

**FORTE BİLGİ İLETİŞİM
TEKNOLOJİLERİ
VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND SUBSIDIARIES
ENDING JUNE 30, 2025
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS
AND NOTES**

Eren Bağımsız Denetim A.Ş.
Kızıllırmak, Ufuk Üniversitesi Cad.
No:8 Kat :11, 06510
Çankaya/Ankara, Turkey

T + 90 312 219 16 50
F + 90 312 219 16 60
www.grantthornton.com.tr

Report On Review Of Interim Condensed Consolidated Financial Information

To the General Assembly of Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2025 and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. Group management is responsible for the preparation and fair presentation of this interim condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this interim condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of people responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

Beşir ACAR
Partner

Ankara, August 14, 2025
Eren Bağımsız Denetim Anonim Şirketi

TABLE OF CONTENTS	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5-6
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7-45
<i>NOTE-1 GROUP'S ORGANISATION AND NATURE OF OPERATIONS</i>	<i>7-10</i>
<i>NOTE-2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS</i>	<i>10-15</i>
<i>NOTE-3 SEGMENT REPORTING</i>	<i>16-18</i>
<i>NOTE-4 RELATED PARTY DISCLOSURES</i>	<i>18</i>
<i>NOTE-5 CASH AND CASH EQUIVALENTS</i>	<i>19</i>
<i>NOTE-6 FINANCIAL INVESTMENTS</i>	<i>19</i>
<i>NOTE-7 BORROWINGS</i>	<i>20</i>
<i>NOTE-8 TRADE RECEIVABLES AND PAYABLES</i>	<i>20-21</i>
<i>NOTE-9 OTHER RECEIVABLES AND PAYABLES</i>	<i>21</i>
<i>NOTE-10 EMPLOYEE BENEFIT OBLIGATIONS</i>	<i>22</i>
<i>NOTE-11 INVENTORIES</i>	<i>22</i>
<i>NOTE-12 OTHER CURRENT ASSETS</i>	<i>22</i>
<i>NOTE-13 PREPAID EXPENSES AND DEFERRED INCOME</i>	<i>22-23</i>
<i>NOTE-14 RIGHT OF USE ASSETS</i>	<i>23</i>
<i>NOTE-15 INVESTMENT PROPERTIES</i>	<i>24</i>
<i>NOTE-16 PROPERTY, PLANT AND EQUIPMENT</i>	<i>25-26</i>
<i>NOTE-17 INTANGIBLE FIXED ASSETS</i>	<i>27-29</i>
<i>NOTE-18 GOVERNMENT INCENTIVES AND GRANTS</i>	<i>30</i>
<i>NOTE-19 COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES</i>	<i>30</i>
<i>NOTE-20 PROVISIONS</i>	<i>31</i>
<i>NOTE-21 PROVISIONS RELATED TO EMPLOYEE BENEFITS</i>	<i>31</i>
<i>NOTE-22 EQUITY</i>	<i>32</i>
<i>NOTE-23 REVENUE AND COST OF SALES</i>	<i>33</i>
<i>NOTE-24 GENERAL ADMINISTRATIVE EXPENSES</i>	<i>33</i>
<i>NOTE-25 MARKETING, SELLING AND DISTRIBUTION EXPENSES</i>	<i>34</i>
<i>NOTE-26 RESEARCH AND DEVELOPMENT EXPENSES</i>	<i>34</i>
<i>NOTE-27 OTHER OPERATING INCOME AND EXPENSES</i>	<i>34</i>
<i>NOTE-28 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES</i>	<i>35</i>
<i>NOTE-29 FINANCIAL INCOME AND EXPENSES</i>	<i>35</i>
<i>NOTE-30 TAX ASSETS AND LIABILITIES</i>	<i>36</i>
<i>NOTE-31 MONETARY GAIN/(LOSS)</i>	<i>37</i>
<i>NOTE-32 EARNINGS/(LOSS) PER SHARE</i>	<i>37</i>
<i>NOTE-33 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS</i>	<i>38-43</i>
<i>NOTE-34 FINANCIAL INSTRUMENTS</i>	<i>44</i>
<i>NOTE-35 EVENTS AFTER THE BALANCE SHEET DATE</i>	<i>45</i>

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2025

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

		Reviewed	Audited
		June 30,	December 31,
	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	5	116,108,550	123,728,596
Trade receivables		347,073,020	704,091,879
- <i>Trade receivables from third parties</i>	8	347,073,020	704,091,879
Other receivables		30,204,398	11,888,998
- <i>Other receivables from related parties</i>	4	26,653,476	8,112,894
- <i>Other receivables from third parties</i>	9	3,550,922	3,776,104
Inventories	11	313,304,121	130,628,091
Prepaid expenses	13	111,362,758	46,688,157
Current income tax assets		1,405,280	18,272
Other current assets	12	44,139,840	19,086,324
Total current assets		963,597,967	1,036,130,317
Non-current assets			
Other receivables		473,940	602,447
- <i>Other receivables from third parties</i>	9	473,940	602,447
Financial investments	6	13,183,528	13,975,426
Right of use assets	14	19,034,237	9,163,427
Investment properties	15	74,891,510	63,537,706
Property, plant and equipment	16	141,982,784	133,420,694
Intangible assets	17	483,069,477	375,393,320
Prepaid expenses	13	101,016	530,283
Total non-current assets		732,736,492	596,623,303
Total assets		1,696,334,459	1,632,753,620

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2025

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

		Reviewed	Audited
		June 30,	December 31,
	Notes	2025	2024
Liabilities			
Short term liabilities			
Short-term borrowings	7	511,030,675	628,973
Short-term portion of long-term borrowings	7	8,559,489	89,468,024
Short-term leasings	7	2,024,172	5,567,456
Trade payables		244,126,261	535,357,681
- <i>Trade payables to third parties</i>	8	244,126,261	535,357,681
Employee benefit obligations	10	8,363,271	15,784,844
Other payables		7,771,601	7,456,357
- <i>Other payables to third parties</i>	9	7,771,601	7,456,357
Deferred income	13	756,853	5,191,779
Current income tax liability		1,367,534	4,960,767
Short-term provisions		10,942,172	9,657,143
- <i>Provisions for employee benefits</i>	21	9,401,372	7,913,195
- <i>Other short term provisions</i>	20	1,540,800	1,743,948
Total short-term liabilities		794,942,028	674,073,024
Long term liabilities			
Long-term borrowings	7	3,002,849	34,359,240
Long-term leasings	7	11,799,781	300,753
Long-term provisions		20,935,349	23,584,384
- <i>Provisions for employee benefits</i>	21	4,875,726	5,407,362
- <i>Other long term provisions</i>	20	16,059,623	18,177,022
Deferred tax liabilities	30	23,401,740	242,394
Total long term liabilities		59,139,719	58,486,771
Equity			
Equity holders of the parent	22	840,022,644	893,128,505
Paid-in capital		67,000,000	67,000,000
Adjustment to share capital	22	248,415,111	248,415,111
Share premiums/discounts		538,955,716	538,955,716
Other comprehensive income or expenses not to be reclassified to profit or loss		(671,485)	(150,755)
- <i>Gains/(losses) on remeasurement of defined benefit plans</i>		(671,485)	(150,755)
Other comprehensive income or expenses to be reclassified to profit or loss		2,311,257	(560,514)
- <i>Foreign currency translation differences</i>		2,311,257	(560,514)
Restricted reserves	22	17,317,315	17,317,315
Retained earnings/(losses)		22,151,632	117,844,196
Net profit/(loss) for the period		(55,456,902)	(95,692,564)
Non-controlling interests		2,230,068	7,065,320
Total equity		842,252,712	900,193,825
Total Liabilities and Shareholders' Equity		1,696,334,459	1,632,753,620

