

Siemens Finansal Kiralama Anonim Şirketi

**Financial statements and independent auditor's audit
report for the period 1 October 2022 - 30 September
2023**

*(Convenience Translation of the Financial Statements and
independent auditor's audit report originally issued in Turkish)*



**Building a better
working world**

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Convenience translation of the auditor's report originally issued in Turkish

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Siemens Finansal Kiralama Anonim Şirketi,

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the accompanying financial statements of Siemens Finansal Kiralama A.Ş. ("the Company") which comprise the statement of financial position as at 30 September 2023 and the statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Siemens Finansal Kiralama A.Ş. as at 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with the "Communique on Financial Leasing, Factoring and Uniform chart of Accounts which shall be applied by Finance Companies published in Official Gazette dated December 24, 2013 and numbered 28861 and Regulation, Communique and Circular on Accounting Policies of Financial Leasing, Factoring and Finance Companies and their Financial Statements and announcements published by the Banking Regulation and Supervision Authority ("BRSA") together referred as "BRSA Accounting and Financial Reporting Legislation" and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated BRSA Accounting and Financial Reporting Legislation.

2) Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

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

Key Audit Matter	How the matter addressed in our audit
<p>Recognition of TFRS 9 “Financial Instruments” Standard and inclusion of impairment of financial assets in financial statements and relevant important disclosures</p> <p>As explained in Note 5, the Company accounts for expected credit losses for financial assets in accordance with TFRS 9 “Financial Instruments Standard”. The reasons why we consider the provision for impairment of financial assets to be a key audit matter:</p> <ul style="list-style-type: none"> - On-balance sheet and off-balance sheet financial assets that are subject to TFRS 9 expected credit losses calculation have significant balances in terms of financial statements. - TFRS 9 applications are complex and comprehensive - Risks related to the compliance of management-created policies with regulatory and other application requirements for the calculation of expected credit losses - The estimates and assumptions used in expected credit losses are new, significant and complex - It consists of comprehensive and complex disclosure requirements brought by TFRS 9. 	<p>Evaluation of the compliance of the applied accounting policies with TFRS 9, the company's past performance, and local and global practices:</p> <ul style="list-style-type: none"> - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - The Company's historical performance of the fundamental and important estimates and assumptions regarding the significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss-on-default, amount of default and macro-economic variables determined during the calculation of expected credit losses. Evaluation of compliance with legislation and other processes for which future projections are made - Evaluation of the necessity and accuracy of updates made or to be made after the model process

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the “BRSA Accounting and Financial Reporting Legislation”, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

5) Auditors' Responsibilities for the Audit of the Financial Statements

In an independent audit, as auditors our responsibilities are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- In order to express an opinion on the financial statements, sufficient and appropriate audit evidence is obtained about the financial information regarding the businesses or operating segments within the Company. We are responsible for the direction, supervision and conduct of the company audit. We are also solely responsible for the audit opinion we give.

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

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

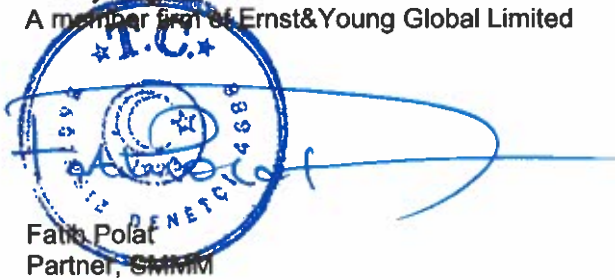
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no. 6102; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 October 2022 - 30 September 2023 are not in compliance with the laws and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Fatih Polat.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatih Polat
Partner, SMMM

4 March 2024
Istanbul, Turkey

Siemens Finansal Kiralama A.Ş.

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(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Siemens Finansal Kiralama A.Ş.

Statement of Financial Position (Balance Sheet) as at 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

ASSETS		Notes	Audited Current Period			Audited Prior Period		
			30 September 2023			30 September 2022		
			TL	FC	Total	TL	FC	Total
I.	CASH, CASH EQUIVALENTS AND CENTRAL BANK	4	42.686	105.089	147.775	83.027	67.144	150.171
II	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS (FVTPL)		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL ASSETS	12	-	569	569	-	45	45
IV.	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)		-	-	-	-	-	-
V.	FINANCIAL ASSETS MEASURED AT AMORTISED COST	5	1.442.823	4.507.634	5.950.457	1.272.143	2.112.121	3.384.264
5.1	Factoring Receivables		-	-	-	-	-	-
5.1.1	Discounted Factoring Receivables(Net)		-	-	-	-	-	-
5.1.2	Other Factoring Receivables		-	-	-	-	-	-
5.2	Savings Financing Receivables		-	-	-	-	-	-
5.2.1	Loans From Pool of Funds		-	-	-	-	-	-
5.2.2	From Equity		-	-	-	-	-	-
5.3	Financial Loans		-	-	-	-	-	-
5.3.1	Consumer Loans		-	-	-	-	-	-
5.3.2	Credit Card		-	-	-	-	-	-
5.3.3	Commercial Instalment Loans		-	-	-	-	-	-
5.4	Leasing Activities (Net)	5	1.446.855	4.514.298	5.961.153	1.274.829	2.112.895	3.387.724
5.4.1	Finance Lease Receivables	5	2.079.140	5.076.751	7.155.891	1.762.839	2.311.654	4.074.493
5.4.2	Operational Lease Receivables		-	-	-	-	-	-
5.4.3	Unearned Revenue (-)	5	(632.285)	(562.453)	(1.194.738)	(488.010)	(198.759)	(686.769)
5.5	Other Financial Assets Measured at Amortized Cost		-	-	-	-	-	-
5.6	Non-Performing Loans	5	614	718	1.332	20.063	21.477	41.540
5.7	Expected Loss Provisions (-)	5	(4.646)	(7.382)	(12.028)	(22.749)	(22.251)	(45.000)
VI.	OWNERSHIP INVESTMENTS		-	-	-	-	-	-
6.1	Associates (Net)		-	-	-	-	-	-
6.2	Subsidiaries (Net)		-	-	-	-	-	-
6.3	Joint Ventures (Net)		-	-	-	-	-	-
VII.	TANGIBLE ASSETS (Net)	6	6.059	-	6.059	10.438	-	10.438
VIII.	INTANGIBLE ASSETS (Net)	7	2.502	-	2.502	3	-	3
IX.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
X.	CURRENT TAX ASSET	22	567	-	567	-	-	-
XI.	DEFERRED TAX ASSET	9	12.501	-	12.501	8.333	-	8.333
XII.	OTHER ASSETS	11	78.726	613.091	691.817	75.153	280.220	355.373
	SUBTOTAL		1.585.864	5.226.383	6.812.247	1.449.097	2.459.530	3.908.627
XIII.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	10	-	-	-	-	-	-
13.1	Asset Held for Resale		-	-	-	-	-	-
13.2	Assets of Discontinued Operations		-	-	-	-	-	-
TOTAL ASSETS			1.585.864	5.226.383	6.812.247	1.449.097	2.459.530	3.908.627

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

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Siemens Finansal Kiralama A.Ş.

Statement of Financial Position (Balance Sheet) as at 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

LIABILITIES	Notes	Audited Current Period			Audited Prior Period		
		30 September 2023			30 September 2022		
		TL	FC	Total	TL	FC	Total
I. FUNDS BORROWED	13	829.560	4.575.944	5.405.504	849.289	2.152.663	3.001.952
II. FACTORING PAYABLES		-	-	-	-	-	-
III. PAYABLES FROM THE POOL OF SAVING FUNDS		-	-	-	-	-	-
IV. LEASE OBLIGATIONS	8	-	-	-	5.359	-	5.359
V. DEBT SECURITIES ISSUED (Net)		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES VALUED AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	12	-	1.552	1.552	-	1.294	1.294
VIII. PROVISIONS	15	59.684	-	59.684	48.928	-	48.928
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits	15	36.323	-	36.323	20.887	-	20.887
8.3 General Provisions		-	-	-	-	-	-
8.4 Other Provisions	15	23.361	-	23.361	28.041	-	28.041
IX. CURRENT TAX LIABILITY	22	-	-	-	11.549	-	11.549
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. SUBORDINATED DEBTS		-	-	-	-	-	-
XII. OTHER LIABILITIES	14	76.143	513.439	589.582	69.880	207.886	277.766
SUBTOTAL		965.387	5.090.935	6.056.322	985.005	2.361.843	3.346.848
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIV. SHAREHOLDERS' EQUITY		755.925	-	755.925	561.779	-	561.779
14.1 Paid-in Capital	16	234.000	-	234.000	234.000	-	234.000
14.2 Capital Reserves		-	-	-	-	-	-
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserves		-	-	-	-	-	-
14.3 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		(8.917)	-	(8.917)	(4.850)	-	(4.850)
14.4 Accrued Other Comprehensive income or Expense Reclassified in Profit and Loss		-	-	-	-	-	-
14.5 Profit Reserves		175.431	-	175.431	179.665	-	179.665
14.5.1 Legal Reserves		52.358	-	52.358	51.888	-	51.888
14.5.2 Statutory Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		123.073	-	123.073	127.777	-	127.777
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Profit or Loss		355.411	-	355.411	152.964	-	152.964
14.6.1 Prior Years' Profit/Loss		152.964	-	152.964	18.979	-	18.979
14.6.2 Current Period Net Profit/Loss		202.447	-	202.447	133.985	-	133.985
TOTAL LIABILITIES		1.721.312	5.090.935	6.812.247	1.546.784	2.361.843	3.908.627

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

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Siemens Finansal Kiralama A.Ş.
Off-Balance Sheet Items as at 30 September 2023
(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

