

**GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret
Anonim Şirketi and Its Subsidiaries**

**Consolidated Financial Statements
As at and For the Year Ended
31 December 2024
With Independent Auditors' Report Thereon**

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

13 Şubat 2025

.....
.....



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

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

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

Key Audit Matters	How the key audit matter was addressed in the audit
Recognition of revenue from maritime operations	
<p>During the year ended 31 December 2024, the Group obtained sales revenue of TL 549.891 thousand from its maritime activities.</p> <p>When the Group fulfills its performance obligation by transferring a promised service to its customer in maritime activities within the scope of chartering, the revenue is recognized in its consolidated financial statements.</p> <p>Revenue represents one of the most significant amounts in the Group's statement of profit or loss and other comprehensive income and is defined as an important matter for our audit procedures as it has a weighted effect on the Group's key performance indicators. Revenue recognition has been identified as a key audit matter by us for the reasons stated.</p>	<p>The following procedures have been applied for the revenue recognition audit:</p> <ul style="list-style-type: none">• We have understood the sales processes and evaluated the design of the controls related to these processes.• We conducted analyzes on whether the revenue recorded in the consolidated financial statements is at the expected levels.• We tested the revenue with supporting documents such as invoices and contracts by sampling method.• We reviewed the Group's sales agreements with its customers and evaluated the timing of revenue recognition for different performance obligations.• We checked the compliance of the disclosures in the footnotes of the consolidated financial statements regarding the revenue with TFRS.



Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of TAS 29, “Financial Reporting in Hyperinflationary</p> <p>As described in Note 2, the Company has applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its financial statements as at and for the year ending 31 December 2024.</p> <p>TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2024 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2024. The application of TAS 29 has a pervasive and material impact on the financial statements and the impact of TAS 29 is reliant upon a number of key judgements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit.</p>	<p>The following audit procedures were addressed in our audit work for the application of TAS 29:</p> <ul style="list-style-type: none">• Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management,• Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29,• Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis,• Evaluating the calculation methods used by management and verifying whether they are consistently used in all periods,• Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute,• Evaluating the mathematical accuracy of non-monetary items, income statement, other comprehensive income statement and cash flow statement adjusted for inflation effects,• Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the financial statements in accordance with TFRS.



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

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

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

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

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

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

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 11 March 2025.

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

A handwritten signature in blue ink, appearing to read "Baki Erdal", is positioned below the text of the firm.

Baki Erdal, SMMM
Independent Auditor

Istanbul, 11 March 2025

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

INDEX	PAGE
Consolidated statement of financial position (balance sheet)	1 - 2
Consolidated statement of profit or loss	3
Consolidated statement of profit or loss and other comprehensive income	4
Consolidated statement of changes in equity	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7 - 63

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

		Audited	Audited
		31 December	31 December
	Notes	2024	2023
Assets			
Current assets		844,890	743,502
Cash and cash equivalents	3	822,112	696,669
Financial Investments		1,688	21,563
Financial assets-fair value through profit or loss	4	1,688	21,563
Trade receivables	7.1	2,356	3,546
- Due from related parties	6	2,356	2,932
- Due from third parties		-	614
Receivables from finance sector activities	8	51	69
- Due from finance sector activities third parties	8.1	51	69
Inventories (net)	10	5,064	5,964
Prepaid expenses	11	7,896	10,174
- Due from third parties		7,896	10,174
Current income tax assets	12	478	100
Other current assets	22	3,471	3,643
- Due from third parties		3,471	3,643
Assets held for sale	13	1,774	1,774
Non-current assets		2,223,677	2,402,082
Investments in subsidiaries, business partnerships and subsidiaries	5	32,946	23,704
Tangible assets	14	2,187,505	2,373,377
- Vehicles	14	1,913,328	2,372,536
- Furnitures and fixtures	14	632	841
- Construction in Progress		273,545	-
Right of use assets	15	2,173	3,666
Intangible Assets	16	91	126
- Other intangible assets		91	126
Deferred tax assets	32	680	1,184
Other non-current assets	22	25	25
Due from third parties			
Investments in subsidiaries, business partnerships and subsidiaries		25	25
Prepaid expenses	11	257	-
-Expenses paid in advance to unrelated parties		257	-
Total assets		3,068,567	3,145,584

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

	Notes	Audited 31 December 2024	Audited 31 December 2023
Liabilities			
Current liabilities		271,828	272,305
Short term borrowings	17	111,729	129,786
Due to related parties	17.2	111,729	129,786
- Bank loans	17.2	110,266	128,325
- Lease liabilities	6	1,463	1,461
Short-term portion of long-term financial liabilities		113,370	98,039
Due to third parties		113,370	98,039
- Bank loans	17.2	113,201	97,472
- Lease liabilities		169	567
Trade payables	7.2	29,379	20,097
- Due to related parties		195	557
- Due to third parties		29,184	19,540
Payables from finance sector activities	8	210	258
- Due to third parties	8.2	210	258
Other payables	9	1,937	1,272
- Due to related parties		862	286
- Due to third parties		1,075	986
Deferred income	20	9,040	18,520
- Due to third parties	20	9,040	18,520
Current income tax liabilities		4,430	3,068
Short-term provisions	21	1,733	1,265
- Provisions for employee benefits	21.1	1,733	1,265
Non-current liabilities		574,095	447,830
Long-term financial liabilities		572,952	447,371
Due to third parties		572,952	447,371
- Bank loans	17.2	572,952	447,127
- Lease liabilities		-	244
Long-term provisions	21	1,143	459
- Provisions for employee benefits	21.2	1,143	459
Equity		2,222,644	2,425,449
Paid-in share capital	23.1	150,000	150,000
Adjustment to share capital	23.2	1,724,560	1,724,560
Premium on the shares/discount	23.3	52,675	52,675
Accumulated other comprehensive income that will never be reclassified to profit or loss	23.5	44	27
- Gains/losses from revaluation of defined benefits	23.5	44	27
Accumulated other comprehensive income that may be reclassified subsequently to profit or loss	23.6	1,509,307	1,679,295
- Currency translation differences		1,509,307	1,679,295
Restricted reserves	23.7	319,219	317,180
Prior years' profits/(losses)	23.8	(1,498,602)	(1,057,950)
Net profit / (loss) for the period		(34,559)	(440,338)
Equity of the parent company		2,222,644	2,425,449
Total equity and liabilities		3,068,567	3,145,584