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

		Reviewed January 1 – June 30, 2025	Reviewed January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
	Notes				
Revenue	23	524,922,373	758,682,576	264,457,513	473,432,913
Cost of sales (-)	23	(413,844,413)	(679,582,433)	(219,810,635)	(441,731,834)
Gross Profit		111,077,960	79,100,143	44,646,878	31,701,079
General administrative expenses (-)	24	(41,828,686)	(46,309,303)	(19,170,615)	(27,565,110)
Marketing, selling and distribution expenses (-)	25	(20,277,446)	(25,956,133)	(10,250,335)	(17,624,587)
Research and development expenses (-)	26	(14,866,100)	(4,592,886)	(4,853,741)	(2,392,708)
Other income from operating activities	27	44,161,220	66,654,172	(7,324,404)	4,571,587
Other operating expenses (-)	27	(65,729,305)	(118,628,029)	3,342,461	(40,614,264)
Operating Profit		12,537,643	(49,732,036)	6,390,244	(51,924,003)
Income from investing activities	28	14,489,044	6,190,574	(216,847)	528,279
Operating Profit before Finance Expenses		27,026,687	(43,541,462)	6,173,397	(51,395,724)
Finance income	29	39,344,876	79,766,520	13,774,992	26,294,468
Finance expenses (-)	29	(85,397,878)	(48,365,336)	(57,653,342)	(33,010,113)
Monetary gain/loss (-)	31	(16,565,381)	(125,929,507)	21,539,248	(39,303,407)
Loss for the Period from Continuing Operations before Tax		(35,591,696)	(138,069,785)	(16,165,705)	(97,414,776)
Tax Income/(Expense)					
- Current tax expense	30	(1,367,534)	-	7,671,437	7,449,794
- Deferred tax expense	30	(23,332,924)	16,213,113	(13,655,492)	20,086,049
Period Loss		(60,292,154)	(121,856,672)	(22,149,760)	(69,878,933)
Distribution of Profit/(Loss) for the Period					
Non-controlling interests		(4,835,252)	(2,930,559)	(2,589,934)	(2,480,938)
Parent company shares		(55,456,902)	(118,926,113)	(19,559,826)	(67,397,995)
Earnings per share		(0.90)	(1.82)	(0.90)	(0.74)
OTHER COMPREHENSIVE INCOME					
Items not to be reclassified to profit or loss		(671,484)	138,656	(28,049)	38,911
Gains/(losses) on remeasurement of defined benefit plans		(150,754)	182,548	-	52,867
Taxes on other comprehensive income not to be reclassified to profit or loss		(520,730)	(43,892)	(28,049)	(13,956)
- Deferred tax income		(520,730)	(43,892)	(28,049)	(13,956)
Items to be reclassified to profit or loss		2,871,771	(71,453)	(299,105)	26,892
Foreign currency translation differences		2,871,771	(71,453)	(299,105)	26,892
Total Other Comprehensive Income		2,200,287	67,203	(327,154)	65,803
Total Comprehensive Income		(58,091,867)	(121,789,469)	(22,476,914)	(69,813,130)
Breakdown of Total Comprehensive Income/(Expenses)					
Non-controlling interests		(4,835,252)	(2,930,453)	(2,589,934)	(2,481,142)
Parent company shares		(53,256,615)	(118,859,016)	(19,886,980)	(67,331,988)

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

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED JUNE 30, 2025, AND 2024
(Amounts expressed of Turkish Lira ("TRY") unless otherwise indicated.)
(Amounts expressed of Turkish Lira ("TRY") in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

				Other comprehensive income not to be reclassified under profit and loss		Other comprehensive income to be reclassified under profit and loss	Retained earnings			Non controlling interest	Total equity
	Paid-in capital	Adjustment to share capital	Premiums related to shares	Gain/(loss) arising from defined benefit plans	Restricted reserves	Currency translation differences	Retained earnings	Net profit/(loss) for the period	Equity holders of the parent		
Balance at January 1, 2024	67,000,000	248,415,111	538,955,716	(229,565)	17,317,315	(297,954)	113,503,117	14,225,818	998,889,558	-	998,889,558
Transfer	-	-	-	-	-	-	14,225,818	(14,225,818)	-	-	-
Business combination effect	-	-	-	-	-	-	-	-	-	7,936,889	7,936,889
Total comprehensive income/(loss)	-	-	-	138,550	-	(71,453)	-	(118,926,114)	(118,859,017)	(2,930,454)	(121,789,471)
- Profit/(loss) for the period	-	-	-	-	-	-	-	(118,926,114)	(118,926,114)	(2,930,559)	(121,856,673)
- Other comprehensive income/(expense)	-	-	-	138,550	-	(71,453)	-	-	67,097	105	67,202
Balances as of June 30, 2024	67,000,000	248,415,111	538,955,716	(91,015)	17,317,315	(369,407)	127,728,935	(118,926,114)	880,030,541	5,006,435	885,036,976
Balance at January 1, 2025	67,000,000	248,415,111	538,955,716	(150,755)	17,317,315	(560,514)	117,844,196	(95,692,564)	893,128,505	7,065,320	900,193,825
Transfer	-	-	-	-	-	-	(95,692,564)	95,692,564	-	-	-
Total comprehensive income/(loss)	-	-	-	(520,730)	-	2,871,771	-	(55,456,902)	(53,105,861)	(4,835,252)	(57,941,113)
- Profit/(loss) for the period	-	-	-	-	-	-	-	(55,456,902)	(55,456,902)	-	(55,456,902)
- Other comprehensive income/(expense)	-	-	-	(520,730)	-	2,871,771	-	-	2,351,041	(4,835,252)	(2,484,211)
Balances as of June 30, 2025	67,000,000	248,415,111	538,955,716	(671,485)	17,317,315	2,311,257	22,151,632	(55,456,902)	840,022,644	2,230,068	842,252,712

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

	Reviewed January 1 – June 30, 2025	Reviewed January 1 – June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(60,292,154)	(121,856,672)
- <i>Period loss from continuing operations</i>	<i>(60,292,154)</i>	<i>(121,856,672)</i>
Adjustments to reconcile net profit/(loss) for the period:	99,375,676	129,364,540
Adjustments related to depreciation and amortization expense	30,891,863	14,105,034
Adjustments related to impairments	3,580,776	576,937
- <i>Adjustments related to impairment of receivables</i>	<i>3,580,776</i>	<i>608,048</i>
- <i>Adjustments related to impairment of inventories</i>	<i>-</i>	<i>(31,111)</i>
Adjustments related to provisions	(4,223,876)	(1,459,051)
- <i>Adjustments related to provisions for employee benefits</i>	<i>(3,697,508)</i>	<i>1,541,707</i>
- <i>Adjustments related to provisions for warranties</i>	<i>(526,368)</i>	<i>(3,000,758)</i>
Adjustments related to interest (income)/expense	2,161,665	(13,598,834)
- <i>Interest expense</i>	<i>(6,953,959)</i>	<i>(11,593,619)</i>
- <i>Interest income</i>	<i>9,115,624</i>	<i>(2,005,215)</i>
Adjustments related to tax (income)/expense	23,332,923	(16,213,113)
Monetary (loss)/gain	43,632,325	145,953,567
Adjustments regarding net profit reconciliation for the period	(249,605,858)	1,783,385
(Increase)/decrease in financial investments	791,898	61,073,648
(Increase)/decrease in trade receivables	269,216,847	6,013,563
- <i>(Increase)/decrease in third parties</i>	<i>269,216,847</i>	<i>6,013,563</i>
(Increase)/decrease in other operating receivables	(21,015,207)	(33,440,621)
- <i>(Increase)/decrease in related parties</i>	<i>(20,685,021)</i>	<i>(6,818,882)</i>
- <i>(Increase)/decrease in third parties</i>	<i>(330,186)</i>	<i>(26,621,739)</i>
(Increase)/decrease in inventories	(182,676,030)	60,946,135
(Increase)/decrease in prepaid expenses	(64,245,334)	(56,830,842)
(Increase)/decrease in other operating assets	(29,214,764)	(15,014,766)
(Increase)/decrease in other operating liabilities	-	4,965,345
(Increase)/decrease in trade payables	(225,459,575)	(19,284,582)
- <i>(Increase)/decrease in third parties</i>	<i>(225,459,575)</i>	<i>(19,284,582)</i>
Increase/(decrease) in employee benefit obligations	5,424,046	28,429,915
(Increase)/decrease in other operating payables	1,449,879	(33,850,257)
- <i>(Increase)/decrease in related parties</i>	<i>-</i>	<i>716,028</i>
- <i>(Increase)/decrease in third parties</i>	<i>1,449,879</i>	<i>(34,566,285)</i>
(Increase)/decrease in deferred income	(3,877,618)	(1,224,153)
Cash Flows from operating activities	(210,522,336)	9,291,253
Tax payments/(refunds)	1,569,403	-
Net cash flows from operating activities	(208,952,933)	9,291,253