OFF-BALANCE SHEET ACCOUNTS		Notes	Audited Current Period			Audited Prior Period		
			30 September 2023			30 September 2022		
			TL	FC	Total	TL	FC	Total
I.	IRREVOCABLE FACTORING TRANSACTIONS		-	-	-	-	-	-
II.	REVOCABLE FACTORING TRANSACTIONS		-	-	-	-	-	-
III.	SAVING FINANCE TRANSACTIONS		-	-	-	-	-	-
IV.	COLLATERALS RECEIVED	5	8.694.802	27.279.700	35.974.502	6.789.994	14.413.122	21.203.116
V.	COLLATERALS GIVEN	25	648	-	648	1.358	-	1.358
VI.	COMMITMENTS		103.177	1.420.598	1.523.775	146.843	811.293	958.136
6.1	Irrevocable Commitments	25	-	81.482	81.482	-	72.510	72.510
6.2	Revocable Commitments	25	103.177	1.339.116	1.442.293	146.843	738.783	885.626
6.2.1	Lease Commitments		103.177	1.339.116	1.442.293	146.843	738.783	885.626
6.2.1.1	Financial Lease Commitments		103.177	1.339.116	1.442.293	146.843	738.783	885.626
6.2.1.2	Operating Lease Commitments		-	-	-	-	-	-
6.2.2	Other Revocable Commitments		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL INSTRUMENTS	12	35.081	31.353	66.434	30.667	28.364	59.031
7.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
7.1.1	Fair Value Hedge		-	-	-	-	-	-
7.1.2	Cash Flow Hedge		-	-	-	-	-	-
7.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
7.2	Held for Trading Transactions		35.081	31.353	66.434	30.667	28.364	59.031
7.2.1	Forward Foreign Currency Buy/Sell Transactions		35.081	31.353	66.434	30.667	28.364	59.031
7.2.2	Swap Purchases/Sales		-	-	-	-	-	-
7.2.3	Put/call options		-	-	-	-	-	-
7.2.4	Futures purchases/sales		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
VIII.	ITEMS HELD IN CUSTODY		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS			8.833.708	28.731.651	37.565.359	6.968.862	15.252.779	22.221.641

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

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Siemens Finansal Kiralama A.Ş.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

PROFIT OR LOSS STATEMENT	Notes	Audited Current Period	Audited Prior Period
		1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
I. OPERATING INCOME		624.774	349.136
 FACTORING INCOME		-	-
1.1 Factoring Interest Income		-	-
1.1.1 Discounted		-	-
1.1.2 Other		-	-
1.2 Factoring Commission Income		-	-
1.2.1 Discounted		-	-
1.2.2 Other		-	-
 INCOME FROM FINANCING LOANS		-	-
1.3 Interests Income from Financing Loans		-	-
1.4 Fees and Commissions Received from Financing Loans		-	-
 LEASE INCOME		-	-
1.5 Finance Lease Income	18	624.774	349.136
1.6 Operating Lease Income		-	-
1.7 Fees and Commissions Income on Lease Operations		-	-
 SAVING FINANCE INCOME		-	-
1.8 Dividends Received from Savings Financing Receivables		-	-
1.9 Fees and Commissions Received from Savings Financing Activities		-	-
II. FINANCIAL EXPENSES (-)	21	(354.116)	(185.616)
2.1 Dividends Given to the Savings Fund Pool		-	-
2.2 Interest Expense on Funds Borrowed		(328.573)	(179.219)
2.3 Interest Expense on Factoring Payables		-	-
2.4 Interest Expense of Finance Leasing Expenses		(1.086)	(768)
2.5 Interest Expense on Securities Issued		-	-
2.6 Other Interest Expenses		-	-
2.7 Fees and Commissions Paid		(24.457)	(5.629)
III. GROSS PROFIT/LOSS		270.658	163.520
IV. OPERATING EXPENSES (-)	19	(128.187)	(64.816)
4.1 Personal Expenses		(77.976)	(38.152)
4.2 Employee Severance Indemnity Expense		(1.816)	(586)
4.3 Research and Development Expenses		-	-
4.4 General Administration Expenses		(46.935)	(23.914)
4.5 Other		(1.460)	(2.164)
V. OPERATING GROSS PROFIT/LOSS		142.471	98.704
VI. OTHER OPERATING INCOME	20	16.832.195	10.588.583
6.1 Interest Income on Bank Deposits		20.821	16.647
6.2 Interest Income on Securities Portfolio		-	-
6.3 Dividend Income		-	-
6.4 Trading Account Income		-	-
6.5 Income From Derivative Financial Instruments		8.226	2.951
6.6 Foreign Exchange Gains		16.721.116	10.497.805
6.7 Others		82.032	71.180
VII. PROVISIONS		(30.468)	(14.566)
7.1 Specific Provisions		(30.468)	(14.566)
7.2 Expected Credit Losses		-	-
7.3 General Provisions		-	-
7.4 Other		-	-
VIII. OTHER OPERATING EXPENSES (-)	20	(16.680.308)	(10.479.571)
8.1 Impairment Losses on Securities Portfolio		-	-
8.2 Impairment Losses on Non-Current Assets		-	-
8.3 Capital Market Transactions Losses		-	-
8.4 Losses From Derivative Financial Instruments		(2.022)	(5.285)
8.5 Foreign Exchange Losses		(16.659.731)	(10.437.188)
8.6 Other		(18.555)	(37.098)
IX. NET OPERATING PROFIT / LOSS		263.890	193.150
X. INCOME RESULTED FROM MERGER		-	-
XI. SHARES OF THE PROFITS / LOSSES OF INVESTMENTS VALUED BY USING THE EQUITY METHOD		-	-
XII. GAIN/LOSS ON NET MONETARY POSITION		-	-
XIII. PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		263.890	193.150
XIV. INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (±)	22	(61.443)	(59.165)
14.1 Current Tax Charge		(63.405)	(55.604)
14.2 Deferred Tax Charge (+)	9	(4.149)	(3.561)
14.3 Deferred Tax Benefit (-)	9	6.111	-
XV. NET PROFIT FROM CONTINUING OPERATIONS		202.447	133.985
XVI. INCOME FROM DISCONTINUED OPERATIONS		-	-
16.1 Income from Assets Held for Sale		-	-
16.2 Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
16.3 Other Income from Discontinued Operations		-	-
XVII. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
17.1 Expense on Assets Held for Sale		-	-
17.2 Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
17.3 Other Expenses from Discontinued Operations		-	-
XVIII. PROFIT FROM DISCONTINUED OPERATIONS BEFORE TAX		-	-
XIX. INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS (±)		-	-
19.1 Current Tax Charge		-	-
19.2 Deferred Tax Charge (-)		-	-
19.3 Deferred Tax Benefit (+)		-	-
XX. NET PROFIT FROM DISCONTINUED OPERATIONS		-	-
XXI. NET PROFIT FOR THE PERIOD		202.447	133.985
EARNINGS PER SHARE		-	-

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

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Siemens Finansal Kiralama A.Ş.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT	Notes	Audited Current Period	Audited Prior Period
		1 October 2022-30 September 2023	1 October 2021-30 September 2022
I. CURRENT PERIOD PROFIT/LOSS		202.447	133.985
II. OTHER COMPREHENSIVE INCOME		(4.067)	(4.850)
2.1 Items that will not be Reclassified to Profit or Loss		(4.067)	(4.850)
2.1.1 Tangible Assets Revaluation Increases/Decreases		-	-
2.1.2 Intangible Assets Revaluation Increases/Decreases		-	-
2.1.3 Employee Benefits Re-Measuring Loss/Income		(6.273)	(6.466)
2.1.4 Other Comprehensive Income that will not be Reclassified to Profit or Loss		-	-
2.1.5 Taxes related with Comprehensive Income that will not be Reclassified to Profit or Loss	9	2.206	1.616
2.2 Items that may be Reclassified subsequently to Profit or Loss		-	-
2.2.1 Foreign Exchange Differences for Foreign Currency Transactions		-	-
2.2.2 Value Increases or Decreases on Assets Held for Sales		-	-
2.2.3 Cash Flow Hedge Income/Losses		-	-
2.2.4 Net Investment Hedge Income/Losses		-	-
2.2.5 Other Comprehensive Income that may be Reclassified Subsequently to Profit or Loss		-	-
2.2.6 Taxes related with Comprehensive Income that may be Reclassified subsequently to Profit or Loss		-	-
III. TOTAL COMPREHENSIVE INCOME (I+II)		198.380	129.135

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

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Siemens Finansal Kiralama A.Ş.

Statement of Changes in Equity for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

CHANGES IN EQUITY	Notes					Other comprehensive income and expenses that will not be reclassified in profit or loss			Other comprehensive income and expenses that will be reclassified in profit or loss						
		Paid-in Capital	Share Premiums	Share Certificate Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period's Profit/Loss	Current Period's Net Profit/(Loss)	Total Equity
I. Prior Period (01.10.2021 – 30.09.2022)															
II. Balances at the beginning of the period	16	234.000	-	-	-	-	-	-	-	-	-	268.086	(37.957)	98.267	562.396
Amendments Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I + II)	16	234.000	-	-	-	-	-	-	-	-	-	268.086	(37.957)	98.267	562.396
IV. Total Comprehensive Income		-	-	-	-	-	(4.850)	-	-	-	-	-	-	-	(4.850)
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Due to Other Changes		-	-	-	-	-	-	-	-	-	-	(18.979)	18.979	-	-
XI. Net Profit or Loss for the Period		-	-	-	-	-	-	-	-	-	-	-	-	133.985	133.985
XII. Profit Distribution		-	-	-	-	-	-	-	-	-	-	(69.442)	37.957	(98.267)	(129.752)
12.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	(69.442)	37.957	(98.267)	(129.752)
12.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+.....+XI+XII)		234.000	-	-	-	-	(4.850)	-	-	-	-	179.665	18.979	133.985	561.779
I. Current Period (01.10.2022 – 30.09.2023)															
II. Balances at the beginning of the period	16	234.000	-	-	-	-	(4.850)	-	-	-	-	179.665	18.979	133.985	561.779
Amendments Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I + II)	16	234.000	-	-	-	-	(4.850)	-	-	-	-	179.665	18.979	133.985	561.779
IV. Total Comprehensive Income		-	-	-	-	-	(4.067)	-	-	-	-	-	-	-	(4.067)
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Due to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Net Profit or Loss for the Period		-	-	-	-	-	-	-	-	-	-	-	-	202.447	202.447
XII. Profit Distribution		-	-	-	-	-	-	-	-	-	-	(4.234)	133.985	(133.985)	(4.234)
12.1 Dividend Paid	16	-	-	-	-	-	-	-	-	-	-	(4.234)	-	-	(4.234)
12.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	133.985	(133.985)	-
12.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+.....+XI+XII)		234.000	-	-	-	-	(8.917)	-	-	-	-	175.431	152.964	202.447	755.925

1. Non-current assets revaluation increases / decreases,

2. Accumulated re-measurement gains / losses of defined benefit plans,

3. Other (the share of investments that are valued by equity method that will not be reclassified from profit or loss to other comprehensive income and the accumulated amounts of other comprehensive income items that cannot be reclassified as other profit or loss)

4. Foreign currency exchange differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through profit or loss,

6. Other (gains / losses on cash flow hedges, shares to be classified in profit / loss from other comprehensive income of investments accounted by equity method and accumulated amounts of other comprehensive income items to be reclassified as other profit or loss)

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

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Siemens Finansal Kiralama A.Ş.