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

		Audited	Audited
		1 January -	1 January -
		31 December	31 December
	Notes	2024	2023
Continuing operations			
Marine sector revenues	24	549,891	374,547
Marine sector expenses (-)	24	(353,358)	(315,153)
Gross profit/(loss) of marine sector activities		196,533	59,394
Gross profit/(loss) from trading activities		196,533	59,394
Finance sector operating income	25	6	35
Foreign exchange gain		6	32
Interest income		-	3
Cost of finance sector activities (-)	25	(9)	(1)
Foreign exchange loss		(9)	(1)
Gross profit/(loss) from finance sector activities		(3)	34
Gross profit/(loss)		196,530	59,428
General administrative expenses (-)	26	(49,322)	(47,288)
Other operating income	27	137,634	52,991
Other operating expenses (-)	28	(37,744)	(8,913)
Operating profit/(loss)		247,098	56,218
Income from investment activities	29	3,547	15,899
Expenses from investment activities(-)		(775)	-
Operating profit/(loss) before financial income (expenses)		249,870	72,117
Financial expenses (-)	30	(53,154)	(50,466)
Net monetary gains/(losses)	31	(218,531)	(460,414)
Profit/ (loss) before tax from continued operations		(21,815)	(438,763)
Tax income/(expenses) of continued operations		(12,744)	(1,575)
Taxation on income / (expenses)	32	(13,184)	(3,160)
Deferred tax income / (expenses)	32	440	1,585
Profit/(loss) for the period		(34,559)	(440,338)
Earnings / (losses) per share		(0.2304)	(2.9356)

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

	Audited	Audited
	1 January- 31 December 2024	1 January- 31 December 2023
<i>Notes</i>		
Profit / (loss) for the period	(34,559)	(440,338)
Other comprehensive income/(expenses)		
<u>Other comprehensive income or expenses not</u>	44	27
Gains/losses from revaluation of defined benefits	44	27
<u>To be reclassified as profit or loss</u>	(169,988)	351,750
Gains (losses) from changes in foreign currency translation differences	23.6 (169,988)	351,750
Other comprehensive income / (expense) (net of tax)	(169,944)	351,777
Total comprehensive income / (expense)	(204,503)	(88,561)
Appropriation of total comprehensive income / (expense)	(204,503)	(88,561)
Equity holders of the parent	(204,503)	(88,561)

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

	Notes	Paid-in Capital	Adjustment to share capital	Premium/ Discounts	Gains/losses from revaluation of defined benefits	Other comprehensive income or expenses not to be reclassified to profit or loss	Foreign currency translation adjustment	Restricted reserve	Prior years' profits/ (losses)	Accumulated losses	Equity attributable to equity holders of the parent	Total Equity
Prior period												
1 January 2023		150,000	1,724,560	52,675	(822)	1,327,494	310,288	(1,141,749)	90,115	2,512,561	2,512,561	
Transfers												
Transfers to prior years' profits/(losses)		-	-	-	822	-	-	7,127	82,166	(90,115)	-	-
Total comprehensive income		-	-	-	822	-	-	7,127	82,166	(90,115)	-	-
Net profit/loss for the period		-	-	-	27	351,750	-	-	-	(440,338)	(88,561)	(88,561)
Other comprehensive income(expense)		-	-	-	-	-	-	-	-	(440,338)	(440,338)	(440,338)
The increase / decrease due to other changes		-	-	-	27	351,750	-	-	-	-	351,777	351,777
		-	-	-	-	51	(235)	1,633	-	-	1,449	1,449
Balance as at 31 December 2023	23	150,000	1,724,560	52,675	27	1,679,295	317,180	(1,057,950)	(440,338)	2,425,449	2,425,449	
Current period												
1 January 2024		150,000	1,724,560	52,675	27	1,679,295	317,180	(1,057,950)	(440,338)	2,425,449	2,425,449	
Transfers												
Transfers to prior years' profits/(losses)		-	-	-	(27)	-	-	610	(440,921)	440,338	-	-
Total comprehensive income		-	-	-	(27)	-	-	610	(440,921)	440,338	-	-
Net loss for the period		-	-	-	44	(169,988)	-	-	-	(34,559)	(204,503)	(204,503)
Other comprehensive income(expense)		-	-	-	-	-	-	-	-	(34,559)	(34,559)	(34,559)
The increase / decrease due to other changes		-	-	-	44	(169,988)	-	-	-	-	(169,944)	(169,944)
		-	-	-	-	-	1,429	269	-	-	1,698	1,698
Balance as at 31 December 2024	23	150,000	1,724,560	52,675	44	1,509,307	319,219	(1,498,602)	(34,559)	2,222,644	2,222,644	

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

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

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024

		Audited	Audited
	Notes	31 December 2024	31 December 2023
Cash Flows (Indirect method)			
Cash flow from operating activities		353,559	576,651
Profit/(loss) for the period		(34,559)	(440,338)
Profit/(loss) from continuing operations		(34,559)	(440,338)
Adjustments related with the reconciliation of net profit/(loss) for the period		738,421	(474,118)
Adjustments related to depreciation and amortization	14,15,16	120,651	121,671
Adjustments related to provisions		2,609	703
Provisions for employee benefits	21	2,609	703
Adjustments related to interest expenses and income		(82,759)	11,634
Interest income		(135,913)	(38,832)
Interest expenses		53,154	50,466
Adjustments related to unrealized foreign currency translation differences		605,936	(733,747)
Adjustments related to tax (income)/expenses		12,744	1,575
Adjustments related to monetary gains/losses		79,240	124,046
Realized changes in working capital		(496,849)	1,476,676
Changes in financial investments		19,875	309,847
Adjustments related to changes in trade receivables		1,190	(2,645)
Changes in receivables from financial activities due to related parties		576	(2,031)
Changes in receivables from financial activities due to third parties		614	(614)
Changes in receivables from financial activities		18	7
Adjustments related to changes in inventories	10	900	(131)
Changes in prepaid expenses	11	2,021	(780)
Adjustments related to changes in trade payables		9,282	9,276
Changes in trade payables due to related parties		(362)	424
Changes in trade payables due to third parties		9,644	8,852
Change in finance sector payables		(48)	(25)
Adjustments related to the changes in other payables related to operations		665	152
Changes in operations from other payables due to related parties		576	(11)
Changes in operations from other payables due to third parties		89	163
Changes in deferred income (other than contractual obligations)		(9,515)	2,573
Adjustments related to other changes in working capital		(521,237)	1,158,402
Changes in other assets related to operations		(519,147)	1,156,792
Changes in other liabilities related to operations		(2,090)	1,610
Cash flows derived from operating activities		207,013	562,220
Interest received		159,774	47,470
Employee benefits paid		(968)	(4,635)
Tax paid		(12,260)	(28,404)
Cash flows from investing activities		(258,250)	54,578
Cash inflows arising from the sales of tangible and intangible fixed assets		1,783	837,713
Cash inflows arising from the sales of tangible	14	1,783	837,713
Cash outflows arising from the purchase of tangible and intangible fixed assets		(261,854)	(799,034)
Cash outflows from purchases of tangible fixed assets	14	(261,854)	(799,034)
Cash inflows from participation (profit) share and other financial instruments		1,821	15,899
Cash flow from financing activities		126,991	(201,197)
Cash inflows from borrowings		307,089	752,294
Cash inflows from bank loans		307,089	752,294
Cash outflows from payment of financial borrowings		(139,473)	(904,809)
Cash outflows repayments of bank loans		(139,473)	(904,809)
Cash outflows on debt payments from lease contract		(2,694)	(2,778)
Interest paid		(37,931)	(45,904)
Net increase/(decrease) in cash and cash equivalents before the effect of foreign currency translation differences		222,300	430,032
Effect of change in foreign exchange rates on cash and cash equivalents		257	6,815
Net increase/(decrease) in cash and cash equivalents		222,557	436,847
Cash and cash equivalents at 1 January		560,523	1,038,333
Inflation effect on cash and cash equivalents		(90,670)	(914,657)
Cash and cash equivalents at 31 December	3	692,410	560,523