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

	Reviewed January 1 – June 30, 2025	Reviewed January 1 – June 30, 2024
CASH FLOWS FROM INVESTING ACTIVITIES	(127,159,391)	(112,765,036)
Cash outflows from sale of property, plant and equipment and intangible assets	(157,942,199)	(114,070,281)
- <i>Cash outflows from sale of property, plant, and equipment</i>	<i>(34,718,935)</i>	<i>(36,350,362)</i>
- <i>Cash outflows from sale of intangible assets</i>	<i>(123,223,264)</i>	<i>(77,719,919)</i>
Cash inflows from sale of property, plant and equipment and intangible assets	30,782,808	1,305,245
- <i>Cash inflows from sale of property, plant, and equipment</i>	<i>30,782,808</i>	<i>1,305,245</i>
CASH FLOWS FROM FINANCING ACTIVITIES	349,108,171	15,501,491
Effects of business combination	-	(1,294,416)
Cash inflows from borrowings	453,274,617	110,314,799
- <i>Cash inflows from bank loans</i>	<i>453,274,617</i>	<i>110,314,799</i>
Cash outflows from borrowings	(47,150,558)	(105,112,512)
- <i>Cash outflows from bank loans</i>	<i>(47,150,558)</i>	<i>(105,112,512)</i>
Interest paid	(63,969,847)	(27,618,062)
Interest received	6,953,959	39,211,681
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES	12,995,847	(87,972,292)
EFFECT OF CURRENCY TRANSLATION DIFFERENCES	2,871,771	(71,453)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,867,618	(88,043,745)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	123,728,596	392,745,331
Effects of inflation on cash	(23,487,664)	(132,591,443)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	116,108,550	172,110,142

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

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

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

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

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

The Group's software projects as of June 30, 2025 are as follows;

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

As of June 30, 2025, the Company's average number of personnel is 182 (December 31, 2024: 159).

The capital structure of the Company as of June 30, 2025 and March 31, 2025 is presented in Note 22.

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

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

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

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

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

ELD Bilişim's software projects as of June 30, 2025 are as follows;

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

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

As at June 30, 2025, the average number of personnel of ELD Bilişim is 34 (December 31, 2024: 30).

The shareholding structure of ELD Bilişim as of June 30, 2025 and December 31, 2024 is as follows;

	June 30, 2025		December 31, 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	10,000,000	100.00	10,000,000
Total	100.00	10,000,000	100.00	10,000,000

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

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

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

As of June 30, 2025, Company's average number of personnel is 3 (December 31, 2024: 4).

The shareholding structure of Company as of June 30, 2025 and June 30, 2025 is as follows;

	June 30, 2025		December 31, 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	15,000,000	100.00	15,000,000
Total	100.00	15,000,000	100.00	15,000,000

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

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

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

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

As of June 30, 2025 and December 31, 2024, the Company has no personnel.

The shareholding structure of Forips B.V. as of June 30, 2025 and December 31, 2024 is as follows;

	June 30, 2025		December 31, 2024	
	Share Ratio (%)	Share Amount (EUR)	Share Ratio (%)	Share Amount (EUR)
Shareholders				
ELD Bilişim Sanayi Ticaret Anonim Şirketi	100.00	100	100.00	100
Total	100.00	100	100.00	100

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

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

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

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

As of June 30, 2025, the average number of personnel of the Company is 16 (December 31, 2024: 6).

The shareholding structure of Cetwell as of June 30, 2025 and December 31, 2024 is as follows;

	June 30, 2025		December 31, 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	51.00	765,000	51.00	765,000
Erdoğan Elpe	49.00	735,000	-	-
Orhan Baldir	-	-	49.00	735,000
Total	100.00	1,500,000	100.00	1,500,000

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

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

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

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

As of June 30, 2025, the Company has no personnel. (December 31, 2024: None.)

The shareholding structure of Techfor as of June 30, 2025 and December 31, 2024 is as follows;

	June 30, 2025		December 31, 2024	
	Share Ratio (%)	Share Amount (TRY)	Share Ratio (%)	Share Amount (TRY)
Shareholders				
Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi Anonim Şirketi	100.00	1,000,000	100.00	1,000,000
Total	100.00	1,000,000	100.00	1,000,000

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

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

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

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy

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

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

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of June 30, 2024, and December 31, 2024 on the purchasing power basis as of June 30, 2025.

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

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

As of June 30, 2025, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

	Index	Conversion Factor	Three-year Inflation Rate
June 30, 2025	3,132.17	1.00000	220%
December 31, 2024	2,684.55	1.16674	291%
June 30, 2024	2,319.29	1.35049	324%

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

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

2.1 Basis of presentation (Continued)

Currency and rounding of amounts presented in the financial statements

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

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

Consolidation principles

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

Full consolidation method

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

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

2.1 Basis of presentation (Continued)

Full consolidation method (Continued)

As of June 30, 2025, the companies in which the Parent Company directly or indirectly owns 50% or more of the shares or has more than 50% of the voting rights or has control over their activities and which are subject to the "full consolidation method" are as follows;

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

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

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

Going Concern

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

Netting/Offsetting

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

Comparative information and adjustment of prior period financial statements

In order to enable the determination of consolidated financial position and performance evaluations, the Group's consolidated financial statements are prepared comparatively with previous periods. The Group has prepared the consolidated financial position statement dated June 30, 2025 in comparison with the consolidated financial position statement dated December 31, 2024, and the consolidated profit or loss, consolidated other comprehensive income statement, consolidated cash flow statement and consolidated equity change statement for the period January 1 - June 30, 2025 in comparison with the period January 1 – June 30, 2024. In order to ensure consistency with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are explained.

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Comparative information and adjustment of prior period financial statements (Continued)

The Group has reclassified training and consultancy expenses amounting to TL 14.302.624 previously recognized under cost of sales as operating expenses, adad income amounting to TL 1.154.238 previously recognized under income from investing activities as income from operating activities, income accruals amounting to TL 646.810 previously recognized under trade receivables as other receivables and expense accruals amounting to TL 2.351.345 previously recognized under trade payables as other payables. Apart from this, the Group has not made any adjustments in its consolidated financial statements as of December 31, 2024, except for the adjustments made due to the application of TAS 29 standard explained in the “Restatement of Consolidated Financial Statements in Hyperinflationary Periods” section.

2.2 Changes and Errors in Accounting Policies and Estimates

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

New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

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

- Amendments to TAS 21 - Lack of exchangeability

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

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

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

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

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

- TFRS 17 - The new Standard for insurance contracts

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

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

The group is in the process of assessing the impact of the standard on financial position or the performance of group.

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

2.2 Changes and Errors in Accounting Policies and Estimates (Continued)

New and amended standards and interpretations (Continued)

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

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

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

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

- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The mentioned standard is not applicable to the Group.

2.3 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended June 30, 2025, have been prepared in accordance with IAS 34, Interim Financial Reporting. The significant accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those disclosed in detail in the consolidated financial statements as at December 31, 2024. Consequently, the interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2024.

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING

The Group operates in the same geographical region in the “Commercial Activities” (“Hardware”), “Software Activities”, “Crowdfunding Activities” and “Agricultural (Service Sector) Activities” sectors during the accounting period ending on June 30, 2025 (1 January - 31 December 2024: “Commercial Activities” (“Hardware”), “Software Activities” and “Crowdfunding Activities”). For this reason, segment reporting is based on these sectors. The Group’s service revenues that are not included in the scope of software and crowdfunding activities are reported in the “Commercial Activities” section.

As of June 30, 2025, the consolidated statement of financial position by segments is as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Trade receivables	324,420,743	27,655,000	-	681,651	(5,130,000)	347,627,394
Inventories	278,444,888	681,802	-	13,977,340	-	293,104,030
Tangible fixed assets	117,052,582	500,864	-	12,965,367	-	130,518,813
Intangible fixed assets	276,678,964	170,459,041	1,197,505	5,445,756	-	453,781,266
Financial investments	108,224,823	1,636,251	-	-	(96,677,547)	13,183,527
Prepaid expenses	107,680,455	1,571,629	161,000	2,050,688	-	111,463,772
Other assets	391,741,834	19,382,155	7,609,784	21,808,519	(93,886,635)	346,655,657
Total Assets	1,604,244,289	221,886,742	8,968,289	56,929,321	(195,694,182)	1,696,334,459
Financial liabilities	524,378,081	9,477,636	-	2,561,248	-	536,416,965
Trade payables	240,538,730	920,921	622	4,904,291	-	246,364,564
Deferred revenues	695,829	60,062	-	960	-	756,851
Other debts and liabilities	72,262,647	110,971,567	555,470	44,925,955	(158,172,272)	70,543,367
Total Liabilities	837,875,287	121,430,186	556,092	52,392,454	(158,172,272)	854,081,747
Paid-in capital	315,415,114	15,075,826	25,551,303	5,101,815	(45,728,947)	315,415,111
Other equity	699,369,004	89,453,684	(6,588,459)	3,036,867	(258,433,495)	526,837,601
Total Equity	1,014,784,118	104,529,510	18,962,844	8,138,682	(304,162,442)	842,252,712
Total Liabilities	1,852,659,405	225,959,696	19,518,936	60,531,136	(462,334,714)	1,696,334,459