Statement of Cash Flows for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

	Notes	Audited Current Period	Audited Prior Period
		30 September 2023	30 September 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
1.1 Operating Profit Before Changes In Operating Assets and Liabilities		88.759	80.901
1.1.1 Interests Received/Lease Income		626.097	357.937
1.1.2 Interest Paid / Lease Expenses		(326.671)	(197.600)
1.1.3 Dividends Received		-	-
1.1.4 Fees and Commissions Received		-	-
1.1.5 Other Income		-	-
1.1.6 Collections from Non-performing Receivables		-	-
1.1.7 Payments to Personnel and Service Suppliers	19	(77.976)	(38.152)
1.1.8 Taxes Paid		(64.373)	(44.055)
1.1.9 Others		(68.318)	2.771
1.2 Changes in Operating Assets and Liabilities		(145.581)	(37.949)
1.2.1 Net (Increase) Decrease in Factoring Receivables		-	-
1.2.2 Net (Increase) Decrease in Financing Loans		-	-
1.2.3 Net (Increase) Decrease in Lease Receivables	5	(2.513.723)	(1.156.745)
1.2.4 Net (Increase) Decrease in Other Assets		(339.011)	(183.070)
1.2.5 Net Increase (Decrease) in Factoring Payables		-	-
1.2.6 Net Increase (Decrease) in Lease Payables		(5.359)	1.175
1.2.7 Net Increase (Decrease) in Funds Borrowed	13	2.403.552	1.126.753
1.2.8 Net Increase (Decrease) in Due Payables		-	-
1.2.9 Net Increase (Decrease) in Other Liabilities		308.960	173.938
I. NET CASH PROVIDED FROM / USED IN OPERATING ACTIVITIES		(56.822)	42.952
B. Cash Flows From Investing Activities			
2.1 Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible and Intangible Assets	6,7	(6.825)	(5.806)
2.4 Proceeds From Sale of Tangible and Intangible Assets	6	10.587	388
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		-	-
2.6 Proceeds From Sale of Financial Assets Available for Sale		-	-
2.7 Cash Paid for Purchase of Held-to-Maturity Investment Securities		-	-
2.8 Proceeds from Sale of Held-to-Maturity Investment Securities		-	-
2.9 Other		(3.313)	-
II. Net Cash Provided from / Used in Investing Activities		449	(5.418)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid	16	(4.234)	(129.752)
3.5 Payments for Finance Leases		(2.988)	(1.699)
3.6 Other		-	-
III. Net Cash Provided from / Used in Finance Activities		(7.222)	(131.451)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		61.369	43.641
V. Net Increase/(Decrease) in Cash and Cash Equivalents		(2.226)	(50.276)
VI. Cash and Cash Equivalents at Beginning of the Period	4	149.999	200.275
VII. Cash and Cash Equivalents at End of the Period	4	147.773	149.999

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

Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish

Siemens Finansal Kiralama A.Ş.

Statement of Profit Distribution for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("thousand TL") unless otherwise stated.)

	Audited Current Period	Audited Prior Period
	1 October 2022-30 September 2023	1 October 2021-30 September 2022
I. Distribution Of Current Period Profit		
1.1 Profit for the Period	263.890	193.150
1.2 Taxes and Dues Payable (-)	(61.443)	(59.165)
1.2.1 Corporate Tax (income tax)	(63.405)	(55.604)
1.2.2 Withholding Tax	-	-
1.2.3 Other Taxes and Dues	1.962	(3.561)
A. Net Profit for the Period (1,1-1,2)	202.447	133.985
1.3 Prior Years Losses (-)	-	-
1.4 First Legal Reserve (-)	(10.122)	(6.699)
1.5 Other Statutory Reserves Needed To Be Kept In The Company (-) ^(*)	(1.962)	-
B. Distributable Net Period Profit [(A-1.3+1.4+1.5)] (**)	190.363	127.286
1.6 First Dividend to Shareholders (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Stocks	-	-
1.6.3 To Owners of Preferred Stocks (Pre-emptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Owners of The Profit /Loss Sharing Certificates	-	-
1.7 Dividend to Personnel (-)	-	-
1.8 Dividend to Board Of Directors (-)	-	-
1.9 Second Dividend To Shareholders (-)	-	-
1.9.1 To Owners Of Ordinary Shares	-	-
1.9.2 To Owners Of Preferred Stocks	-	-
1.9.3 To Owners Of Preferred Stocks (Pre-emptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Owners Of The Profit /Loss Sharing Certificates	-	-
1.10 Second Legal Reserve (-)	-	-
1.11 Statutory Reserves (-)	-	-
1.12 Extraordinary Reserves	-	-
1.13 Other Reserves	-	-
1.14 Special Funds	-	-
II. Distribution of reserves		
2.1 Distributed Reserves	(4.704)	77.409
2.2 Second Legal Reserves(-)	470	(8.601)
2.3 Share to Shareholders (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Stocks	-	-
2.3.3 To Owners of Preferred Stocks (Pre-emptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Owners of The Profit /Loss Sharing Certificates	-	-
2.4 Share to Personnel (-)	-	-
2.5 Share to Board Of Directors (-)	-	-
III. Earnings per share		
3.1 To Owners of Stocks (TL)	-	-
3.2 To Owners of Stocks (%)	-	-
3.3 To Owners of Preferred Stocks (TL)	-	-
3.4 To Owners of Preferred Stocks (%)	-	-
IV. Dividend per share		
4.1 To Owners of Stocks (TL)	-	-
4.2 To Owners of Stocks (%)	-	-
4.3 To Owners of Preferred Stocks (TL)	-	-
4.4 To Owners of Preferred Stocks (%)	-	-

(*) Since the general assembly of the Company has not held, the table above does not show the distributable profit amount calculated by the management of the Company .

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

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

1. Organization and Operations of the Company

The Company was established on 9 July 1997, in Istanbul, within the framework of the Financial Leasing Law No: 3226 following the permit by the Under secretariat of Treasury and Foreign Trade in order to operate in Turkey, under the ownership of Siemens Finance and Leasing GmbH (Germany). The principal activity of the Company is to engage in all kinds of leasing and rental operations at home and abroad, within the framework of the regulatory provisions. The Company operates in accordance with "Financial Leasing, Factoring and Financing Companies Law" published on the Official Gazette no. 28496 dated 13 December 2012 and "Regulation on Principles for Establishment and Operations of Financial Leasing, Factoring and Financing Companies" of Banking Regulation and Supervision Agency ("BRSA").

The fiscal year-end of the Company, 100% of the shares of which is owned by Siemens AG, is by the end of the 9th month of the year.

The Company continues its operations at Esentepe, Yakacık Caddesi No:111, 34870 Kartal / İstanbul.

As at 30 September 2023, the number of personnel of the Company is 68 (30 September 2022: 65).

As of 30 September 2023, The Company has 1 branch (30 September 2022:1).

The Company continues its leasing activities mainly in one geographical region (Turkey).

Approval of financial statements

The financial statements as at 30 September 2023 have been approved by the Board of Directors of the Company on 4 March 2024. General Assembly and / or legal authorities have the discretion of making changes in the accompanying financial statements after their issuance.

2. Basis of Presentation of Financial Statements

2.1 Accounting standards applied

The Company prepared accompanying financial statements in accordance with to the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies" and the "Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies and on Financial Statements to be announced to Public" published in the Official Gazette dated 24 December 2013 and numbered 28861 and Turkish Accounting Standards and Turkish Financial Reporting Standards published by Public Oversight Accounting and Auditing Standards Institute (POAAS), and Turkish Accounting Standards ("TAS") and other regulations, communiqués, circulars announced by BRSA in respect of accounting and financial reporting.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Company as of 31 December 2023.

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.2 Functional and reporting currency

The Company's functional and reporting currency is Turkish Lira (TL) and the amounts stated in Thousands of Turkish Lira unless otherwise specified.

2.3 New and amended standards and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of September 30, 2023 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, 2023 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows:

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. The amendments did not have a significant impact on the financial position or performance of the Company.

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.. The amendments did not have a significant impact on the financial position or performance of the Company.

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 New and amended standards and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2023 are as follows (continued):

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The amendments did not have a significant impact on the financial position or performance of the Company.

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

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023. The amendments did not have a significant impact on the financial position or performance of the Company.

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

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

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

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will wait until the final amendment to assess the impacts of the changes.

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 New and revised standards and interpretations (continued)

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard for the following entities has been postponed to accounting periods beginning on or after January 1, 2024 with the announcement made by the POA. The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

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

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa. In a general mean, the Company does not expect a significant impact on the financial position or performance of the Company.

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

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. In a general mean, the Company does not expect a significant impact on the financial position or performance of the Company.

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.3 New and revised standards and interpretations (continued)

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

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

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. In a general mean, the Company does not expect a significant impact on the financial position or performance of the Company.