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

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

1. ORGANİZATİON AND OPERATIONS OF THE GROUP

GSD Denizcilik, Gayrimenkul, İnşaat Sanayi ve Ticaret Anonim Şirketi ("the Company") was established as a GSD Group Company in 1992. As at 31 December 2024 of certain shares of the Company are listed on Borsa İstanbul (BİST) since 20 February 1995.

The Company started its activities under the name of Tekstil Finansal Kiralama Anonim Şirketi in the frame of the provisions "Financial Leasing Law" dated in 1992 and numbered 3226. According to the Board of Directors resolution dated 25 May 2011, the Company decided to initiate the process regarding the amendment of the articles of association to change the operating activity, due to the sectoral contraction. According to the amendment of articles of association, the title and name of the Company have been changed as "GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret Anonim Şirketi" and "GSD Marin", respectively. Based on the amendment of articles of association, the Company's purpose and activity is decided as purchasing and selling, operating, renting, building, and trading of ships, yachts, sea vessels, and relevant instruments, equipment and spare parts; and the purchasing and selling, renting and building real estate properties. The Company's amendment of articles of association was submitted to and approved by the shareholders in the Extraordinary General Meeting held on 24 August 2011 subsequent to the approvals of Banking Regulation and Supervision Agency ("BRSA"), Capital Markets Board of Turkey ("CMB") and the other relevant authorities. The Company's new title was registered on 26 August 2011 as GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret Anonim Şirketi (the former legal title; "Tekstil Finansal Kiralama Anonim Şirketi").

The Company would be able to prosecute its rights and claims resulting from the leasing agreements signed with its former title until its former operating activity is completely ended; on the condition that no new leasing activity or agreement is taken upon, to carry out legal operations for the execution of supplemental agreements, amendment contracts such as change of lessee, term extension and reduction, and similar amendments, annulment of contract, legally follow up of lease receivables to get the underlying leased assets back and collection of receivables; and to partially or completely transfer and assign.

The company started its activities in the maritime sector by leasing two dry cargo ships, the construction of which was completed in 2013 and 2014, by its subsidiaries in Malta, which it established with a 100% capital share. The company continues its activities with a total of two dry bulk bulk carriers, each of which is the owner of two subsidiaries, which it established with 100% capital share in Malta.

The address of the Company's registered office is Aydınevler Mahallesi, Kaptan Rıfat Sokak, No: 3 Küçükalyalı - 34854 Maltepe-İstanbul. As at 31 December 2024 the Company has 17 employees (31 December 2023: 15).

As at 31 December 2024 and 31 December 2023 information about shareholders and their percentages are as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
GSD Holding A.Ş. ("GSD Holding")	102,000	68.00	102,000	68.00
Halka arz edilen	47,849	31.90	47,849	31.90
Hakan Yılmaz (Doğrudan)	150	0.10	150	0.10
Diğer	1	-	1	-
Historical amount	150,000	100.00	150,000	100.00
Share capital inflation adjustment differences	1,724,560		1,724,560	
Adjustment for inflation amount	1,874,560		1,874,560	

As at 31 December 2024 and 31 December 2023, the distribution of the Company's shares on the basis of group is as follows:

	31 December 2024	31 December 2023
Group A	25,803	25,803
Group B	10,754	10,754
Group C	106,991	106,991
Group D	6,452	6,452
	150,000	150,000

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

1. ORGANİZATİON AND OPERATIONS OF THE GROUP (CONTINUED)

In accordance with the decision of the Board of Directors of the Company dated 8 September 2021 and numbered 971; Within the registered capital ceiling of TRY250,000, a capital of TRY97,819 of the issued capital amounting to TRY52,181 to be fully paid in cash, over the exercise price of TRY1 for 100 shares with a nominal value of TRY1. The process of increasing the issued capital up to TRY150,000 has been approved by the Capital Markets Board with the letter numbered E-29833736-105.01.01.01-11967 dated October 18, 2021. Amendment text of article 6 titled "Registered Capital" of our company's articles of association. It was registered by the Istanbul Trade Registry Directorate on 28.10.2021 and registered and announced in the Turkish Trade Registry Gazette dated 28 October 2021 and numbered 10440. Every shareholder has voting right in proportion to the shares. However, Group A, B and D shareholders are privileged in the selection of the Board of Directors, and Group A and B shareholders are privileged in electing auditors. There are no privileges given to shareholders in the process of profit distribution. GSD Holding holds the entire Group A, B and D shares and it holds Group C shares amounting to TRY58,991.

The Company's and the Consolidated Group Companies' Activities

In the consolidated financial statements, the Company and the subsidiaries that are subject to consolidation are described as "the Group". The subsidiaries that are included in the consolidation as at 31 December 2024, the activity areas and the Group's shares in these subsidiaries are as follows:

Subsidiary	Country of Establishment	Area of Activity	Final Rate%	
			31 December 2024	31 December 2023
Cano Maritime Ltd.	Malta	Denizcilik	100.00	100.00
Hako Maritime Ltd.	Malta	Denizcilik	100.00	100.00
Nehir Maritime Ltd.	Marshall	Denizcilik	100.00	100.00
Gsd Ship Finance B.V.	Hollanda	Finans	100.00	100.00

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Principles of financial statement preparation and Declaration of Conformity

The consolidated financial statements have been prepared in accordance with Turkish Financial Reporting Standards ("TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in article 5 of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB") published in the Official Gazette dated 4 July 2024 and numbered 28676. TFRS includes Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations issued by POA.