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

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Trade receivables	548,733,020	76,846,282	-	85,039,753	(5,880,366)	704,738,689
Inventories	113,894,370	15,014,689	-	1,719,032	-	130,628,091
Tangible fixed assets	116,042,236	617,557	-	16,741,858	19,042	133,420,693
Intangible fixed assets	791,972	373,412,411	1,286,183	5,737,493	(5,834,738)	375,393,321
Financial investments	114,775,504	1,909,078	-	-	(102,709,157)	13,975,425
Prepaid expenses	46,062,115	378,742	-	777,583	-	47,218,440
Other assets	353,816,315	12,397,341	11,432,421	21,689,169	(171,956,285)	227,378,961
Total Assets	1,294,115,532	480,576,100	12,718,604	131,704,888	(286,361,504)	1,632,753,620
Financial liabilities	129,208,727	53,315	-	1,062,404	-	130,324,446
Trade payables	532,303,040	76,538	945	11,208,869	(5,880,366)	537,709,026
Deferred revenues	3,204,593	60,061	-	1,927,122	-	5,191,776
Other debts and liabilities	56,096,522	70,959,446	570,187	103,087,486	(171,379,094)	59,334,547
Total Liabilities	720,812,882	71,149,360	571,132	117,285,881	(177,259,460)	732,559,795
Paid-in capital	316,597,200	13,894,219	25,551,304	5,101,815	(282,973,004)	78,171,534
Other equity	256,705,450	395,532,521	(13,403,831)	9,317,193	173,870,958	822,022,291
Total Equity	573,302,650	409,426,740	12,147,473	14,419,008	(109,102,046)	900,193,825
Total Liabilities	1,294,115,532	480,576,100	12,718,605	131,704,889	(286,361,506)	1,632,753,620

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING (CONTINUED)

The consolidated profit or loss statement for the accounting period ending on June 30, 2025 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Revenue	499.126.279	26.103.690	66.265	2.897.372	(3.271.233)	524.922.373
Cost of sales	(394.539.367)	(1.454.285)	-	(10.383.298)	(7.467.463)	(413.844.413)
General administrative expenses	(47.105.779)	(16.663.768)	(2.344.164)	(5.473.701)	29.758.726	(41.828.686)
Marketing expenses	(11.758.367)	(5.526.728)	-	-	(2.992.351)	(20.277.446)
Research and development expenses	-	(14.760.713)	-	-	(105.387)	(14.866.100)
Other income/(expenses) from operating activities, net	(27.765.828)	(123.862)	(2.039)	6.169.822	153.822	(21.568.085)
Income/(expenses) from investing activities, net	12.755.828	292.650	-	-	1.440.566	14.489.044
Financing income/(expenses), net	(43.293.976)	(2.061.797)	65.267	(469.846)	(292.650)	(46.053.002)
Monetary gain/(loss), net	(108.824.809)	14.462.518	(1.522.726)	(281.821)	79.601.457	(16.565.381)
Current tax expense	(1.367.534)	-	-	-	-	(1.367.534)
Deferred tax (expense)/income, net	(22.887.294)	(2.245.776)	18.062	(2.326.389)	4.108.473	(23.332.924)
Profit / (loss) for the period, net	(145.660.847)	(1.978.071)	(3.719.335)	(9.867.861)	100.933.960	(60.292.154)

The depreciation and amortization shares by departments for the accounting period ending on June 30, 2025 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Total
Tangible fixed asset depreciation	9,376,906	251,526	-	1,238,504	10,866,936
Intangible fixed asset amortization	647,198	14,708,916	85,607	-	15,441,721
Right of use assets	4,477,819	-	-	-	4,477,819
Total	14,501,923	14,960,442	85,607	1,238,504	30,786,476

The consolidated profit or loss statement for the accounting period ending on June 30, 2024 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Elimination	Total
Revenue	728,024,549	31,863,878	30,324	8,578,728	(9,814,903)	758,682,576
Cost of sales	(684,275,263)	(10,170,932)	-	(9,217,149)	24,080,911	(679,582,433)
General administrative expenses	(35,057,269)	(3,040,129)	(4,423,351)	(3,825,171)	36,617	(46,309,303)
Marketing expenses	(23,129,915)	(2,552,578)	(273,640)	-	-	(25,956,133)
Research and development expenses	-	(4,592,886)	-	-	-	(4,592,886)
Other income/(expenses) from operating activities, net	(38,694,367)	341,984	(82,220)	(390,867)	(13,148,387)	(51,973,857)
Income/(expenses) from investing activities, net	103,944,444	82,245	(4)	(5,123,431)	(92,712,680)	6,190,574
Financing income/(expenses), net	31,410,512	424,213	(44,009)	(389,532)	-	31,401,184
Monetary gain/(loss), net	(113,057,293)	(16,263,158)	(949,038)	4,339,982	-	(125,929,507)
Deferred tax (expense)/income, net	16,186,081	23,817	(43,490)	46,705	-	16,213,113
Profit / (loss) for the period, net	(14,648,521)	(3,883,546)	(5,785,428)	(5,980,735)	(91,558,442)	(121,856,672)

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 3 – SEGMENT REPORTING (CONTINUED)

The depreciation and amortization shares by departments for the accounting period ending on June 30, 2024 is reported by segments as follows;

	Commercial Activities	Software Activities	Crowdfunding Activities	Agricultural Activities	Total
Tangible fixed asset depreciation	5,415,299	145,260	-	715,254	6,275,813
Intangible fixed asset amortization	229,384	5,213,228	30,341	-	5,472,953
Right of use assets	2,356,268	-	-	-	2,356,268
Total	8,000,951	5,358,488	30,341	715,254	14,105,034

NOTE 4 – RELATED PARTIES DISCLOSURES

i) Receivables and payables from related parties:

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

	June 30, 2025	December 31, 2024
Milsoft Yazılım Teknolojileri A.Ş. (*)	19,700,000	-
Erdoğan Elpe	6,953,476	-
Orhan Baldır	-	8,112,894
Total	26,653,476	8,112,894

NOTE 4 – RELATED PARTIES DISCLOSURES (CONTINUED)

ii) Sales, purchases and transactions with related parties:

The details of interest income from non-commercial receivables from related parties classified under income from operating activities are as follows (Not 27):

	January 1 – June 30, 2025	January 1 – June 30, 2024
Orhan Baldır	-	6,818,882
Total	-	6,818,882

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

	January 1 – June 30, 2025	January 1 – June 30, 2024
Benefits provided to senior executives	13,553,511	21,576,647
Total	13,553,511	21,576,647

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 5 – CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 30 June 2025 and 31 March 2025 are as follows:

	June 30, 2025	December 31, 2024
Cash on hand	11,122	32,342
Cash on bank	114,372,636	122,526,947
- Demand deposits	2,871,623	60,594,136
- Term deposits with a maturity of less than three months	111,501,013	61,932,811
Other liquid assets (*)	1,724,792	1,169,307
Total	116,108,550	123,728,596

(*) Other liquid assets include liquid funds.

As of June 30, 2025, the Group has no blocked deposits. (December 31, 2024: None.)