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

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

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

Siemens Finansal Kiralama A.Ş.

Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.4 Comparative information and restatement of prior period financial statements

In accordance with the "Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies" published in the Official Gazette dated 1 February 2019 and numbered 30673, the related financial statements were disclosed comparatively. However, comparative information is reclassified when necessary and important differences are explained in order to conform to the presentation of the current period financial statements.

2.5 Offsetting

Financial assets and liabilities are stated with their net values in the balance sheet when there is a legal right of netting, if it is paid in net or collection is possible or if the fulfillment of the obligation can be realized simultaneously.

2.6 Changes in accounting estimates and errors

The effect of a change in an accounting estimate is recognised prospectively in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. There has not been any significant change in the accounting estimates of the Company in the current year. Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods.

2.7 Significant accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. Estimates are regularly reviewed, necessary adjustments are made and reflected in the income statement of the period they occur. Main notes regarding estimates are as follows:

- Note 5 – Financial lease receivables
- Note 6 – Tangible Fixed Assets
- Note 7 – Intangible Fixed Assets
- Note 8 – Tax Assets and Liabilities
- Note 14 – Liability for employee benefits

2.8 Changes in accounting policies

Changes in accounting estimates are applied prospectively in the current period when the change is made, if the change is related to future periods, both in the period in which the change is made and in future periods. There has been no significant change in the accounting estimates of the Company in the current year.

2.9 Going concern

The Company prepared its financial statements considering the going concern principle.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

2. Basis of Presentation of Financial Statements (continued)

2.10 Foreign currency transactions

Foreign currency transactions are translated into TL at the rates ruling at the transaction dates. Foreign currency denominated assets and liabilities are valued in the reporting date exchange rates resulting exchange differences are reflected in the statement of profit or loss.

The main exchange rates used at the end of the period are as follows:

Date	USD / TL (full)	EUR / TL (full)
30 September 2023	27,3767	29,0305
30 September 2022	18,5038	17,9232

3. Measurement Principles / Accounting Policies

Financial Assets

Financial assets are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value, and are recognized and derecognized on trade date where the purchase of sales of an investment is under a contract whose terms require the delivery of the investment within the timeframe established by the market concerned. Financial assets are classified into the following specified categories: "financial assets measured at amortized cost", "financial assets at fair value through other comprehensive income" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate a shorter period to the net carrying amount on initial recognition.

Except for financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, incomes related to classified financial assets are calculated by using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets other than financial assets that are measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason. Financial assets at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. Gains or losses arising from the valuation are related to profit or loss.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Financial Assets (continued)

Financial Assets Measured at Amortised Cost

Financial assets measured at amortized cost are those financial assets where the Company has the intention and ability to hold to the maturity, fixed or determinable payment plan, fixed-term debt instruments. Financial assets measured at amortized cost by using the effective interest rate method, net of any provision for impairment. The Company does not have financial assets measured at amortized cost as of 30 September 2023 and 30 September 2022.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

The Company has equity investments and debt securities quoted on an active market and investments in fair values are classified as financial assets carried at fair value through other comprehensive income. The Company has equity instruments that are not traded and not quoted in an active market whose fair value differences are reflected in other comprehensive income and are measured at cost, since their fair value cannot be measured reliably. Gains and losses arising from changes in the fair value impairment loss recognized in the income statement, interest and monetary assets and interest and monetary assets calculated using the effective interest method are recognized in other comprehensive income and the financial assets are accumulated in the fund of revaluation.

In the event that the investment is disposed of or is impaired, the total profit / loss accumulated in the revaluation fund of financial assets is classified in the income statement. Dividends on equity instruments recognized at fair value through other comprehensive income are recognized in income statement when the Company's right to receive payment is established.

Finance Lease Receivables and Other Receivables

In the current period, the Company allocates a loss provision for expected credit losses for financial assets whose amortized cost or fair value difference is followed in other comprehensive income in accordance with the "TFRS 9-Financial Instruments" standard.

Within the scope of TFRS 9, expected credit losses and specific provisions are determined according to the "three-stage" impairment model, which is based on the change in the credit quality of financial assets after initial recognition and whose details are given under the following headings:

Stage 1:

One of the important determinants in the calculation of expected loss provisions under TFRS 9 is the evaluation of whether there is a significant increase in the credit risk of the financial asset. Financial assets that do not have a significant increase in credit risk since they are included in the financial statements for the first time are monitored in the 1st stage. Impairment provisions are applied to these financial assets in amounts equal to 12-month expected credit losses.

Stage 2:

Financial assets whose credit risk has increased significantly since they were included in the financial statements for the first time are transferred to the 2nd stage. The impairment provision for these financial assets is measured at an amount equal to lifetime expected credit losses. The following basic criteria are taken into account for the classification of a financial asset in the second stage:

- Less than 90 days, more than 30 days delay
- Restructuring of the loan
- Significant deterioration in the probability of default

In case of a significant deterioration in the default probability, it is considered that there is a significant increase in the credit risk and the financial asset is classified in stage 2.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Financial Assets (continued)

Stage 3:

Financial assets that have sufficient and objective information for impairment as of the reporting date are classified in stage 3. A provision for impairment is applied for the financial assets at an amount equal to the lifetime expected credit loss. The following basic criteria are taken into account for the classification of a financial asset in the third stage:

- Delay of more than 90 days
- It is determined that the credit worthiness is weakened, that the credit is weakened or that it cannot be collected or to have a definite opinion on this matter

Cash and Cash Equivalents

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

Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

Tangible assets and depreciation

(i) *Tangible assets*

Tangible assets acquired before 1 October 2004 have been restated by applying the relevant conversion factors until 30 September 2004 and additions after 30 September 2004 at their purchase costs less accumulated depreciation and impairment.

(ii) *Subsequent expenses*

The expenses to replace any parts of tangible assets are capitalized. Subsequent expenditures can be capitalized if such expenditures enhance the asset's future economic benefits. All other expense items are recognized in the statement of profit or loss on an accrual basis.

(iii) *Depreciation*

Depreciation of tangible assets are calculated using the straight-line method based on their estimated useful lives, starting from date of its purchase or installation.

Depreciation of tangible assets reflecting the average duration of their economic lives are as follows:

	<u>Useful life</u>
Furniture and fixtures	3-10 years
Motor vehicles	2-5 years

Leasehold improvements are depreciated on a straight line basis according to the rent duration.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Intangible assets

Intangible assets consist of computer software licenses. Computer software licenses acquired before 1 October 2004 have been restated by applying the relevant conversion factors until 30 September 2004 and additions after 30 September 2004 at their purchase costs less accumulated depreciation and impairment. Amortization of intangible assets are recognized over their estimated economic useful lives by using straight line method. Amortization of intangible assets reflecting the average duration of their economic lives are as follows:

	<u>Useful life</u>
Rights	3-15 years

Borrowings

When necessary, the Company meets its resource needs by obtaining loans from domestic and foreign organizations. Instruments representing debt; are recorded at the acquisition cost on the transaction date, and in the following periods, it is valued over the discounted costs using internal rate of return.

Share capital increases

Share capital increases from existing shareholders are recognized on the nominal values that are approved and registered at General Assembly.

Retirement pay liability

In accordance with the current labor law in Turkey, the company is obliged to pay the determined amount to the personnel who quit their job due to retirement or who are dismissed for reasons other than resignation and bad behavior.

The Company accounts for its liabilities regarding severance pay and leave rights in accordance with the provisions of the "Turkish Accounting Standard for Employee Benefits" ("TAS 19") and classifies them in the "Provision for Employee Rights Liability" account in the balance sheet.

According to the current Labor Laws in Turkey, the Company is obliged to make a certain lump sum payment to the employees whose employment is terminated due to retirement or resignation and for reasons other than the behaviors specified in the Labor Law. The provision for severance pay is calculated over the present value of the probable liability under this Law using certain actuarial estimates and reflected in the financial statements (Note 14). Actuarial losses and gains after 1 January 2013, revised TAS ,it is accounted for under equity in accordance with standard 19.

The Company has reflected the severance pay liability amount calculated by an independent actuary to the accompanying financial statements. The main actuarial estimates used on September 30, 2023 and 2022 are as follows:

	30-Sep-23	30-Sep-22
Discount rate	23,08%	11,18%
Estimated salary / ceiling increase rate	27,30%	13,69%
Inflation Rate	27,30%	12,69%

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Provisions, contingent liabilities and contingent assets

Contingent Liabilities and Contingent Assets, a provision is recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Company discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision. Contingent assets are disclosed in the notes and not recognized unless they are realized.

Accounting of income and expenses

(i) *Leasing interest income*

The value of the assets subject to lease within the scope of the Financial Leasing Law at the beginning of the lease is shown in the balance sheet as financial lease receivables. The interest income created by the difference between the total financial lease receivables and the investment value of the leased asset is recorded in the income statement of the period in which it is formed during the lease period by distributing the receivables falling for each accounting period to the periods with a fixed interest rate. Interest income not accrued in the relevant period is followed in the account of unearned interest income.

(ii) *Fees and commissions*

Fees and commissions received or paid relating to financial lease transactions are recognized in statement of profit or loss when the service is received or provided.

(iii) *Dividend income*

Dividend income is recognized in the statement of profit or loss at the time of collection.

(iv) *Other income and expenses*

Other income and expenses are recognized on an accrual basis.

(v) *Financial expenses*

Financing expenses include loan interest expenses and other financing expenses related to the borrowings made by the Company to meet its resource needs.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Taxation on income

Tax expense or tax income comprises current tax and deferred tax expense or deferred tax income. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or if the taxes are subject to the same financial authority and the acquisition of tax assets and the fulfillment of tax obligations simultaneously.

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes related to fair value measurement of Financial assets measured at fair value through other comprehensive income are charged or credited to other comprehensive Income and subsequently recognized in profit or loss together with the deferred gains that are realized.

Related parties

Shareholders of the Company and companies of the shareholders and managers and directors of these companies are referred to as related parties according to TAS 24 – Related Party Disclosures.