Approval of financial statements:

Consolidated financial statements were approved by the Company's Board of Directors on 11 March 2025. The Company's General Assembly has the right to change these consolidated financial statements and to request the relevant regulatory institutions to be changed.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.2 Functional and Reporting Currency

The Company's statutory financial statements are prepared in Turkish Lira in accordance with the Turkish Commercial Code ("TCC"), tax legislation the Uniform Chart of Accounts published by the Ministry of Finance and in accordance with the financial reporting format published by the CMB. Subsidiaries residing abroad prepare their accounting records and financial statements in accordance with the principles and rules of the countries where they are established.

The consolidated financial statements are based on the legal records of the Company and its subsidiaries and are expressed in Turkish Lira ("TRY"), as mentioned above, in accordance with the TFRSs issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK) of the Company and its subsidiaries. It has been prepared by subjecting some corrections and reclassifications in order to adequately present its status.

In the preparation of these financial statements, the lower of the book value and the fair value less sales costs for fixed assets held for sale, and historical cost for other statement of financial position items. The functional currency of Cano Maritime Limited, Hako Maritime Limited, Nehir Maritime Limited and GSD Ship Finance companies within the scope of consolidation of the Group is US Dollars. The functional currency of the Company is TRY.

The Group's presentation currency is TRY. Financial statements prepared in US Dollars within the scope of TAS 21 have been converted into TL by the following method:

- (a) Assets in the balance sheet have been converted into TRY using the US Dollar foreign exchange buying rate and liabilities have been converted into TRY using the foreign exchange selling rate announced by the Central Bank of the Republic of Turkey on the balance sheet date. The capital account of the company is shown based on the nominal capital amount, all other equity items are kept at their historical Turkish Lira values and all differences are accounted in the foreign currency translation differences account.
- (b) The statement of profit or loss and other comprehensive income has been translated into TRY using monthly average exchange rates.
- (c) All resulting exchange differences are shown as a separate element of equity under the name of translation difference.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Preparation of financial statements in hyperinflationary periods

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations implementing Turkish Accounting/Financial Reporting Standards shall comply with the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of 31 December 2023. It was decided to apply inflation accounting by applying.

KGK made a statement regarding the scope and application of TMS 29 on 23 November 2023. It has been stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after December 31, 2023, should be presented by adjusting for the effect of inflation in accordance with the relevant accounting principles in TMS 29.

In this context, inflation adjustment was made in accordance with TAS 29 while preparing the Group's consolidated financial statements dated 31 December 2024, 31 December 2023.

Rearrangements made in accordance with TMS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of

December 31, 2024, the indices and correction coefficients used in the correction of financial statements are as follows:

Date	Index	Correction coefficient	Three-year cumulative inflation
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

The outlines of TMS 29 indexing procedures are as follows:

All items, except those shown with current purchasing power as of the balance sheet date, are indexed using the relevant consumer price index coefficients. Amounts from previous years are also indexed in the same way.

Financial statements for previous reporting periods have been adjusted based on the current purchasing power of money at the last balance sheet date. The current period adjustment coefficient has been applied to the previous period financial statements.

Monetary asset and liability items are not subject to indexation because they are expressed in current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.

Non-monetary assets and liabilities are restated by reflecting the changes in the general price index between the date of purchase or initial recording and the balance sheet date to the purchase costs and accumulated depreciation amounts. Thus, tangible assets, intangible assets, right-of-use assets and similar assets are indexed based on their purchase values, not exceeding their market values. Depreciations have also been adjusted in a similar manner.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.3 Preparation of financial statements in hyperinflationary periods (Continued)

The amounts included in shareholders' equity have been adjusted as a result of the application of consumer price indices in the periods when these amounts were added to the company or formed within the company.

All items in the income statement, except for non-monetary items in the balance sheet that have an impact on the income statement, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.

Gain or loss resulting from general inflation on the net monetary position; It is the difference between adjustments made to non-monetary assets, equity items and income statement accounts. This gain or loss, calculated on the net monetary position, is included in the net profit.

All items presented in the statement of cash flows are expressed in terms of the current measurement unit at the end of the reporting period and adjusted for inflation. The impact of inflation on cash flows from operating, investing and financing activities is attributed to the relevant item and monetary gain or loss on cash and cash equivalents is presented separately.

"TAS 29 is valid for the Company whose functional currency is TRY. Since the functional currency of the Subsidiaries is the US dollar, TAS 29 is not applied to the subsidiaries."

2.1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee; and,
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders,
- potential voting rights held by the Company, other vote holders or other parties,
- rights arising from other contractual arrangements; and
- additional fact and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Each component of profit or loss and other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this result in non-controlling interests having a deficit balance. The Company has owned 100% share of all subsidiaries and has no non-controlling shares in the consolidated financial statements.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation (continued)

2.1.4 Basis of consolidation (continued)

The Company has owned 100% share of all subsidiaries and has no non-controlling shares in the consolidated financial statements.

The consolidated financial statements consist of the financial statements of the Company and its subsidiaries as at 31 December 2024 and were prepared according to the principles below:

- i) The statements of financial position and income statements were subjected to consolidation by using full consolidation method, and the registered values of the subsidiaries in the Company books and the equity capitals of the subsidiaries in the financial statements were reciprocally clarified. The consolidated financial statements were cleared of all the balances and transactions that resulted from the transactions between the subsidiaries and the Company and of all kinds of unearned income.
- ii) In the preparation of the financial statements of the subsidiaries that are included in the consolidation, the necessary corrections and classifications were applied to the records – which were kept based on historical costs – with regards to conformity to TFRS and to the accounting principles and policies and presentation of the Company.
- iii) The operating results of the subsidiaries were included in the consolidation being effective as at the date the control in the aforementioned companies was transferred to the Company.

2.1.5 Comparative information

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to determine the financial position, performance and trends of the Group's cash flows. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed, if necessary.

2.1.6 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position (balance sheet) when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.1.7 Going concern

The Company prepared its consolidated financial statements according to the going concern assumption.

2.2 Changes in accounting policies

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are rearranged. The Group applied its accounting policies consistently with the previous fiscal year.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Changes in accounting estimates

If the changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods. There has not been any significant change in the accounting estimates of the Group in the current year. Material accounting errors are adjusted retrospectively and prior periods' consolidated financial statements are restated.