As of June 30, 2025, the details of the Group's time deposits, maturity dates and interest rates are as follows:

Currency Type	Interest Rate	Maturity Range	Original Balance	TRY Equivalent
USD	0.75%	30 days	2,399,708	95,370,159
TRY	45% - 46%	1 - 5 days	16,130,854	16,130,854

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

Currency Type	Interest Rate	Maturity Range	Original Balance	TRY Equivalent
TRY	45% - 46%	1 - 5 days	61,932,811	61,932,811

NOTE 6 – FINANCIAL INVESTMENTS

The details of financial investments as of June 30, 2025 and December 31, 2024 are as follows:

Long-term financial investments

	June 30, 2025	December 31, 2024
Venture capital investment funds (*)	9,534,646	10,031,588
Financial investments (**)	3,648,882	3,943,838
Total	13,183,528	13,975,426

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

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 7 – BORROWINGS

The details of short-term financial debts as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Short-term bank loans	519,207,337	-
Debts arising from leases	1,484,117	5,567,456
Short-term financial lease debts	540,054	502,581
Other financial debts (credit cards)	382,828	628,973
Short-term portions of long-term loans	-	88,965,443
Total	521,614,336	95,664,453

The details of long-term financial debts as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Long-term bank loans	11,799,781	300,753
Long-term financial lease debts	1,579,560	-
Debts arising from leases	1,423,289	34,359,240
Total	14,802,630	34,659,993

The maturity analysis of financial debts as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	December 31, 2024
Payables due within 0 – 1 year	521,614,336	95,664,453
Payables due within 1 – 5 years	14,802,630	34,659,993
Total	536,416,966	130,324,446

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

As of June 30, 2025 and December 31, 2024, the Group's short-term trade receivables are as follows:

	June 30, 2025	December 31, 2024
Trade receivables	359,963,286	731,796,127
Notes receivable	400,000	233,348
Rediscount on receivables (-)	(13,290,266)	(27,937,596)
Doubtful trade receivables	926,985	5,060,433
Provision for doubtful trade receivables (-)	(926,985)	(5,060,433)
Total	347,073,020	704,091,879

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 8 – TRADE RECEIVABLES AND PAYABLES (CONTINUED)

The movement of doubtful trade receivables during the period is as follows:

	2025	2024
As of January, 1	5,060,433	3,373,350
Current year additions	-	2,731,130
Provisions no longer required	(3,580,776)	(15,039)
Business combination effect	-	11,383
Monetary gain/(loss), net	(552,672)	(1,040,391)
As of June, 30	926,985	5,060,433

Short-term trade payables

As of June 30, 2025 and December 31, 2024, the Group's short-term trade payables are as follows:

	June 30, 2025	December 31, 2024
Trade payables	250,021,855	529,289,271
Notes payable	521,400	16,240,680
Discount on payables (-)	(6,416,994)	(10,172,270)
Total	244,126,261	535,357,681

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

As of June 30, 2025 and December 31, 2024, the Group's other short-term receivables are as follows:

	June 30, 2025	December 31, 2024
Receivables from shareholder (Note 4)	2,799,853	3,107,907
Income accruals from trading activities	554,375	646,810
Receivables from tax office	26,653,476	8,112,894
Deposits and guarantees given	196,694	21,387
Total	30,204,398	11,888,998

As of June 30, 2025 and December 31, 2024, the Group's other long-term receivables are as follows:

	June 30, 2025	December 31, 2024
Deposits and guarantees given	473,940	602,447
Total	473,940	602,447

As of June 30, 2025 and December 31, 2024, the Group's other short-term payables are as follows:

	June 30, 2025	December 31, 2024
Taxes and funds payable	5,528,628	5,083,214
Expense accruals from trading activities	2,238,300	2,351,346
Other	4,673	21,797
Total	7,771,601	7,456,357

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 10 – EMPLOYEE BENEFIT OBLIGATIONS

As of June 30, 2025 and December 31, 2024, the payables within the scope of employee benefits are as follows:

	June 30, 2025	December 31, 2024
Social security payables	8,363,271	7,842,194
Payables to personnel	-	7,942,650
Total	8,363,271	15,784,844

NOTE 11 – INVENTORIES

The details of the inventories as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Commercial goods (*)	283,977,260	115,722,066
Software project stocks (**)	29,435,525	15,014,689
Inventory impairment provision (-)	(108,664)	(108,664)
Total	313,304,121	130,628,091

(*) Commercial goods primarily consist of inventory items related to contracts made by the Group with its customers, typically hardware stock. As of June 30, 2025, TRY 203,727,610 of the relevant inventory is held in the Group's own warehouse, while the remaining inventory consists of stock held at the customers' premises as part of ongoing projects, due to the nature of the Group's operations (December 31, 2024: TRY 21,982,274).

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

NOTE 12 – OTHER CURRENT ASSETS

	June 30, 2025	December 31, 2024
Carryforward VAT	44,139,840	19,086,324
Total	44,139,840	19,086,324

NOTE 13 – PREPAID EXPENSES AND DEFERRED REVENUES

As of June 30, 2025 and December 31, 2024, short-term prepaid expenses are as follows:

	June 30, 2025	December 31, 2024
Order advances given	97,387,249	33,199,422
Expenses for following months	13,042,988	13,200,069
Business advances given to personnel	932,521	288,666
Total	111,362,758	46,688,157

As of June 30, 2025 and December 31, 2024, long-term prepaid expenses are as follows:

	June 30, 2025	December 31, 2024
Expenses for following years	101,016	-
Advances given for property plant and equipment purchase	-	530,283
Total	101,016	530,283

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 13 – PREPAID EXPENSES AND DEFERRED REVENUES (CONTINUED)

As of June 30, 2025 and December 31, 2024, short-term deferred revenues are as follows:

	June 30, 2025	December 31, 2024
Income for future months	752,711	2,418,600
Order advances received	4,142	2,773,179
Total	756,853	5,191,779

NOTE 14 – RIGHT OF USE ASSETS

The right of use asset movement table for the year ending June 30, 2025 is as follows:

	January 1, 2025	Additions	Disposals	June 30, 2025
Cost				
Buildings	25,910,172	11,923,180	-	37,833,352
Machinery, plant and equipment	973,874	2,540,818	-	3,514,692
Vehicles	14,210,222	-	(14,210,222)	-
Total	41,094,268	14,463,998	(14,210,222)	41,348,044
Depreciation				
Buildings	(17,827,871)	(4,302,084)	-	(22,129,955)
Machinery, plant and equipment	(8,117)	(175,735)	-	(183,852)
Vehicles	(14,094,853)	-	14,094,853	-
Total	(31,930,841)	(4,477,819)	14,094,853	(22,313,807)
Net Book Value	9,163,427			19,034,237

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

	January 1, 2024	Additions	December 31, 2024
Cost			
Buildings	16,148,585	9,761,587	25,910,172
Machinery, plant and equipment	-	973,874	973,874
Vehicles	14,210,222	-	14,210,222
Total	30,358,807	10,735,461	41,094,268
Depreciation			
Buildings	(12,203,792)	(5,624,079)	(17,827,871)
Machinery, plant and equipment	-	(8,117)	(8,117)
Vehicles	(12,282,202)	(1,812,651)	(14,094,853)
Total	(24,485,994)	(7,444,847)	(31,930,841)
Net Book Value	5,872,813		9,163,427

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 15 – INVESTMENT PROPERTIES

The details and movement tables of investment properties as of June 30, 2025 and December 31, 2024 are as follows:

	January 1, 2025	Additions	Impairment	June 30, 2025
Cost				
Land	63,537,706	11,353,805	-	74,891,511
Total	63,537,706	11,353,805	-	74,891,511
Net Book Value	63,537,706			74,891,510

	January 1, 2024	Additions	Impairment	December 31, 2024
Cost				
Land	68,008,441	-	(4,470,735)	63,537,706
Total	68,008,441	-	(4,470,735)	63,537,706
Net Book Value	68,008,441			63,537,706

As of June 30, 2025 and December 31, 2024, the Group's investment properties are shown in the accompanying consolidated financial statements using the fair value method. There is no restriction on the transfer of income from investment properties to the Group. The appraisal values of the Group's investment properties were calculated by a company listed in the CMB's real estate appraisal companies list as of December 31, 2024. The fair values of the Group's real estate properties were determined using the market approach and cost approach methods, which are estimated to be the most accurate method for determining the fair value of the relevant property. The positive difference (increase in value) between the amount resulting from the valuation and the book value of the relevant investment properties is reported in the “Income from investment activities” account item in the profit or loss statement, and the negative difference (decrease in value) between the amount resulting from the valuation and the book value of the relevant investment properties is reported in the “Expenses from investment activities” account item in the profit or loss statement.

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

As of June 30, 2025 and December 31, 2024, there are no mortgages on the relevant properties.