For the purpose of these financial statements, the Company's shareholders, the companies that have indirect capital relations with the Company, the members of the Board of Directors and the senior managers are defined as "related parties" (Note 23).

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

3. Measurement Principles / Accounting Policies (continued)

Related parties (continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

Earnings per share

In accordance with the TAS 33, Earnings/losses per share is calculated by dividing the net income/loss by the weighted average number of common stock shares. Since the Company are not quoted on the stock exchange, the earnings per share did not calculated on the consolidated financial statements.

Events after the reporting period

Events after the reporting date are events that occur in favor of or against the entity between the reporting date and the date of authorization for the issue of the financial statements. In accordance with the provisions of TAS 10 – Turkish Accounting Standard Regarding Events After the Reporting Period, if there is new evidence that the said events exist as of the reporting date or if the related events occur after the reporting date and these events require restating the financial statements, the company adjusts its financial statements in accordance with the new situation. If the aforementioned events do not require the financial statements to be adjusted, the Company explains the said issues in the related footnotes.

Reporting of financial information by segment

For the years ended September 30, 2023 and September 30, 2022, the Company did not report its financial information by segments, as it operates in Turkey and only in the field of financial leasing.

Statement of cash flows

The Company prepares statement of cash flows to provide information to the users of financial statements on its ability to manage the changing conditions of net asset changes, financial structure and cash flows.

On the statement of cash flows, cash flows are classified and reported as, in the basis of operating, investing and financing activities. Cash flows from operating activities show the cash flow generated by the Company in its field of activity. Cash flows from investment activities show the investment activities (direct investments and financial investments) and cash inflows from investing activities. Cash flows from financing activities show the Company's funding sources and their repayments.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

4. Cash, Cash Equivalents and Central Bank

	30 September 2023	30 September 2022
Bank deposit, demand	146.203	68.069
Bank deposit, time	1.570	81.930
Cash and cash equivalent assets at the period end	147.773	149.999
Interest income accrual	2	172
Total Cash, Cash Equivalents and Central Bank	147.775	150.171

The breakdown of time deposits are as follows;

Currency	30 September 2023		30 September 2022	
	Amount	Annual interest rate	Amount	Annual interest rate
TL	1.570	29,00%	81.930	13.50%-18.50%
	1.570		81.930	

The maturities of the time deposits vary from 1 day to 30 days as at 30 September 2023 (As at 30 September 2022, the maturities of the time deposits vary from 1 day to 34 days).

As at 30 September 2023, there were no blockages on the bank deposits (30 September 2022: None).

5. Receivables from Leasing Activities

As at 30 September 2023 and 30 September 2022, the breakdown of the lease receivables is as follows:

	30 September 2023	30 September 2022
Finance lease receivables, gross	7.141.567	4.066.875
Invoiced leasing receivables	14.324	7.618
Deduct: Unearned income (-)	(1.194.738)	(686.769)
Expected credit loss – Stage 1	(6.714)	(4.512)
Expected credit loss – Stage 2	(3.982)	(2.396)
Total Finance lease receivables	5.950.457	3.380.816
NPLs (*)	1.332	41.540
Expected credit loss – Stage 3	(1.332)	(38.092)
Finance lease receivables, net	5.950.457	3.384.264

(*) The provision amount TL 31,119 TL for Non- Performing Receivables were carried to off-balance sheet due to lifetime default of debtor within the scope of Financial leasing, Factoring and Financing companies regulation numbered 30961 and dated 27 November 2019 published on the Official Gazette.

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Notes to the financial statements as at and for the year ended 30 September 2023

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5. Receivables from Leasing Activities (continued)

As at 30 September 2023 and 30 September 2022, the breakdown of the lease receivables is as follows:

2023	Carried value			Expected credit loss		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Finance lease receivables	5.818.852	140.969	1.332	(6.714)	(3.982)	(1.332)

2022	Carried value			Expected credit loss		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Finance lease receivables	3.232.813	113.371	41.540	(4.512)	(2.396)	(38.092)

As at 30 September 2023 and 30 September 2022, the maturity distribution of outstanding finance lease receivables is as follows;

2023	Up to 1			3-4	4 years	Total
	year	1-2 years	2-3 years	years	and over	
Finance lease receivables	3.401.394	2.151.168	1.054.215	406.975	142.139	7.155.891
Unearned interest	(694.706)	(335.306)	(116.486)	(38.433)	(9.807)	(1.194.738)
Gross finance lease receivables	2.706.688	1.815.862	937.729	368.542	132.332	5.961.153

2022	Up to 1			3-4	4 years	Total
	year	1-2 years	2-3 years	years	and over	
Finance lease receivables	1.782.652	1.181.898	699.344	284.711	125.888	4.074.493
Unearned interest	(365.293)	(199.710)	(87.125)	(26.739)	(7.902)	(686.769)
Gross finance lease receivables	1.417.359	982.188	612.219	257.972	117.986	3.387.724

As at 30 September 2023 and 30 September 2022, the currency distribution of overdue lease receivables and outstanding finance lease receivables is as follows:

30 September 2023				
Currency	Principal FC amount	Principal TL amount	Unearned income FC amount	Unearned income TL amount
Euro	148.464	4.309.988	18.045	523.851
US Dollars	7.463	204.310	1.410	38.602
TL	1.446.856	1.446.855	632.285	632.285
		5.961.153		1.194.738

30 September 2022				
Currency	Principal FC amount	Principal TL amount	Unearned income FC amount	Unearned income TL amount
Euro	114.435	2.051.038	10.646	190.819
US Dollars	3.343	61.857	429	7.940
TL	1.274.828	1.274.829	488.010	488.010
		3.387.724		686.769

As at 30 September 2023, the leasing agreements have fixed interests and the interest rates for lease receivables are 12,16% for USD, 6,90% for Euro and 32,87% for TL (30 September 2022: 8,70% for USD, 4,90% for Euro and 23,91% for TL).

As of September 30, 2023 and September 30, 2022, unbilled finance lease receivables have fixed interest rates.

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Notes to the financial statements as at and for the year ended 30 September 2023

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5. Receivables from Leasing Activities (continued)

The aging of past due but not impaired finance lease receivables at 30 September 2023 and 30 September 2022 are as follows:

	30 September 2023		30 September 2022	
	Invoiced amount	Remaining principal	Invoiced amount	Remaining principal
0-30 days	11.901	17.244	6.841	17.244
30-90 days	3.336	8.530	709	8.530
90 days and more	1.115	7.650	13.332	47.858
	16.352	33.424	20.882	73.632

As of 30 September 2023, the total amount of guarantees received from customers for financial lease receivables is 35.974.502 TL (30 September 2022: 21.203.116 TL). The company does not consider collaterals exceeding the risk amount in risk reporting. The guarantee list of the Company prepared in this way is as follows:

	30 September 2023	30 September 2022
Pledged bank deposits	5.255.339	2.867.963
General Mortgages	163.846	95.374
Transfer of rights	86.088	70.447
Vehicle Pledge	37.842	3.877
Guarantee letters	497	832
Equipment Trust	91	498
Total	5.543.703	3.038.991

As at 30 September 2023 and 30 September 2022, the sectoral distributions of gross lease receivables is as follows:

	30 September 2023	%	30 September 2022	%
Construction	1.413.746	19,8%	548.229	13,5%
Processed metal products industry	1.050.916	14,7%	548.750	13,5%
Health and social services	907.411	12,7%	757.131	18,6%
Main Metal Industry	713.001	10,0%	740.758	18,2%
Machinery and equipment	494.633	6,9%	177.444	4,4%
Plastic goods production	326.908	4,6%	155.861	3,8%
Textile	289.384	4,0%	211.079	5,2%
Parts and accessories of motor vehicles	188.193	2,6%	147.705	3,6%
Extracting mines of non-energy producing	172.443	2,4%	76.919	1,9%
Electrical machinery and equipment	136.784	1,9%	46.042	1,1%
Paper and paper products	128.920	1,8%	99.182	2,4%
Food	102.521	1,4%	47.067	1,2%
Extracting mines of energy-producing	101.795	1,4%	82.786	2,0%
Garment industry	69.535	1,0%	43.828	1,1%
Others	1.059.701	14,8%	391.712	9,6%
Total	7.155.891	100%	4.074.493	100%

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Notes to the financial statements as at and for the year ended 30 September 2023

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6. Tangible Assets (Net)

Movements of tangible assets are as follows for the years ended 30 September 2023 and 30 September 2022:

	1 October 2022	Additions	Disposals	30 September 2023
Cost				
Furniture and fixtures	2.002	1.025	(188)	2.839
Motor vehicles	7.015	1.824	(185)	8.654
Right of use assets	6.238	3.976	(10.214)	-
	15.255	6.825	(10.587)	11.493
Accumulated depreciation				
Furniture and fixtures	(1.140)	(665)	162	(1.643)
Motor vehicles	(2.442)	(1.517)	168	(3.791)
Right of use assets	(1.235)	(1.697)	2.932	-
	(4.817)	(3.879)	3.262	(5.434)
Net book value	10.438			6.059

	1 October 2021	Additions	Disposals	30 September 2022
Cost				
Furniture and fixtures	1.472	667	(137)	2.002
Motor vehicles	4.235	3.031	(251)	7.015
Right of use assets	4.130	2.108	-	6.238
	9.837	5.806	(388)	15.255
Accumulated depreciation				
Furniture and fixtures	(809)	(456)	125	(1.140)
Motor vehicles	(1.889)	(804)	251	(2.442)
Right of use assets	(68)	(1.167)	-	(1.235)
	(2.766)	(2.427)	376	(4.817)
Net book value	7.071			10.438

As at 30 September 2023, the insurance amount on the tangible assets is TL 46.893 (30 September 2022: TL 21.272), the annual insurance premium amount TL 719 (30 September 2022: TL 308).