The preparation of financial statements in accordance with the Financial Reporting Legislation requires management to make decisions and make assumptions and decisions that affect the implementation of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The assumptions and the assumptions underlying the estimates are continuously reviewed. Updating in accounting estimates are recognized in the period in which they are updated and in subsequent periods. The main areas where the estimates are used are as follow:

- a- Residual Value: The Group management estimates the residual value of the ships based on the industry and past experience and reviews the forecast each period.
- b- Useful Lives: The Group management allocates depreciation for ships according to the useful lives determined based on the sector and past experience.

2.4 Changes in Turkish Accounting Standards

While preparing financial statements in compliance with Turkish Accounting Standards (TMS) or Turkish Financial Reporting Standards (TFRS), changes and comments in the standards are shown in the footnotes as follows.

Explanations regarding the effects of the new TMS/TFRS on the financial statements:

- a) Title of TAS/TFRS,
- b) explanation of the change in accounting policy, if any, in accordance with the relevant transition provisions,
- c) explanation of the change in accounting policy,
- d) explanation of the transition provisions, if any,
- e) the possible effects of transitional provisions, if any, on future periods,
- f) as far as possible, adjustment amounts for the current and each previous period presented:
 - i. be presented for each affected financial statement item; and
 - ii. If the "TAS 33, Earnings per Share" standard is applicable for the company, the ordinary share and diluted earnings per share amounts must be recalculated.
- g) if possible, the adjustment amounts for the periods before the periods not presented; and
- h) if retrospective application is not possible for any period or periods, the events that led to this situation should be explained and the date and how the change in accounting policy was applied should be explained.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Changes in Turkish Accounting Standards (Continued)

a. *Standards, amendments, and interpretations applicable as of 31 December 2024*

- **Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the TASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **TFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision published in the Official Gazette dated December 29, 2023, the KGK announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. In order to determine the businesses that will be subject to sustainability reporting within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024, businesses falling within the scope of sustainability application are counted. On the other hand, in accordance with the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated December 16, 2024, a change has been made to the scope of businesses that will be subject to sustainability reporting.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Changes in Turkish Accounting Standards (Continued)

b. Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

The TFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Accounting and Auditing Standards Authority.

- **TFRS 17, 'Insurance Contracts';** is effective for annual reporting periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which currently allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features. However, in the letter sent by the Public Oversight Authority (KGK) to the Association of Insurance, Reinsurance and Pension Companies of Turkey dated April 6, 2023, it was stated that it was concluded that it would be appropriate to apply TFRS 17 to consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies as of January 1, 2024. On the other hand, due to the change of the effective date of TFRS 17 from "January 1, 2024" to "January 1, 2025" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Insurance and Private Pension Regulation and Supervision Agency (SEDĐK), in its letter dated February 15, 2024 sent to the Banks Association of Turkey, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies has been postponed to January 1, 2025.

However, due to the change of the effective date of TFRS 17 from "January 1, 2025" to "January 1, 2026" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance, Reinsurance Companies and Pension Companies" issued by SEDĐK, in the letter sent by KGK to the Banks Association of Turkey dated January 14, 2025, it was stated that the application date of TFRS 17 in consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies was postponed to January 1, 2026.

- **Amendments to TAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Changes in Turkish Accounting Standards (Continued)

- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to TFRS – Volume 11;** Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - TFRS 1 First-time Adoption of International Financial Reporting Standards;
 - TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
 - TFRS 9 Financial Instruments;
 - TFRS 10 Consolidated Financial Statements; and
 - TAS 7 Statement of Cash Flows.
- **TFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general
- **TFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies

However, in the Board Decision of the POA published in the Official Gazette dated December 29, 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. Businesses that fall within the scope of sustainability practice are counted for the purpose of determining the businesses that will be subject to Sustainability Reporting within the scope of the "Board Decision on the Scope of Application of Turkish Sustainability Reporting Standards (TSRS)" dated January 5, 2024.

(a) Financial instruments

TFRS 9 regulates the provisions regarding the recognition and measurement of financial assets and financial liabilities. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

Classification of financial assets and liabilities

TFRS 9 largely retains the existing provisions in TAS 39 for the classification and measurement of financial liabilities. However, the previous TAS 39 classification categories have been removed for financial assets held to maturity, loans and receivables, and financial assets available for sale.

The application of TFRS 9 did not have a significant impact on the Group's accounting policies regarding its financial liabilities and derivative financial instruments. The impact of TFRS 9 on the classification and measurement of financial assets is given below.

According to TFRS 9, when a financial asset is recognized for the first time; measured at amortized cost; debt instruments measured at fair value ("FVM") through other comprehensive income; Equity instruments measured at fair value through other comprehensive income, or as measured at fair value through profit or loss.

Classification of financial assets within the scope of TFRS 9 is generally based on the business model the entity uses to manage financial assets and the characteristics of the financial asset's contractual cash flows. Within the scope of the standard, the obligation to separate the embedded derivatives from the financial asset has been eliminated, and it should be evaluated how to classify a hybrid contract as a whole.

A financial asset is measured at amortized cost if both of the following conditions are met and it is not classified as measured at fair value through profit or loss:

- Holding the financial asset under a business model aimed at collecting contractual cash flows; and,
- The contractual terms of the financial asset result in cash flows on certain dates that include only payments of principal and interest on the principal balance.

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met and it is not classified as at fair value through profit or loss:

- Holding the financial asset under a business model aimed at collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset result in cash flows on certain dates that include only payments of principal and interest on the principal balance.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

In the initial recognition of investments in equity instruments not held for trading, an irrevocable choice may be made to present subsequent changes in fair value in other comprehensive income. The choice of this preference can be made on the basis of each investment.

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These include all derivative financial assets.

At initial recognition of financial assets, a financial asset is irrevocably recognized at fair value through profit or loss, provided that it eliminates or significantly reduces an accounting mismatch that would result from different measurement of financial assets and related gains or losses, can be defined as measured by reflection. In the initial measurement of financial assets other than those at fair value through profit or loss (except for trade receivables that are measured at transaction price at initial recognition and do not have a significant financing component), the transaction costs directly attributable to their acquisition or issuance are added to the fair value.

Impairment of Financial Assets

TFRS 9 replaces the 'incurred loss' model in TAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under TFRS 9, credit losses are recognized earlier than under TAS 39. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under TFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The Group measures loss allowances at an amount equal to lifetime ECLs.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Trade Receivables

The analysis for the TFRS - 9 provisioning calculation model includes the trade receivables. The Group has calculated the ECL's based on the experience of credit losses in the last three years. The Group performed the calculation of ECL separately for each customer. Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Receivables from the finance sector operations

Receivables from the finance sector operations consist of financial lease receivables and the total of minimum lease payments are carried at net value after the unearned income including the financial lease interest for the subsequent years are deducted from the gross financial lease receivables including interest and capital amounts.