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment as of June 30, 2025 are as follows:

	January 1, 2025	Additions	Disposals (-)	June 30, 2025
Cost				
Machinery, plant and equipment	27,450	-	-	27,450
Motor vehicles	131,720,280	8,418,233	(1,651,822)	138,486,691
Fixed assets	25,379,137	372,732	-	25,751,869
Special costs	-	11,463,971	-	11,463,971
Total	11,194,888	-	-	11,194,888
	168,321,755	20,254,936	(1,651,822)	186,924,869
Accumulated Depreciation				
Machinery, plant and equipment				
Motor vehicles	(2,288)	(1,730)	-	(4,018)
Fixed assets	(12,506,365)	(8,720,589)	825,911	(20,401,043)
Special costs	(15,301,711)	(1,497,687)	-	(16,799,398)
Total	(7,090,697)	(646,929)	-	(7,737,626)
	(34,901,061)	(10,866,935)	825,911	(44,942,085)
Net Book Value				

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

(Amounts expressed in Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 16 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	January 1, 2024	Additions	Disposals (-)	Business combination effect	December 31, 2024
Cost					
Machinery, plant and equipment	-	27,450	-	-	27,450
Motor vehicles	53,726,487	72,736,352	(5,522,016)	10,779,457	131,720,280
Fixed assets	21,433,779	2,907,511	-	1,037,847	25,379,137
Special costs	7,483,040	3,711,848	-	-	11,194,888
Total	82,643,306	79,383,161	(5,522,016)	11,817,304	168,321,755
Accumulated Depreciation					
Machinery, plant and equipment	-	(2,288)	-	-	(2,288)
Motor vehicles	(4,026,325)	(9,716,396)	2,186,745	(950,389)	(12,506,365)
Fixed assets	(11,441,229)	(3,326,867)	-	(533,615)	(15,301,711)
Special costs	(6,058,261)	(1,032,436)	-	-	(7,090,697)
Total	(21,525,815)	(14,077,987)	2,186,745	(1,484,004)	(34,901,061)
Net Book Value	61,117,491				133,420,694

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 17 – INTANGIBLE FIXED ASSETS

The intangible asset movement table for the year ending June 30, 2025 is as follows:

	January 1, 2025	Additions	June 30, 2025
Cost			
Rights	3,501,861	-	3,501,861
Research and development expenses (*)	399,975,538	123,223,265	523,198,803
Total	403,477,399	123,223,265	526,700,664
Accumulated depreciation			
Rights	(1,520,952)	(681,008)	(2,201,960)
Research and development expenses	(26,563,127)	(14,866,100)	(41,429,227)
Total	(28,084,079)	(15,547,108)	(43,631,187)
Net Book Value	375,393,320		483,069,477

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

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

	January 1, 2024	Additions	December 31, 2024
Cost			
Rights	2,335,111	1,166,750	3,501,861
Research and development expenses	224,127,448	175,848,090	399,975,538
Total	226,462,559	177,014,840	403,477,399
Accumulated depreciation			
Rights	(826,826)	(694,126)	(1,520,952)
Research and development expenses	(14,676,383)	(11,886,744)	(26,563,127)
Total	(15,503,209)	(12,580,870)	(28,084,079)
Net Book Value	210,959,350		375,393,320

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 17 – INTANGIBLE FIXED ASSETS (CONTINUED)

As of June 30, 2025, the detailed information regarding the projects reported by the Group under the development costs account item is as follows;

Project Name	Useful Life	Project Completion Rate	Project Start Date	Project Completion Date	Gross Value	Depreciation	Net Book Value
Malzeme Kodlandırma ve Entegre Lojistik Bilgi Sistemi - KODTR	8 years	100%	1.06.2018	1.12.2020	16,850,355	11,606,216	5,244,139
Elektronik Dokümantasyon Yazılımı (ELDOK)	10 years	100%	1.01.2019	1.01.2022	19,331,819	6,766,137	12,565,682
Müşteri İlişkileri Yönetimi (CRM) - DeskForSM	8 years	100%	27.07.2020	30.04.2021	1,385,572	707,219	678,353
İnteraktif Teknik Doküman Sistemi - Görüntüleyici FORSDOC-VIEWER	10 years	100%	1.10.2021	1.06.2022	3,603,135	1,110,967	2,492,168
Fabrika Üretim Yönetim Sistemi - ELDERP	8 years	100%	2.03.2020	2.03.2023	14,861,421	3,467,665	11,393,756
Entegre Lojistik Destek Sistemi - FORIPS	12 years	100%	4.01.2021	4.01.2024	16,419,832	3,014,730	13,405,102
Akıllı Proje Yönetimi ve Analiz Sistemi - DESKFORMPM	10 years	100%	1.11.2021	15.01.2025	49,467,955	9,076,290	40,391,665
İnteraktif Teknik Doküman Sistemi - Editör - FORSDOC AUTHOR	10 years	100%	1.12.2021	1.11.2024	21,845,511	1,456,367	20,389,144
Ağ Yönetim Sistemi - FORNETPLAN	10 years	100%	1.01.2022	30.06.2024	20,987,242	4,190,526	16,796,716
Teşkilat Bilgi Sistemi - TBS	10 years	99%	1.01.2022	1.07.2025	89,533,734	-	89,533,734
İnsansız Hava Aracı Yönetim Bilgi Sistemi	10 years	80%	1.02.2023	1.02.2026	70,687,000	-	70,687,000
Yapay Zeka Asistanı	10 years	46%	12.02.2024	12.02.2027	70,997,274	-	70,997,274
Entegre Lojistik Yapay Zeka Asistanı	10 years	36%	1.06.2024	1.06.2027	34,747,234	-	34,747,234
Kitlesel Fonlama Platformu Sistemi-FONTR	10 years	23%	1.11.2024	1.11.2027	22,267,878	-	22,267,878
Bulut Bilişim Etki Alanı Altyapısı	10 years	17%	31.12.2024	31.12.2027	25,366,229	-	25,366,229
Sera Yönetimi Bilgi Sistemi Mobil Uygulaması	10 years	100%	31.12.2024	30.06.2025	4,027,369	33,110	3,994,259
Total					482,379,560	41,429,227	440,950,333

FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 17 – INTANGIBLE FIXED ASSETS (CONTINUED)

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

Project Name	Useful Life	Project Completion Rate	Project Start Date	Project Completion Date	Gross Value	Depreciation	Net Book Value
Malzeme Kodlandırma ve Entegre Lojistik Bilgi Sistemi - KODTR	8 years	100%	1.06.2018	1.12.2020	16,850,356	7,547,553	9,302,803
Elektronik Dokümantasyon Yazılımı (ELDOK)	10 years	100%	1.01.2019	1.01.2022	30,119,412	9,035,824	21,083,588
Müşteri İlişkileri Yönetimi (CRM) - DeskForSM	8 years	100%	27.07.2020	30.04.2021	1,491,163	667,916	823,247
İnteraktif Teknik Doküman Sistemi - Görüntüleyici FORSDOC-VIEWER	10 years	100%	1.10.2021	1.06.2022	4,408,304	1,138,812	3,269,492
Fabrika Üretim Yönetim Sistemi - ELDERP	8 years	100%	2.03.2020	2.03.2023	24,380,820	4,469,816	19,911,004
Entegre Lojistik Destek Sistemi - FORIPS	12 years	100%	4.01.2021	4.01.2024	22,717,534	1,893,128	20,824,406
Akıllı Proje Yönetimi ve Analiz Sistemi - DESKFORMPM	10 years	99%	1.11.2021	15.01.2025	48,791,320	-	48,791,320
İnteraktif Teknik Doküman Sistemi - Editör - FORSDOC AUTHOR	10 years	100%	1.12.2021	1.11.2024	35,149,299	585,822	34,563,477
Ağ Yönetim Sistemi - FORNETPLAN	10 years	91%	1.01.2022	1.07.2025	74,191,513	-	74,191,513
Teşkilat Bilgi Sistemi - TBS	10 years	100%	1.01.2022	30.06.2024	20,987,241	1,224,256	19,762,985
İnsansız Hava Aracı Yönetim Bilgi Sistemi	10 years	64%	1.02.2023	1.02.2026	53,183,099	-	53,183,099
Yapay Zeka Asistanı	10 years	27%	12.02.2024	12.02.2027	45,002,491	-	45,002,491
Entegre Lojistik Yapay Zeka Asistanı	10 years	17%	1.06.2024	1.06.2027	16,246,470	-	16,246,470
Kitlesel Fonlama Platformu Sistemi-FONTR	10 years	5%	1.11.2024	1.11.2027	6,456,517	-	6,456,517
Total					399,975,539	26,563,127	373,412,412

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 18 – GOVERNMENT INCENTIVES AND GRANTS

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

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

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

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

In addition, within the scope of the same law; the Group's personnel income and stamp duty incentive amount for the accounting period ending on June 30, 2025 is TRY 30,777,145 (December 31, 2024: TRY 67,399,973).

b) The Group benefits from the incentive in accordance with the "Social Insurance and General Health Insurance Law No, 5510 and 5746" of the Social Security Institution of the Republic of Turkey. In this context; the incentive amount obtained by the Group for the accounting period ending on June 30, 2025 is TRY 11,903,413 (December 31, 2024: TRY 20,361,624).