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

7. Intangible Assets (Net)

Movements of intangible assets are as follows for the years ended 30 September 2023 and 30 September 2022:

	1 October 2022	Additions	Disposals	30 September 2023
Cost				
Rights	897	3.313	-	4.210
	897	3.313	-	4.210
Accumulated depreciation				
Rights	(894)	(814)	-	(1.708)
	(894)	(814)	-	(1.708)
Net book value	3			2.502

	1 October 2021	Additions	Disposals	30 September 2022
Cost				
Rights	897	-	-	897
	897	-	-	897
Accumulated depreciation				
Rights	(865)	(29)	-	(894)
	(865)	(29)	-	(894)
Net book value	32			3

8. Lease Obligation

Lease obligations are as follows for the years ended 30 September 2023 and 30 September 2022:

	30 September 2023	30 September 2022
Lease obligations	-	5.359
Sum	-	5.359

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

9. Deferred Tax Assets and Liabilities

The Company calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "Turkish Accounting Standard for income Taxes" ("TAS 12") and the related declarations of the BRSA concerning this standard. In the deferred tax calculation, in accordance with the tax legislation, the tax rate enacted as of the balance sheet date is used.

Since the corporate tax rate of 25 percent entered into force with the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7061, the rate of 30 percent was used for the temporary differences that are likely to be recovered in 2023 and after while preparing the financial statements of 30 September 2023 in deferred tax calculations.

As at 30 September 2023 and 30 September 2022, the tax effects of the temporary differences are as follows;

	30 September 2023	30 September 2022
Provisions for risks	6.456	6.090
Litigation provisions	266	266
Provision for doubtful receivables	43	(2.034)
Bonus provision (*)	-	2.500
Severance pay	762	458
TFRS 16 lease effect	-	89
General expense provision	-	655
Derivative valuation	295	312
Prepaid loan commission	2.228	115
Jubilee pay liabilities	434	202
Vacation provision	877	443
Total deferred tax asset	11.361	9.096
Prepaid expenses	2.120	386
Interest and income accruals	562	377
Total deferred tax liability	2.682	763
Deferred tax asset, net	8.679	8.333

Movement of the deferred tax assets is as follows:

	2023	2022
Opening balance, 1 October	8.333	10.278
Deferred tax income/(expense)	1.962	(3.561)
Actuarial Loss/(Gain)	2.206	1.616
Closing balance, September 30	12.501	8.333

(*) As of 30 September 2023, since the bonus provision will be paid before corporate tax return, it is not included on deferred tax calculation.

10. Assets Held for Sale and Discontinued Operations (Net)

As at 30 September 2023, the Company does not have any assets held for sale (30 September 2022: None).

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

11. Other Assets

As at 30 September 2023 and 30 September 2022, the detail of other assets is as follows:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
Investment in progress subject to leases	29.691	417.843	36.593	183.113
Insurance receivables (*)	40.947	106.232	35.668	40.769
Advances received	1.698	89.016	592	56.331
Other(**)	6.390	-	2.300	7
	78.726	613.091	75.153	280.220

(*) Consists of insurance premium receivables arising from insurance of goods subject to financial leasing and other expense receivables from customers arising from financial leasing transactions.

(**) It consists of prepaid expenses and receivables from personnel.

12. Financial Assets at Fair Value Through Profit and Loss/ Derivative Financial Liabilities Held for Trading Purpose

The details of the Company's derivative financial assets and liabilities held for trading as of September 30, 2023 and September 30, 2022 are as follows:

30 September 2023	Nominal Amount	Assets	Liabilities
Derivative financial instruments for hedging purposes			
Forward trading transactions	31.353	569	1.552
Total	31.353	569	1.552

30 September 2022	Nominal Amount	Assets	Liabilities
Derivative financial instruments for hedging purposes			
Forward trading transactions	28.750	45	1.294
Total	28.750	45	1.294

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Notes to the financial statements as at and for the year ended 30 September 2023

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13. Funds Borrowed

The details of the short-term and long-term parts of the Company's loans as of September 30, 2023 and September 30, 2022 are as follows.

30 September 2023				
		Original amount	TL Equivalent	Interest rate range
Short-term bank loans	TL	110.379	110.379	%15,85-%22,97
Short-term portion of long-term loans				
Bank loans	USD Dollars	2.828	77.426	%3,01-%6,08
Bank loans	Euro	46.792	1.358.396	%1,23-%4,43
Bank loans	TL	335.460	335.460	%17,12-%43,05
Subtotal			1.881.661	
Long-term loans				
Bank loans	USD Dollars	5.128	140.375	%3,01-%6,08
Bank loans	Euro	103.331	2.999.747	%1,23-%4,43
Bank loans	TL	383.721	383.721	%17,12-%43,05
Subtotal			3.523.843	
Total loans			5.405.504	

30 September 2022				
		Original amount	TL Equivalent	Interest rate range
Short-term portion of long-term loans				
Bank loans	USD Dollars	1.360	25.164	%3,01-%5,21
Bank loans	Euro	35.010	627.500	%0,82-%3,42
Bank loans	TL	573.493	573.493	%8,5-%42,36
Subtotal			1.226.157	
Long-term loans				
Bank loans	USD Dollars	2.650	49.034	%3,01-%5,21
Bank loans	Euro	80.955	1.450.965	%0,82-%3,42
Bank loans	TL	275.796	275.796	%8,50-%42,36
Subtotal			1.775.795	
Total loans			3.001.952	

As of 30 September 2023 and 30 September 2022, all borrowings are fixed interest rate loan and unsecured.

Repayment terms of long-term financial liabilities	30 September 2023	30 September 2022
Payable in 2024	-	812.299
Payable in 2025	1.316.667	409.145
Payable in 2026	1.038.708	293.314
Payable in 2027	756.825	261.037
Payable in 2028 and beyond	411.643	-
Total	3.523.843	1.775.795

14. Miscellaneous Payables

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(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

As at 30 September 2023 and 30 September 2022, the details of the other payables are as follows:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
Temporary accounts payable	19.696	263.806	26.387	121.389
Insurance payables	47.535	107.048	36.737	42.480
Tax Payables	7.277	-	5.693	-
Other payables (*)	1.635	142.585	1.063	44.017
	76.143	513.439	69.880	207.886

(*) Other payables consist of the related parties and business vendors, and other miscellaneous payables. Payables to related parties are explained in Note 23.

15. Provisions

Total provisions for liabilities and expenses

As at 30 September 2023 and 30 September 2022, the details of provisions are as follows:

	30 September 2023	30 September 2022
Liability for employee benefits:		
Provision for success premium pay	16.678	10.000
Provisions for vacation pay	2.922	1.774
Provision for retirement pay	15.277	8.300
Provisions for jubilee pay	1.446	813
	36.323	20.887
Other provisions:		
Provisions for incentive penalty risk	17.248	18.998
Litigation provisions	5.160	6.425
Other provisions	953	2.618
	23.361	28.041
Total debt and expense provisions	59.684	48.928

In accordance with existing social legislation the Company is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated due to the retirement or for reasons other than resignation or misconduct.

Such payments are calculated on the basis of 30 days total gross wage and other rights as at 30 September 2023, full TL 23.489,83 (30 September 2022: TL 15.371,10) for each year of employment. The principal assumption used when calculating the total liability is that the maximum liability for each year of service is increased every six months by the inflation rate.

In the accompanying financial statements, the Company has established a liability for estimated using a statistical method and reflected to the records of those obligations.

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(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

15. Provisions (continued)

Allowance for retirement pay

The principal estimates used in the calculation of net present value of the liability as at 30 September 2023 and 30 September 2022 are as follows:

	30 September 2023	30 September 2022
Discount rate	23,08%	11,18%
Estimated salary / ceiling increase rate	27,30%	13,69%
Inflation Rate	27,30%	12,69%

The movement of retirement pay liability during the year is as follows:

	30 September 2023	30 September 2022
Provision for retirement pay at the beginning of the term, 1 October	8.300	2.295
Service cost	1.002	255
Interest cost	815	331
Severance pay paid	(1.110)	(1.048)
Actuarial loss/(gain) (*)	6.270	6.467
Retirement pay liability at the end of the period	15.277	8.300

Provisions for vacation pay

The movement in the vacation pay liability during the period is as follows:

	30 September 2023	30 September 2022
Provision for vacation pay		
Vacation pay liability at the beginning of the period	1.774	2.753
Paid during the period	(1.931)	(1.615)
Provision during the period	3.079	636
Vacation pay liability at the end of the period	2.922	1.774

Provisions for jubilee pay

The movement in jubilee pay liability during the period is as follows:

	30 September 2023	30 September 2022
Provisions for jubilee pay		
Jubilee pay liability at the beginning of the period	813	445
Paid during the period	-	(12)
Provisions during the period	633	380
Jubilee pay liability at the end of the period	1.446	813

Provision for success premium pay

The movement in the provision for success premium to be paid to personnel during the year is as follows:

	30 September 2023	30 September 2022
Provision for success premium pay		
Provision for success premium at the beginning of the period	10.000	8.889
Paid during the period	(8.177)	(7.669)
Provision during the period	14.855	8.780
Provision for success premium at the end of the period	16.678	10.000

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

16. Shareholders' Equity

As at 30 September 2023 and 30 September 2022, the Company's shareholders and their shares in equity are as follows:

	30 September 2023			30 September 2022		
	Ownership share			Ownership share		
	Nominal	Amount	(%)	Nominal	Amount	(%)
Siemens Aktiengesellschaft (Siemens AG)	4.680.000	234.000	100	4.679.999	234.000	100
Diğer	-	-	-	1	-	-
Paid-in-capital	4.680.000	234.000	100	4.680.000	234.000	100

As at 30 September 2023, the Company's registered capital consists of 4.680.000 unprivileged shares, each with nominal value of TL 0,05 (full).

Retained earnings in the statutory financial statements can be distributed, except for the decree relating to the legal reserves stated below:

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. It is not possible to use it in any other way. The Law No. 7244 on Reducing the Effects of the New Coronavirus (COVID-19) Epidemic on Economic and Social Life and the Law on Amendment to Certain Laws ("Law") entered into force after being published in the Official Gazette dated April 17, 2020. Pursuant to the aforementioned Law, the Turkish Commercial Code numbered 6102 was amended and restrictions on profit distribution were envisaged. The regulation has started to be applied as of the publication date of the Law.