As lease payments are made, the lease amount is deducted from the gross financial lease receivables and the part of the lease payment in the unearned income pertaining to the interest is recognized as financial lease interest income in profit or loss.

Receivables from the finance sector operations and other receivables are recognized in the financial statements over their remaining values after the amount of provision booked for their non-collectible parts are deducted. Provisions is booked over the book value of the receivables which are confirmed to be impaired based on the regular reviewing of the receivables from finance sector operations and other receivables in order to bring them to their collectible values. A receivable which has become doubtful is derecognized after the completion of all legal procedures and calculation of the net loss.

Financial Liabilities

Financial liabilities are measured initially at fair value. Any transaction costs directly attributable to the undertaking of a financial liability are added on the fair value of the financial liability. These financial liabilities are subsequently measured at amortized cost using the effective interest method and differences between initially recognized costs are recognized in profit or loss statement until maturity.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Other financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Common credit risk characteristics such as credit risk grade, delinquency status, geographic region, age of relationship. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates.

The significant interest rate risk arises from bank loans. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy.

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. Derivative financial instruments are measured at fair value after initial recognition. Changes occurred are recognized as mentioned below:

If the financial instrument holds for aiming risk management and does not carry out the necessities of hedge accounting, these financial instruments are classified as held for trading. Thus, differences due to fair value calculations are recognized within gains/losses from derivative financial transactions' account.

All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(b) TFRS 16 Leases

TFRS 16 introduced a single lease accounting model for tenants. As a result, the Group, as a lessee, recognized the right-of-use asset representing the right to use the underlying asset and lease liabilities representing the lease payments for which it is obliged to pay rent. Accounting for the lessor is similar to previous accounting policies.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Lease Definition

While previously decided by the Group at the inception of a contract based on TFRS Interpretation 4 "Determining whether an Agreement includes a lease", the Group now evaluates whether a contract includes a lease on the basis of the new lease definition.

If the right to control the use of an asset defined in accordance with TFRS 16 is transferred for a certain period of time, the contract is a lease or includes a lease.

The group has allocated to each lease and non-lease component, based on its relative stand-alone price, at the reassessment or inception of a contract containing a lease component. However, for properties it rents in, the Group has chosen not to separate non-lease components and to account for non-lease and non-lease components as a single lease component.

As tenant

The Group leases many assets including real estate and land vehicles. As the lessee, the Group has previously classified the lease as operating or financial lease based on an assessment of whether all the risks and benefits arising from ownership of the asset have been transferred. In accordance with TFRS 16, the Group has recognized right-of-use assets and lease payables for most of its leases, in other words, these leases are presented in the statement of financial position. The Group presented its lease obligations as "Borrowings" in the statement of financial position

The Group recognizes the right-of-use asset and the lease liability in the financial statements at the commencement date of the lease. The right-of-use asset is measured at its initial cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of the lease liability.

The right of use asset was initially measured at cost and after the actual commencement date of the lease, it is measured at its fair value in accordance with the Group's accounting policies. At the actual beginning of the lease, the lease obligation is measured over the present value of the lease payments not paid at that date. Lease payments, if the interest rate implied in the lease can be determined easily, this rate is discounted using the alternative borrowing interest rate of the Group if it cannot be determined easily. Generally, the Group used alternative borrowing rate as the discount rate.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect interest on the lease liability and reduces the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a change in the lease term or a reassessment of the purchase option, a change in the amounts expected to be paid under a residual value guarantee, or a change in the lease payments resulting from a change in an index or rate. The Group has exercised its judgment in determining the lease term for certain lease contracts that include renewal options. The evaluation of whether the Group is reasonably certain to exercise such options affects the lease term and, accordingly, has a significant impact on the amounts recognized as lease liabilities and right of use assets.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

As a landlord

The accounting policies applied by the Group as the lessor are not different from those applied in accordance with TAS 17.

The Group does not need to make any adjustments to TFRS 16 for lease agreements other than lease contracts.

(c) *Tangible Assets and Depreciation*

Tangible assets acquired prior to 1 January 2024 are carried with restated cost for the effects of inflation as at 31 December 2023 less accumulated depreciation and any accumulated impairment losses. Tangible assets acquired after 31 December 2023 are carried at cost less accumulated depreciation and any accumulated impairment losses

Subsequent costs

Subsequent costs, such as repairs and maintenance or part replacement of tangible assets, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the company. All other costs are charged to the statements of profit or loss during the financial year in which they are incurred.

Depreciation

Depreciation for tangible assets is provided on a straight-line basis over their estimated useful lives. Depreciation is provided for leasehold improvements on a straight-line basis over the related lease period. Depreciation corresponding to the period is calculated by dividing costs incurred for tangible assets after deducting the salvage value by the asset's useful life. Salvage value represents value of the related tangible asset at the end of its useful life.

The Group management makes important assumptions about determination of ships' useful lives in direction of technical team experiences. Besides, market data is used for determination of salvage value.

Upon the purchase of a ship, parts of the ship that need to be replaced during the next dry-dock are identified and their costs are capitalized and depreciated until the next estimated dry-dock date. When a significant replacement cost occurs prior to the expiry of the depreciation period, the remaining costs of the previous dry-dock are expensed immediately.

Repair and maintenance costs are recognized in the financial statements in the period in which they are incurred. Significantly, the renewal or replacement cost is included in the carrying amount of the asset if the future economic benefits exceed the standard performance of the asset. Major renewal is depreciated over the remaining useful life of the asset.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Depreciation (Continued)

The estimated useful lives for the current and comparative periods are as follows:

	Süre (Yıl)
Ships	18
Dry-dock	5
Machinery and equipment	3-4
Vehicles	5
Furniture and fixtures	4-5

Gains or losses on disposals of tangible and intangible assets are classified under "other operating income" and "other operating expense" accounts, respectively.

Impairment of Assets

For assets that are subject to amortization, impairment test is applied if there is a situation or events in which it is not possible to recover the book value. An impairment loss is recognized if the carrying amount of the asset exceeds its recoverable amount.

For the purposes of assessing impairment, assets are grouped at the lowest level of separately identifiable cash flows (cash-generating units). Tangible assets are reviewed for possible reversal of impairment at each reporting date.

(d) Assets held for sale

Non-current assets or asset groups that meet the criteria of asset held for sale are measured at the lower of its carrying amount and fair value less cost to sell. These assets are not depreciated..

(e) Share capital increases

Share capital increased pro-rata to existing shareholders is accounted for at par value as approved by the Board of Directors.