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

NOTE 19 – COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

As of June 30, 2025 and December 31, 2024, the table regarding the collateral, pledge, mortgage and surety (“CPMS”) positions given by the Group is as follows:

	June 30, 2025	December 31, 2024
A, Total amount of pledges given on behalf of its own legal entity		
- <i>Guarantee letter (TRY)</i>	140,909,633	291,800,206
- <i>Guarantee letter (USD)</i>	72,611,962	163,515,269
- <i>Guarantee letter (EUR)</i>	186,430	-
- <i>Guarantee note (TRY)</i>	-	469,750
- <i>Guarantee note (USD)</i>	411,317	468,907
- <i>Pledge (TRY)</i>	-	24,498,501
Total	214,119,342	480,752,633

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 20 – PROVISIONS

As of June 30, 2025 and December 31, 2024, short-term provisions are as follows:

	June 30, 2025	December 31, 2024
Warranty expense provision	1,540,800	1,743,948
Total	1,540,800	1,743,948

As of June 30, 2025 and December 31, 2024, long-term provisions are as follows:

	June 30, 2025	December 31, 2024
Warranty expense provision	16,059,623	18,177,022
Total	16,059,623	18,177,022

NOTE 21 – PROVISIONS RELATED TO EMPLOYEE BENEFITS

Provisions for short-term benefits provided to employees as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Provision for unused vacation	9,401,372	7,913,195
Total	9,401,372	7,913,195

Provisions for long-term employee benefits as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Severance pay provisions	4,875,726	5,407,362
Total	4,875,726	5,407,362

As of June 30, 2025, severance pay provision is calculated based on 30 days' wages, with a maximum of TRY 46,655.43 for each year of service, and using the rates on the retirement or separation date. (December 31, 2024: TRY 41,828).

The Group has reflected the severance pay liability calculated by reducing it to the balance sheet date using the expected inflation rate and real rediscount rate based on the principles stated above in its consolidated financial statements for the periods ending on June 30, 2025 and December 31, 2024.

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 22 – EQUITY

Equity

As of June 30, 2025, the capital of the Parent Company consists of 67,000,000 shares, each with a value of 1 TRY (December 31, 2024: 67,000,000 shares).

The capital structure of the Parent Company as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025		December 31, 2024	
	Share Amount	Partnership Share %	Share Amount	Partnership Share %
Shareholders				
Ali Celal Asiltürk	18,900,000	28.20	18,900,000	28.20
Hasan Cengiz Bayrak	16,200,000	24.18	16,200,000	24.18
Ebubekir Balıkcı	9,900,000	14.78	9,900,000	14.78
Public ownership	22,000,000	32.84	22,000,000	32.84
Total	67,000,000	100.00	67,000,000	100.00
Capital adjustment differences	248,415,111		248,415,111	
Total	315,415,111		315,415,111	

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

Forte Bilgi İletişim Teknolojileri ve Savunma Sanayi A.Ş., upon receiving approvals from the Capital Markets Board of the Republic of Türkiye and Borsa İstanbul A.Ş., increased its issued capital from TRY 45,000,000 to TRY 67,000,000 within the registered capital ceiling of TRY 225,000,000. The newly issued shares, representing a nominal capital increase of TRY 22,000,000, were offered to the public on 8–9 June 2023 at a price of TRY 12.12 per share, with pre-emptive rights of the existing shareholders completely restricted. The Parent Company's shares started trading on Borsa İstanbul's Main Market under the ticker symbol “FORTE” using the continuous trading method as of 14 June 2023.

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

As of June 30, 2025, the historical values and inflation adjustment effects of the following accounts under the Group's equity are presented below in accordance with TFRS and Tax Procedure Law (VUK) financial statements:

	Historical value	Inflation adjustment effect	Indexed value
June 30, 2025 (TFRS)			
Capital	67,000,000	248,415,111	315,415,111
Restricted reserves allocated from profits	4,320,661	12,996,654	17,317,315
	Historical value	Inflation adjustment effect	Indexed value
June 30, 2025 (VUK)			
Capital	67,000,000	208,010,670	275,010,670
Restricted reserves allocated from profits	4,320,661	11,947,247	16,267,908

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 23 – REVENUE AND COST OF SALES

Sales and cost of sales as of June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Domestic sales	546,888,489	752,462,210	290,956,984	470,218,858
International sales	1,833,719	3,289,918	-	2,136,582
Other sales	3,206,118	2,930,448	506,483	1,077,474
Gross sales	551,928,326	758,682,576	291,463,467	473,432,914
Sales return	(27,005,952)	-	(27,005,952)	-
Net sales	524,922,373	758,682,576	264,457,513	473,432,913
Cost of sales	(413,844,413)	(679,582,433)	(219,810,635)	(441,731,834)
Gross profit	111,077,960	79,100,143	44,646,878	31,701,079

The cost of sales for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Cost of goods sold	(283,147,710)	(573,781,484)	(155,309,778)	(382,310,219)
Cost of merchandise sold	(111,391,657)	(90,118,849)	(50,632,650)	(55,167,765)
Software expenses	(11,012,389)	(10,170,932)	(10,168,092)	(1,470,473)
Depreciation expenses	(8,292,657)	(5,511,168)	(3,700,115)	(2,783,377)
Total	(413,844,413)	(679,582,433)	(219,810,635)	(441,731,834)

NOTE 24 – GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Personnel expenses	(13,313,286)	(26,686,806)	(3,319,523)	(15,339,303)
Consultancy service expenses	(9,561,260)	(3,707,079)	(5,086,744)	(2,332,820)
Office overhead expenses	(6,776,359)	(1,838,226)	(6,424,318)	(1,619,056)
Depreciation and amortization expenses	(4,740,754)	(2,432,226)	(2,115,285)	(1,209,528)
Taxes, duties and fees	(1,984,847)	(374,444)	(917,662)	(288,452)
Representation and hospitality expenses	(1,678,514)	(635,917)	(1,069,685)	(384,588)
Vehicle expenses	(942,151)	(1,172,630)	(89,845)	(90,249)
Stationery and printing expenses	(894,210)	(844,482)	(521,961)	(97,120)
Notary expenses	(731,021)	(586,172)	(367,730)	(303,248)
Maintenance and repair expenses	(207,263)	(1,877,765)	(207,263)	(1,877,765)
Other expenses	(999,021)	(6,153,556)	949,401	(4,022,981)
Total	(41,828,686)	(46,309,303)	(19,170,615)	(27,565,110)

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 25 – MARKETING, SALES AND DISTRIBUTION EXPENSES

Marketing, sales and distribution expenses for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Taxes, duties and fees	(7,784,944)	(7,010,573)	(4,389,334)	(4,357,296)
Personnel expenses	(7,488,620)	(10,611,675)	(3,941,306)	(5,972,323)
Depreciation and amortization	(2,992,351)	(1,568,754)	(1,335,162)	(792,289)
Representation and hospitality expenses	(1,011,500)	(6,346,602)	284,201	(6,346,602)
Other expenses	(1,000,031)	(418,529)	(868,734)	(156,077)
Total	(20,277,446)	(25,956,133)	(10,250,335)	(17,624,587)

NOTE 26 – RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Depreciation and amortization expenses	(14,866,100)	(4,592,886)	(4,853,741)	(2,392,708)
Total	(14,866,100)	(4,592,886)	(4,853,741)	(2,392,708)

NOTE 27 – OTHER OPERATING INCOME AND EXPENSES

Other income from main activities for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Rediscount income	31,116,517	51,876,835	(7,334,301)	794,894
Foreign exchange gains from trade activities	8,463,317	12,947,373	(323,325)	3,307,590
Provisions no longer required (Note 8)	3,580,776	18,870	(496,991)	-
Adat income from non-trade receivables	292,650	1,154,237	292,650	-
Other income	707,960	656,857	537,563	469,103
Total	44,161,220	66,654,172	(7,324,404)	4,571,587

Other expenses from main activities for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Training and consultancy expenses	(29,627,150)	(14,302,624)	(5,843,341)	-
Rediscount expenses	(23,109,276)	(49,871,620)	4,498,021	(7,132,730)
Exchange rate difference expense from commercial activities	(5,843,341)	(53,180,547)	(1,275,322)	(32,301,903)
Previous period expenses and losses	(5,577,408)	(626,919)	-	-
Other expenses	(1,572,130)	(646,319)	5,963,103	(1,179,631)
Total	(65,729,305)	(118,628,029)	3,342,461	(40,614,264)