The Company, after obtaining the necessary official approvals from the Banking Regulation and Supervision Agency (BRSA), dividends were respectively distributed in the amount of 4.234 TL to the main shareholders in March 2023.

17. Segment Reporting

As at 30 September 2023 and 30 September 2022, no segment reporting is provided as the Company operates only in Turkey and in financial leasing sector.

18. Lease Income

For the years ended 30 September 2023 and 30 September 2022, the details of the leasing income are as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Interest income from finance leases	624.774	349.136
	624.774	349.136

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

19. Operating Expenses

For the years ended 30 September 2023 and 30 September 2022, the details of the operating expenses are as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Personnel expenses	77.976	38.152
IT expenses	17.466	7.678
Outsourced benefits and service expenses	12.681	8.766
Depreciation expenses	4.693	2.456
Tax duties and fees	1.460	1.198
Other	13.911	6.566
	128.187	64.816

20. Other Operating Income / Expenses

For the years ended 30 September 2023 and 30 September 2022, the details of the other operating income are as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Other Operating Income		
Foreign exchange income	16.721.116	10.497.805
Insurance income included in rent (*)	26.666	45.995
Interest received from banks	20.821	16.647
Derivative financial transactions profit	8.226	2.951
Other	55.366	25.185
	16.832.195	10.588.583

For the years ended 30 September 2023 and 30 September 2022, the details of the other operating expense are as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Other Operating Expenses		
Foreign exchange transactions loss	16.659.731	10.437.188
Insurance expenses included in the rent	-	33.721
Loss from derivative financial transactions	2.022	5.285
Other	18.555	3.377
	16.680.308	10.479.571

(*) As of 2023, the insurance commission income and expenses are offsetted. As of 2023, total insurance commission income is TL 26.666 . (2022: TL 12.274)

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Notes to the financial statements as at and for the year ended 30 September 2023

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21. Financial Expenses

For the years ended 30 September 2023 and 30 September 2022, the details of the financial expenses are as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Interest expense (*)	293.411	159.064
Interest accruals	35.162	20.155
Costs and commissions paid to related companies (**)	14.123	4.159
Costs and commissions paid to unrelated companies	10.334	1.470
Financial leasing interest expenses	1.086	768
	354.116	185.616

(*) As of 30.09.2023, the total of loan interest and expenses paid to Siemens Bank GmbH is 172.572 TRY.

(**) Consists of loan usage expenses, commissions and letter of guarantee expenses paid to Siemens Bank GmbH in 2023 fiscal year.

22. Taxes

As at 30 September 2023 and 30 September 2022, the tax expense reconciliation is as follows:

	1 October 2022- 30 September 2023	1 October 2021- 30 September 2022
Profit/(loss) from continuing operations before tax	263.890	193.150
Income tax rate	25%	25%
Expected tax expense	(65.973)	(48.288)
Tax impact:		
Change in tax rate	-	5.795
Tax effect of expenses that are not legally accepted	(4.989)	(10.946)
Tax-exempt expense effect	(4.149)	(3.561)
Exceptions and discounts to be deducted even if there is a loss	7.156	3.630
Tax provision expense in the income statement	(67.955)	(53.370)

The tax items in the statement of profit and loss are summarized below for the periods ended 30 September 2023 and 30 September 2022:

	30 September 2023	30 September 2022
Current tax provision	63.405	55.604
Deferred tax income / (expense)	(1.962)	3.561
Total tax expense	61.443	59.165

	30 September 2023	30 September 2022
Corporate tax payables	63.806	55.604
Prepaid taxes	(64.373)	(44.055)
Corporate tax payable, net	(567)	11.549

Corporate tax

The Company is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey.

The corporate tax rate to be accrued on taxable corporate income is calculated on the addition of non-deductible expenses from the tax base in the determination of business income, and the deduction of tax-exempt gains, non-taxable incomes and other deductions (past year losses, if any, and investment allowances used if preferred).

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Notes to the financial statements as at and for the year ended 30 September 2023

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22. Taxes (continued)

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate that should be calculated on corporate earnings during the taxation of 2023 corporate earnings as of temporary tax periods is 25% (30 September 2022: 25%). Losses can be carried forward for a maximum of 5 years, to be deducted from taxable profits in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

Income Withholding Tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003 by the end of 22 July 2006. However, this rate was changed to 15% commencing from 22 July 2006 upon the order no: 2006/10731 of the Council of Ministers. However, the new Council of Minister of the 10% rate will apply until there is a replacement for this rate. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19.8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, the investments without investment incentive certificates do not qualify for tax allowance.

23. Earnings per Share

According to TAS 33 "Earnings Per Share" standard, businesses whose stocks are not traded on the stock exchange are not required to disclose earnings per share.

24. Transactions and Balances with Related Parties

As at 30 September 2023 and 30 September 2022, the details of receivables and payables from related parties are as follows:

	30 September 2023	30 September 2022
Short-term portions of long-term loans		
Siemens Bank GmbH	1.161.359	616.418
Long-term loans		
Siemens Bank GmbH	3.216.966	1.186.491
Payables from rental transactions		
Siemens Sanayi ve Ticaret A.Ş.	-	7.298
Other liabilities		
Siemens AG	640	1.666
Siemens Financial Services GmbH	1.048	195
Siemens Financial Services Inc.USA	103	69
Siemens Financial Services Private Ltd.India	411	63
Siemens Limited India	-	19
Siemens Sanayi ve Ticaret A.Ş.	1.254	5
Financing expenses		
Siemens Bank GmbH	186.695	71.527
Operating expenses		
Siemens Financial Services GmbH	12.160	6.451
Siemens Sanayi Ticaret A.Ş.	11.217	4.660
Siemens AG	950	1.127

For the years ended 30 September 2023 the wages and similar remunerations paid to board of directors and top management are TL 11.850 (30 September 2022: TL 10.548).

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25. Provisions, Contingent Asset and Liabilities and Commitments

As at 30 September 2023, the Company has given letters of guarantee amounting to TL 648 (30 September 2022: TL 1.358) to the courts and letters of credit amounting to TL 81.482 (30 September 2022: TL 72.510) for leasing operations.

The Company has TL 1.063 lawsuit provision as of September 30, 2023 and TL 4.098 employee lawsuits (September 30, 2022: TL 1.063 lawsuit provision and TL 186 employee lawsuits).

The Company has signed lease agreements available but not yet activated with the customers and the assets subject to finance leases due to import transactions. As at 30 September 2023 these type agreements was amounting TL 1.442.293 (30 September 2022: TL 885.626).

26. Financial Instruments and Financial Risk Management

Capital Risk Management

The main objective of the Company's capital management is to ensure business continuity and maximize profits by using the debt and equity balance in the most efficient way.

	30 September 2023	30 September 2022
Total liabilities	6.056.322	3.346.803
Cash and Cash equivalents (-)	(147.775)	(150.171)
Net liabilities	5.908.547	3.196.632
Total equity	755.925	561.779
Equity / Liability rate (%)	12,79%	17,57%

Market risk

Market risk is the risk that the Company will be adversely affected by changes in the market value of financial contracts, interest rates and foreign exchange rates.

The crucial risks for the Company are the changes in interest rates and foreign exchange rates. The Company follows the foreign exchange position on the statement of financial position to avoid currency risk and holds a currency risk at low level. The Company borrows in fixed interest rates for fixed rate leasing transactions and in floating interest rates for floating rate leasing transactions. Therefore the Company does not carry an interest rate risk.

Foreign Exchange rate risk

The Company carries foreign currency risk through transactions in foreign currencies (such as leasing transactions, and bank borrowings). Due to the financial statements of the Company are prepared on the basis of TL, the financial statements are affected by fluctuations of foreign currencies against TL.

Foreign currency risk is the risk that any change in exchange rates depending on the value of financial instruments arises. The Company has foreign currency risk due to foreign currency denominated borrowings. The main foreign currencies causes this risk are U.S. Dollar and Euro.

The Company monitors its foreign exchange position continuously to avoid exchange rate risk on the statement of financial position.

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Notes to the financial statements as at and for the year ended 30 September 2023

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26. Financial Instruments and Financial Risk Management (continued)**Market risk (continued)***Foreign Exchange rate risk (continued)*

The following table summarizes the foreign currency position of the Company as at 30 September 2023 and 30 September 2022. Foreign currency denominated assets and liabilities held by the Company based on the types of foreign currencies are as follows:

2023 Balance Sheet (TL)	USD Dollars	Euro	JPY	CHF	Total
Banks	36.121	68.968	-	-	105.089
Lease receivables	242.912	4.833.839	-	-	5.076.751
Unearned interest income (-)	(38.602)	(523.851)	-	-	(562.453)
Doubtful receivables	525	193	-	-	718
Specific provisions (-)	(828)	(6.554)	-	-	(7.382)
Other assets (*)	107.698	505.393	-	-	613.091
Total assets	347.826	4.877.988	-	-	5.225.814
Funds borrowed	217.800	4.358.144	-	-	4.575.944
Other payables	128.044	385.395	-	-	513.439
Total liabilities	345.844	4.743.539	-	-	5.089.383
On-balance-sheet position	1.982	134.449	-	-	136.431
Derivative financial instruments long position	-	-	-	-	-
Derivative financial instruments short position	-	983	-	-	983
Off-balance-sheet position	-	(983)	-	-	(983)
Net foreign currency position	1.982	133.466	-	-	135.448

(*) Leasing contracts in progress amounting to TL 447.534 and advances given for lease transactions TL 90.709 are classified under other assets.