(f) Provision for employee severance payments

In accordance with the existing social legislation in Turkey, the Group is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of an agreed formula, are subject to certain upper limits and are recognized in the accompanying financial statements as accrued. Since there is no funding requirement in Turkey, no funds were created for these benefit plans.

Costs of employees' services in the current or prior periods are calculated by annual liability method in the framework of defined benefit plans. Even though the Employee Benefits (TAS 19) standard was published on the official gazette on 12 March 2013, no. 28585, states recognizing actuarial gain/(loss) under equity, the Group recognized actuarial gain/(loss) under profit and loss and other comprehensive income since the amount is immaterial.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

The reserve has been calculated by estimating the present value of the future obligation of the Group that may arise from the retirement of the employees in accordance with TAS 19.

	31 December 2024	31 December 2023
Net discount rate	29.32%	28.00%
Expected rate of salary / limit increase	24.96%	24.61%
Turnover rate to estimate the probability of retirement	100.00%	100.00%

The basic assumption is that the ceiling liability determined for each year of service will increase in proportion to inflation. The discount rate applied represents the expected long-term interest rate. The Group's severance pay liability is calculated based on the severance pay ceiling of TRY46,665.43 as of July 1, 2024. (January 1, 2024: TRY35,058.58, TRY50,617.15 with December 31, 2024 purchasing power).

(g) Provisions, contingent assets and liabilities

As specified in TAS 37, provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If these criteria are not occurred the Group discloses the related issues in the explanatory notes related to the financial statements. Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. Contingent assets are not recognized unless they are realized and are only disclosed in the notes.

(h) Recognition of Revenue and Expenses

General model for accounting of revenue

In accordance with TFRS 15, a five-step model is followed in recognizing revenue for all contracts with customers

Step 1: Identify the contract

A contract with a customer is in the scope of the new standard when the contract is legally enforceable and certain criteria are met. If the criteria are not met, then the contract does not exist for purposes of applying the general model of the new standard, and any consideration received from the customer is generally recognized as a deposit (liability). Contracts entered into at or near the same time with the same customer (or a related party of the customer) are combined and treated as a single contract when certain criteria are met.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Step 2: Identify the performance obligations

The Group defines the "performance obligations" as a unit of account for revenue recognition. The company assesses the goods or services it has committed in a contract with the customer and determines each commitment to the customer as one of the performance obligations as a performance obligation:

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

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

Step 3: Determine the transaction price

When determining the transaction price, an entity assumes that the goods or services will be transferred to the customer based on the terms of the existing contract. In determining the transaction price, an entity considers variables considerations and significant financing components.

Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration to reflect the time value of money if the contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. The Group does not have a sales transaction with a significant financing components.

Variable consideration

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

Step 4: Allocate the transaction price

The transaction price is allocated to each performance obligation – generally each distinct good or service – to depict the amount of consideration to which an entity expects to be entitled in exchange for transferring the promised goods or services to the customer.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Step 5: Recognize revenue

Group recognizes revenue over time when one of the following criteria's are met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Group selects a single measure of progress that represents transfer of control of the services to the customer. The Company uses a method that reliably measures work performed. The Group uses costs incurred to measure progress toward completion of the project using the input method and units transferred to measure progress toward completion of the project using the output method. If a performance obligation is not satisfied over time, then the Group recognizes revenue when it transfers control of the service to the customer.

Contract changes

If the Group commits to providing an additional service, it accepts the contract modification as a separate contract. In case of termination of the existing contract and creation of a new contract, the relevant changes are accounted for if the services provided are different.

If the modification to the contract does not create separate services, the entity accounts for combining the additional services with the original contract as if they were part of the original contract. The details of the significant accounting policies for the Group's various services and revenue recognition methods are given below:

(i) Marine sector revenues and expenses

Marine sector revenues and expenses are recognized on accrual basis. The rent revenue is earned by leasing the vessels within time charter. Rental incomes are collected at the beginning of the agreement for each 15 day periods within the scope of agreement

(ii) Interest income and other income from finance sector activities

Interest income and other income from finance sector activities are recognized on accrual basis using the effective interest method.

(iii) Dividend Income

Dividend income is recognized in profit or loss in the period they are declared..

(iv) Other Income / Expense

Other income and expenses are recognized on accrual basis.

(v) Financial Income / Expense

Financial income and expenses are recognized on accrual basis by using the effective interest rate method over the period.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

(i) Taxes on income

Income taxes include current period income tax liabilities and deferred tax liabilities. Current tax payable includes adjustments related to tax on the taxable profit for the reporting period and the end of the tax liability is calculated using the prevailing tax rates and 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date and tax effect of fair value change of financial assets available for sale is recognized in equity. A deferred tax asset is recognized for unused tax losses 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 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.

(j) Related Parties

For the purpose of these consolidated financial statements, shareholders and associated companies and other companies within the GSD Holding group, key management personnel and Board members, in each case together with their families and companies controlled by/or affiliated with them, are considered and referred to as related parties. Transactions with related parties are priced according to market conditions. Related party, is an individual or entity related to the entity preparing the financial statements ('reporting entity').

- (1) 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.
- (2) 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)
 - (i) The entity and the company are members of the same group
 - (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.
 - (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).

A related party transaction is a transfer of resources, services or obligations between related parties Regardless of whether a price is charged.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

(k) *Earning/Loss per share*

Earnings per share is calculated by dividing the net income by the weighted average number of common stock shares.

The weighted average number of shares is the number calculated by multiplying and aggregating the number of ordinary shares outstanding at the beginning of the period and the number of shares withdrawn or issued during the period by a time-weighting factor. A time-weighting factor is the rate of the number of the days for which a specific number of shares have been outstanding to the total number of days in the period.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported

(l) *Borrowing costs*

Investment in a tangible asset that can not be associated with all borrowing costs are recognized in profit or loss in the period they occur. Investment in a tangible asset that can be associated with all borrowing costs are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale in accordance with "TAS 23 Borrowing Costs.

(m) *Events After the Reporting Period*

Events after the reporting period refer to events that in favor or against to company and occur between the end of the reporting period and the balance sheet's date of authorization for the publication. In accordance with TAS 10. "Events after the reporting period", as at ending reporting period, in terms of occurring new evidences about related events or in terms of occurring related events after reporting period and if these events require correction of financial statements, the Group adjusts consolidated financial statements in accordance with new state. If related events do not require correction of consolidated financial statements, the Group explains related matters in footnotes.