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 28 – INCOMES FROM INVESTMENT ACTIVITIES

Income from investment activities for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Gain on sale of marketable securities	13,633,115	-	(1,072,775)	-
Fixed asset sales profit	855,929	695,070	855,928	-
Protected deposit revenue	-	3,549,455	-	-
Bargain purchase profit	-	1,946,049	-	528,279
Total	14,489,044	6,190,574	(216,847)	528,279

NOTE 29 – FINANCIAL INCOME AND EXPENSES

The finance income for the years ending June 30, 2025 and 2024 is as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Exchange rate difference income	32,390,917	37,659,378	8,686,170	14,403,154
Interest income	6,953,959	39,211,681	5,088,822	11,891,314
Derivative financial instruments income	-	2,895,461	-	-
Total	39,344,876	79,766,520	13,774,992	26,294,468

Financing expenses for the years ending June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Loan interest expenses	(63,969,847)	(27,618,062)	(48,869,307)	(14,752,653)
Exchange rate difference expenses	(21,428,031)	(11,601,566)	(8,784,035)	(10,093,256)
Derivative financial instruments expense	-	(7,860,806)	-	(7,860,806)
Other	-	(1,284,902)	-	(303,398)
Total	(85,397,878)	(48,365,336)	(57,653,342)	(33,010,113)

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 30 – TAX ASSETS AND LIABILITIES

Deferred tax

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

In Turkey, the corporate tax rate as of June 30, 2025 is 25% (December 31, 2024: 25%), The corporate tax rate is applied to the net corporate income that will be found by adding expenses that are not deductible according to tax laws to the commercial income of the institutions and deducting the exemptions and discounts included in the tax laws.

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

	June 30, 2025	December 31, 2024
	Asset/ (Liability)	Asset/ (Liability)
Adjustments related to tangible, intangible fixed assets and investment properties	(25,906,386)	(12,856,628)
Adjustments related to deferred income	(10,309,449)	(5,587,435)
Adjustments related to inventories	5,909,637	4,124,055
Adjustments related to right of use assets and lease obligations	(1,436,627)	-
Adjustments related to prepaid expenses	(1,824,726)	(59,980)
Adjustments related to warranty provisions	4,400,106	4,581,824
Adjustments related to leave provisions	2,350,343	1,241,271
Adjustments related to trade receivables and payables	2,105,444	5,397,123
Adjustments related to seniority provisions	1,218,931	1,080,179
Other adjustments	90,987	1,837,197
Deferred tax asset/(liability), net	(23,401,740)	(242,394)

Tax income/expense for the years ending on June 30, 2025 and 2024 are as follows:

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Current tax (expense)	(1,367,534)	-	7,671,437	7,449,794
Deferred tax (expense)/income	(23,332,924)	16,213,113	(13,655,492)	20,086,049
Tax income/(expense)	(24,700,458)	16,213,113	(5,984,055)	27,535,843

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 31 – MONETARY GAIN/(LOSS)

	June 30, 2025
Non-monetary items	
Statement of financial position items	(12,764,535)
Property, plant, and equipment	18,541,708
Intangible assets	48,420,456
Inventories	20,232,558
Prepaid expenses	6,434
Deferred income	(265,214)
Capital	(4,943,705)
Legal reserves	(2,485,119)
Right-of-use assets	3,192,103
Equity method investments	(38,778,474)
Retained earnings	(56,685,282)
Statement of profit or loss items	(3,800,846)
Revenue	(21,519,341)
Cost of sales	12,845,377
Marketing, selling and distribution expenses	2,589,147
General administrative expenses	891,225
Other income/expenses from operating activities	(969,585)
Incomes from investment activities	1,875,389
Financing income/expenses	486,942
Net monetary position gains/(losses)	(16,565,381)

NOTE 32 – EARNINGS/(LOSS) PER SHARE

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

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

Earnings per share are as follows:

	June 30, 2025	June 30, 2024
Average number of shares outstanding during the period (full value)	67,000,000	67,000,000
Net profit attributable to parent company shareholders	(55,456,902)	(95,692,564)
Earnings per share	(0.83)	(1.43)

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Financial risk management

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

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

Risk management framework

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

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

Credit risk

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Credit risk (Continued)

	Receivables				
	Trade receivables		Other receivables		Deposits in
June 30, 2025	Related party	Third party	Related party	Third party	banks
Maximum exposed credit risk as of reporting date (A+B+C+D+E)	-	347,073,020	26,653,476	4,024,862	114,372,636
- Secured portion of the maximum credit risk by guarantees, etc	-	-	-	-	-
A, Net book value of financial assets that are not past due or impaired	-	347,073,020	26,653,476	4,024,862	114,372,636
B, Book value of financial assets whose terms have been renegotiated and would otherwise be considered past due or impaired	-	-	-	-	-
C, Net book value of assets that are past due but not impaired	-	-	-	-	-
- Part secured by collateral etc,	-	-	-	-	-
D, Net book value of assets that are impaired	-	-	-	-	-
- Past due (gross book value)	-	926,985	-	-	-
- Impairment (-)	-	(926,985)	-	-	-
- Not past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
E, Off-balance sheet items containing credit	-	-	-	-	-

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Credit risk (Continued)

	Receivables				
	Trade receivables		Other receivables		Deposits in banks
December 31, 2024	Related party	Third party	Related party	Third party	
Maximum exposed credit risk as of reporting date (A+B+C+D+E)	-	704,091,879	8,112,894	4,378,551	122,526,947
- Secured portion of the maximum credit risk by guarantees, etc	-	-	-	-	-
A, Net book value of financial assets that are not past due or impaired	-	703,858,531	8,112,894	4,378,551	122,526,947
B, Book value of financial assets whose terms have been renegotiated and would otherwise be considered past due or impaired	-	-	-	-	-
C, Net book value of assets that are past due but not impaired	-	233,348	-	-	-
- Part secured by collateral etc,	-	-	-	-	-
D, Net book value of assets that are impaired	-	-	-	-	-
- Past due (gross book value)	-	5,060,433	-	-	-
- Impairment (-)	-	(5,060,433)	-	-	-
- Not past due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
E, Off-balance sheet items containing credit	-	-	-	-	-

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Interest rate risk

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

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

Liquidity risk

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

Operational risk

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

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

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

Market risk

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Exchange rate risk

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

	June 30, 2025		
	TRY		
	Equivalent	USD	EUR
1. Trade receivables	-	-	-
2. Cash and cash equivalents	96,035,714	2,416,411	121
3. Current assets (1+2)	96,035,714	2,416,411	121
4. Total assets (3)	96,035,714	2,416,411	121
5. Trade payables	-	-	-
6. Financial borrowings	87,983,922	2,213,944	-
7. Other	-	-	-
8. Short-term liabilities (5+6+7)	87,983,922	2,213,944	-
9. Total liabilities (8)	87,983,922	2,213,944	-
Total (4+9)	8,051,792	202,466	121

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

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

Exchange rate risk (Continued)

	Interest Rate Sensitivity Analysis 2025	
	Profit/(Loss)	
	Foreign currency appreciation	Foreign currency depreciation
In case of 10% change of USD against TRY		
1- USD net asset/liability	804,617	(804,617)
2- Portion protected from USD risk (-)	-	-
3- USD net effect (1+2)	804,617	(804,617)
In case of 10% change of Euro against TRY		
4- EUR net asset/liability	562	(562)
5- Portion protected from EUR risk (-)	-	-
6- EUR net effect (4+5)	562	(562)
Total (3+6)	805,179	(805,179)

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

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 34 –FINANCIAL INSTRUMENTS

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

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

Financial Assets

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

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

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

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

Financial Liabilities

Monetary liabilities whose fair value approximates their book value:

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

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

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

Fair value measurement hierarchy table

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

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

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

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

In the accounting periods ending on 30 June 2025 and 31 December 2024, the Group did not make any transfers between the second level and the first level and to or from the third level.

**FORTE BİLGİ İLETİŞİM TEKNOLOJİLERİ VE SAVUNMA SANAYİ ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2025, AND 2024

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

(Amounts expressed of Turkish Lira (“TRY”) in terms of purchasing power of the TRY at June 30, 2025 unless otherwise indicated.)

NOTE 35 – EVENTS AFTER BALANCE SHEET DATE

The Group acquired Milsoft Yazılım Teknolojileri Anonim Şirketi with the Board of Directors decision dated July 1, 2025 and numbered 2025/12. The related acquisition was published on the Public Disclosure Platform (KAP) and announced to be registered in the Trade Registry Gazette dated July 3, 2025.