credit losses	-	(74,298)	-	-	(6,459)	-

(1) Consists of bank deposits and investment funds.

(2) Consists of bank deposits with maturities longer than three months, asset-backed securities, and lease certificates.

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19. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its net funding obligations. Liquidity risk arises from the occurrence of events that result in a decrease in funding sources, such as market deterioration or credit rating downgrades.

Since the Group realizes its payments according to the contractual maturities, payment table according to expected maturities is not presented.

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)
Short-term liabilities					
Lease liabilities	349,122	349,122	213,710	135,412	-
Trade payables	79,987,667	79,987,667	79,987,667	-	-
Other short-term liabilities	188,399,098	188,399,098	165,115,190	23,283,908	-
Long-term liabilities					
Lease liabilities	1,370,307	1,370,307	-	-	1,370,307
Trade payables	-	-	-	-	-
Other long-term liabilities	8,497,914	8,497,914	-	-	8,497,914
Total Liabilities	**278,604,108**	**278,604,108**	**245,316,567**	**23,419,320**	**9,868,221**

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)
Short-term liabilities					
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	-
Long-term liabilities					
Lease liabilities	1,245,406	1,245,406	-	-	1,245,406
Other long-term liabilities	3,904,937	3,904,937	-	-	3,904,937
Total Liabilities	**234,348,338**	**234,348,338**	**205,144,723**	**24,053,272**	**5,150,343**

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19. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk

	31 December 2024			31 December 2023		
	TRY Equivalent	USD	EUR	TRY Equivalent	USD	EUR
Current assets	**6,243,161**	**168,513**	**8,111**	**3,887,663**	**102,094**	**27,083**
Monetary financial assets	6,243,161	168,513	8,111	3,887,663	102,094	27,083
Non-current assets	-	-	-	-	-	-
Financial investment	-	-	-	-	-	-
Total assets	**6,243,161**	**168,513**	**8,111**	**3,887,663**	**102,094**	**27,083**
Total liabilities	-	-	-	-	-	-
Off-balance sheet derivative Instrument's net asset/(liability) position	-	-	-	-	-	-
Net foreign currency/(liabilities) position	-	-	-	-	-	-
Net foreign currency monetary items asset/(liability) position	**6,243,161**	**168,513**	**8,111**	**3,887,663**	**102,094**	**27,083**

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19. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

The effect of a 10 percent appreciation/depreciation of TRY against the following currencies on profit/loss or equity (excluding tax effects) for the years ended 31 December 2024 and 2023 is shown in the table below:

Foreign currency sensitivity

	31 December 2024			
	Profit/Loss		Equity	
	Increase in foreign currency	Decrease in foreign currency	Increase in foreign currency	Decrease in foreign currency
EUR net asset/liability	29,799	(29,799)	29,799	(29,799)
Portion hedged against EUR risk (-)	-	-	-	-
EUR net effect	**29,799**	**(29,799)**	**29,799**	**(29,799)**
US Dollar net asset/liability	594,517	(594,517)	594,517	(594,517)
Portion hedged against US Dollar risk (-)	-	-	-	-
US Dollar net effect	594,517	(594,517)	594,517	(594,517)
Total	**624,316**	**(624,316)**	**624,316**	**(624,316)**

	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 (-)	-	-	-	-
EUR net effect	**2,708**	**(2,708)**	**2,708**	**(2,708)**
US Dollar net asset/liability	10,209	(10,209)	10,209	(10,209)
Portion hedged against US Dollar risk (-)	-	-	-	-
US Dollar net effect	**10,209**	**(10,209)**	**10,209**	**(10,209)**
Total	**12,917**	**(12,917)**	**12,917**	**(12,917)**

Interest rate sensitivity

As the Group has no assets and liabilities with floating interest rates, the Group is not exposed to interest rate risk for the year ended 31 December 2024 (31 December 2023: None).

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20. FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's length transaction between knowledgeable, willing parties.

1. Financial assets

The fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables and other receivables are estimated to approximate their fair values due to their short-term nature.

2. Financial liabilities

The carrying values of trade payables are estimated to be their fair values due to their short-term nature.

As of 31 December 2024 and 2023, the carrying value and fair value of the Group's assets and liabilities are as follows;

	31 December 2024		31 December 2023	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets	1,389,152,403	1,389,152,403	710,682,329	710,682,329
Cash and cash equivalents	1,045,692,778	1,045,692,778	554,541,780	554,541,780
Trade receivables	242,966,262	242,966,262	133,375,523	133,375,523
Financial investments (short term)	100,493,363	100,493,363	22,765,026	22,765,026
Financial liabilities	174,437,234	174,437,234	144,229,238	144,229,238
Trade payables	79,987,667	79,987,667	104,376,288	104,376,288
Other payables	94,449,567	94,449,567	39,852,950	39,852,950

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.

MERKEZİ KAYIT KURULUŞU A.Ş.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

20. FINANCIAL INSTRUMENTS (Continued)

31 December 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Mutual funds	540,123,187	-	-	540,123,187
Total	**540,123,187**	**-**	**-**	**540,123,187**

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	498,758,299	-	-	498,758,299
Asset-backed securities	22,558,109	-	-	22,558,109
Total	**521,316,408**	**-**	**-**	**521,316,408**

21. FEES FOR SERVICES RECEVIEVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

	31 December 2024	31 December 2023
Audit and assurance fee	1,765,000	800,604
Tax consultancy fee	-	-
Services other than independent audit fee	-	-
Other assurance services fee	400,678	244,316
Total	**2,165,678**	**1,044,920**

22. SUBSEQUENT EVENTS

None.

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