2022 Balance Sheet (TL)	USD Dollars	Euro	JPY	CHF	Total
Banks	18.268	48.876	-	-	67.144
Lease receivables	69.797	2.241.857	-	-	2.311.654
Unearned interest income (-)	(7.940)	(190.819)	-	-	(198.759)
Doubtful receivables	2.145	19.308	24	-	21.477
Specific provisions (-)	(2.135)	(20.092)	(24)	-	(22.251)
Other assets (*)	5.160	275.060	-	-	280.220
Total assets	85.295	2.374.190	-	-	2.459.485
Funds borrowed	74.199	2.078.464	-	-	2.152.663
Other payables	10.412	197.474	-	-	207.886
Total liabilities	84.611	2.275.938	-	-	2.360.549
On-balance-sheet position	684	98.252	-	-	98.936
Derivative financial instruments long position	-	-	-	-	-
Derivative financial instruments short position	-	(1.249)	-	-	(1.249)
Off-balance-sheet position	-	(1.249)	-	-	(1.249)
Net foreign currency position	684	97.003	-	-	97.687

(*) Leasing contracts in progress amounting to TL 219.706 and advances given for lease transactions TL 56.331 are classified under other assets.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

26. Financial Instruments and Financial Risk Management (continued)

Market risk (continued)

Foreign exchange rate risk sensitivity analysis

As at 30 September 2023 and 30 September 2022, 10% depreciation or gain of TL appreciation foreign currencies listed above, would reduce or increase the pre-tax income as shown below. In this analysis, other variables, particularly interest rate is assumed to remain constant.

	2023		2022	
	Equity	Income/ (Loss)	Equity	Income/ (Loss)
10% increase	-	13.545	-	9.769
10% decrease	-	(13.545)	-	(9.769)

Interest rate risk

As at 30 September 2023, the Company does not have any interest sensitive assets and liabilities (30 September 2022: None).

Average interest rates applied to the financial instruments at 30 September 2023 and 30 September 2022 are as follows:

	2023		
	US \$ (%)	EUR (%)	TL (%)
Assets			
Time deposits	-	-	23,55%
Lease Receivables	12,16%	6,90%	32,87%
Liabilities			
Funds borrowed	4,37%	2,57%	31,94%

	2022		
	US \$ (%)	EUR (%)	TL (%)
Assets			
Time deposits	0,43%	-	17,25%
Lease Receivables	8,70%	4,90%	23,91%
Liabilities			
Funds borrowed	3,45%	2,09%	25,67%
Financial lease liabilities	-	-	18,28%

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit risk is controlled by restricting the limits of customers approved by the Board of Directors.

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26. Financial Instruments and Financial Risk Management (continued)

Credit risk (continued)

	30 September 2023			30 September 2022		
	Lease receivables	Other receivables	Banks	Lease receivables	Other receivables	Banks
Maximum amount of credit risk exposed as of reporting date (*)	5.961.153	147.179	147.775	3.387.724	76.437	150.171
Maximum credit risk secured guarantees etc. (**)	5.543.703	-	-	3.038.991	-	-
A. Net book value of financial assets either not due or not impaired	6.491.468	147.179	147.775	3.659.044	76.437	150.171
Not due or not impaired (gross book value)	6.491.468	147.179	147.775	3.659.044	76.437	150.171
Impairment amount (-)	-	-	-	-	-	-
Net value secured by guarantees etc.	5.543.703	-	-	3.038.991	-	-
B. Book value of financial assets with renegotiated conditions	-	-	-	-	-	-
Conditions are renegotiated (gross book value)	-	-	-	-	-	-
Impairment amount (-)	-	-	-	-	-	-
C. Net book value of assets past due but not impaired	14.323	-	-	7.611	-	-
Past due (gross book value)	14.323	-	-	7.611	-	-
Impairment amount (-)	-	-	-	-	-	-
Net value secured by guarantees etc	-	-	-	-	-	-
D. Net book value of assets impaired	-	-	-	3.448	-	-
Past due (gross book value)	1.332	-	-	41.540	-	-
Impairment amount (-) (***)	(1.332)	-	-	(38.092)	-	-
Net value secured by guarantees etc	-	-	-	114	-	-
E. Off-balance items exposed to credit risk	-	-	-	-	-	-

(*) The elements that increase the credibility such as guarantees received are not taken into account while determining the amount.

(**) Collaterals that exceed the risk are not taken into account. The assets that are subject to lease agreements are not taken into account.

(***) Impairment is also calculated for the undue amounts of the related overdue lease receivables. Undue lease receivables are classified in the Group A.

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26. Financial Instruments and Financial Risk Management (continued)**Liquidity risk**

Liquidity risk generally occurs during the funding of the Company's activities and the management of the positions. This risk also includes the risk of not funding the assets with the appropriate maturities and rates, and not to dispose an asset with a fair price at an appropriate time. The Company has rights to use banks and the shareholders as a funding source. The Company assesses the liquidity risk continuously in order to realize the determined goals by identifying and monitoring the changes in funding clauses. In addition to this, as a part of liquidity risk management strategy of the Company, a liquid portfolio is maintained. Since the short term receivables are greater than short term liabilities of the Company, there is no liquidity risk.

As at 30 September 2023 and 30 September 2022, the distribution of the monetary assets and liabilities according with their remaining maturities are as follows;

2023 Balance Sheet (TL)	Less than 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Demand	Total
Assets							
Banks	146.205	-	-	-	-	1.570	147.775
Lease receivables	244.330	517.567	668.020	1.244.467	3.286.769	-	5.961.153
Other assets(**)	297.241	188.061	70.507	53.642	82.935	-	692.386
Total assets (*)	687.776	705.628	738.527	1.298.109	3.369.704	1.570	6.801.314
Liabilities							
Funds borrowed	196.990	399.715	352.257	932.702	3.523.840	-	5.405.504
Current period tax liability	-	-	-	-	-	-	-
Provisions	-	-	33.926	6.113	19.645	-	59.684
Other payables	451.080	9.443	14.824	32.845	82.942	-	591.134
Total liabilities (**)	648.070	409.158	401.007	971.660	3.626.427	-	6.056.322
Net liquidity	39.706	296.470	337.520	326.449	(256.723)	1.570	744.992

(*) Non-performing receivables amounting to TL 1.332 and their specific provisions amounting to TL (12.028), property, plant and equipment amounting to TL 6.059, intangible assets amounting to TL 2.502, deferred tax assets amounting to TL 12.501 are not included.

(**) Shareholders' equity amounting to TL 755.925 is not included.

(***) Leasing contracts in progress amounting to TL 447.534 and advances given for lease transactions amounting to TL 90.709 are reclassified to other assets.

(****) Derivative Financial Liabilities amounting to TL 983 are reclassified to Other Liabilities.

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Notes to the financial statements as at and for the year ended 30 September 2023

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26. Financial Instruments and Financial Risk Management (continued)

Liquidity risk (continued)

2022 Balance Sheet (TL)	Less than 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Demand	Total
Assets							
Banks	68.241	-	-	-	-	81.930	150.171
Lease receivables	132.911	279.299	349.658	635.958	1.989.898	-	3.387.724
Other assets(**)	75.574	163.858	43.600	31.133	41.208	-	355.373
Total assets (*)	276.726	443.157	393.258	667.091	2.031.106	81.930	3.893.268
Liabilities							
Funds borrowed	125.333	219.358	288.399	593.067	1.775.795	-	3.001.952
Current period tax liability	-	11.549	-	-	-	-	11.549
Provisions	-	-	28.998	9.043	10.887	-	48.928
Lease payables	89	178	267	528	4.297	-	5.359
Other payables	202.845	5.361	8.018	15.860	46.931	-	279.015
Total liabilities (**)	328.267	236.446	325.682	618.498	1.837.910	-	3.346.803
Net liquidity	(51.541)	206.711	67.576	48.593	193.196	81.930	546.465

(*) Non-performing loans amounting to TL 41.540, and their specific provisions amounting to TL (45.000), property, plant and equipment amounting to TL 10.438, intangible assets amounting to TL 3, deferred tax assets amounting to TL 8.333 are not included.

(**) Shareholders' equity amounting to TL 561.779 is not included.

(***) Leasing contracts in progress amounting to TL 219.706 and advances given for lease transactions amounting to TL 59.226 are reclassified to other assets.

(****) Derivative Financial Liabilities amounting to TL 1.249 are reclassified to Other Liabilities.

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Notes to the financial statements as at and for the year ended 30 September 2023

(Currency: Thousands of Turkish Lira ("Thousand TL") unless otherwise stated.)

26. Financial Instruments and Financial Risk Management (continued)

Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realise in a current market exchange.

Fair value of other financial instruments is measured according to the assumptions based on quoted bid prices of similar instruments, or amounts derived from cash flow models.

The fair values of short term financial assets and liabilities excluding finance lease receivables and borrowings are considered to approximate their respective carrying values due to their short-term nature.

The table below indicates the book value and the fair value of the financial assets which are stated at their carrying amounts other than their fair values:

	30 September 2023		30 September 2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Lease receivables	5.961.153	6.062.079	3.387.724	3.613.099
Funds borrowed	5.405.504	5.381.478	3.001.952	2.993.173
Lease liabilities	-	-	5.359	7.298

Fair value hierarchy in accordance with TFRS 7 that reflects the significance of the inputs used in determining the fair values of financial assets and liabilities, those are carried with their fair values on the statement of financial position are as follows:

- Level 1: Financial assets and liabilities are valued at the stock exchange price in an active market for exactly the same assets and liabilities.
- Level 2: Financial assets and liabilities are valued with the inputs used to determine a directly or indirectly observable price other than the stock market price of the relevant asset or liability mentioned in Level 1.
- Level 3: Financial assets and liabilities are valued with inputs that cannot be based on data observable in the market and used to determine the fair value of the asset or liability.

As of 30 September 2023 and 2022, there are no financial instruments that are measured with their fair value.

27. Events after the Reporting Period

As of date of 9 January 2024, the request of new branch in İzmir approved in the Turkish Trade Registry Gazette and registration completed.

The BRSA determined the application date of TAS 29 as 1 January 2025 that will be applicable for banks, financial leasing, factoring, financing, saving financing and asset management companies with the decision number 10825 as the date of 11 January 2024.