(n) *Segment Reporting*

A reportable business segment is the segment where the Group is engaged in business activities where it can generate revenue and spend it, the operating results are regularly reviewed by the Management in order to make decisions regarding the resources to be allocated to the department and to evaluate the performance of the department, and there is separate financial information about it. Due to the fact that the Group does not have any significant activity other than shipping activities, there is no reporting according to the departments.

(o) *Statement of Cash Flow*

The Group prepares statement of cash flows to inform users of the financial statements about changes in net assets, financial structure and the amount and timing of cash flows' guidance ability in terms of changing circumstances.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments). Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents represent cash in hand, deposits in banks, and short-term high liquid investments with not having depreciation risk.

As at 31 December 2024 and 2023, cash and cash equivalents details are as follows except the interest income accruals and blocked amounts presented in the statement of cash flows:

	31 December 2024	31 December 2023
Cash	24	17
Banks	692,386	560,506
	692,410	560,523

(p) Foreign currency transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies of the Group companies operating in the non-finance sectors, have been accounted for under "other operating income/expenses" whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under "financial income/expenses" in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

Financial statements of foreign subsidiaries

The assets and liabilities, presented in the financial statements of the foreign subsidiaries prepared in accordance with the Group's accounting policies, are translated into TL at the exchange rate at the date of the balance sheet whereas income and expenses are translated at the average exchange rates for the respective periods. Exchange differences resulting from using the exchange rates at the balance sheet date and the average exchange rates are recognised in the currency translation differences under the equity.

Currency translation differences are recognized in other comprehensive income and shown in the foreign currency translation reserve under equity. In the event that control, significant influence or joint control is lost as a result of the sale of a foreign operation, the accumulated amount in the foreign currency translation differences reserve related to that foreign operation is reclassified to profit or loss as part of profit or loss on the sale.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Significant Accounting Policies (Continued)

The "TCMB Foreign Exchange Buying" rate information used by the Company as of December 31, 2024 and December 31, 2023 is as follows:

	31 December 2024	31 December 2023
USD	35.2803	29.4382
EUR	36.7362	32.5739

(r) Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories is determined on the weighted average basis for each purchase. The Group's inventories consist of ship oil and fuel remaining at the end of time charter. Costs of inventories comprise purchase cost and those overheads that have been incurred in bringing the inventories to their present location and condition.

3. CASH AND CASH EQUIVALENTS

As at 31 December 2024 and 31 December 2023, cash and cash equivalents are as follows;

	31 December 2024	31 December 2023
Banks	822,088	696,652
Demand deposit	49,475	48,673
Time deposit(*)	772,613	647,979
Cash on hands	24	17
Total cash and cash equivalents included in the balance sheet	822,112	696,669
Accrued interest income on cash and cash equivalents	(23,861)	(8,638)
Blocked deposits(**)	(105,841)	(127,508)
Total cash and cash equivalents included in the cash flow	692,410	560,523

(*) The total amount of time deposits is) TRY631,379 and it consist of time deposits up to 1 month.

(**) The deposit of TRY105,841 is the amount given by Hako Nehir Maritime Limited against the loan received by from GSD Bank. HakoMaritime Limited.

71% of the term deposit amount is in TRY and the remaining amount consists of bank placements in US Dollars. As at 31 December 2024 the time deposits comprised bank placements in USD. As at 31 December 2024 the interest rate is 4.12% - 6.90%. The interest rates applied to TRY deposits are 44.50% - 49.25% (31 December 2023: USD denominated bank accounts are between 4.00% - 5.35%. There are no TRY deposits).

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

With Law No. 7352 Amending the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, and the provisional article 14 was added to the Corporate Tax Law No. 5520, and the foreign currencies and gold deposit accounts included in the balance sheets of 31 December 2021 were added. For taxpayers who convert their accounts to Turkish lira and use the Turkish lira assets thus obtained in Turkish lira deposit and participation accounts with a maturity of at least three months opened in this context, the foreign exchange gains they have obtained in the period between October 1, 2021, and December 31, 2021, maturity Corporate tax exemption has been introduced for the 2021 accounting period within the scope of the principles specified in the regulation for the interest and profit shares and other earnings obtained at the end of the year. This exemption continues in 2022 and 2023.

The Currency Protected Deposit Account opened on December 7, 2023 was closed following a return of 18,093 thousand TRY on March 8, 2024. The tax advantage provided for the 2024 period is 90 thousand TRY.

As of 31 December 2024 and 31 December 2023, financial assets at fair value through profit or loss are as follows:

	31 December 2024	31 December 2023
Currency Protected Time Deposit Account (KKMH)	-	21,563
Investment Fund(*)	1,688	-
	1,688	21,563

(*) It is the TRY equivalent amount of investment funds owned by GSD Denizcilik, valued according to market prices.

5. INVESTMENTS IN SUBSIDIARIES, BUSINESS PARTNERSHIPS AND SUBSIDIARIES

Investments in subsidiaries, business partnerships and subsidiaries

As at 31 December 2024 and 31 December 2023, investments in subsidiaries, business partnerships and subsidiaries consist of unlisted equity investments. As at 31 December 2024 and 31 December 2023, the details of investments in subsidiaries, business partnerships and subsidiaries are as follows:

	31 December 2024		31 December 2023	
	% of shares	Carrying value	% of shares	Carrying value
<i>Not Listed</i>				
GSD Faktoring A.Ş.	1.98	32,946	1.98	23,704
		32,946		23,704

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

6. RELATED PARTY DISCLOSURES

A company is defined as a related party of the Company, if one of the companies has control power on the other company or has a significant impact on financial and administrative decisions of the other company. The Company is ultimately controlled by GSD Holding that owns the 68% (31 December 2023: 68%) of its shares and that is the principal shareholder of the Company. The ultimate parent of the Company is GSD Holding and in the accompanying financial statements GSD Holding and its related companies are disclosed as related.

(a) Banks

	31 December 2024	31 December 2023
Deposit at banks	141,234	554,749
<i>GSD Yatırım Bankası A.Ş.</i>	<i>141,234</i>	<i>554,749</i>
Lease liabilities	1,463	1,461
<i>M. Turgut Yılmaz</i>	<i>1,463</i>	<i>1,461</i>
Total	142,697	556,210

As at 31 December 2024 and 31 December 2023, other receivables due to related parties are as follows:

	31 December 2024	31 December 2023
Mila Maritime Limited	352	471
Dodo Maritime Limited	307	468
Neco Maritime Limited	339	338
Zeyno Maritime Limited	185	462
Lena Maritime Limited	367	674
Nejat Maritime Limited	393	519
Deniz Maritime Limited	382	-
Gsd Varlık Yönetim A.Ş.	31	-
Total	2,356	2,932

Other receivables from related parties consist of the receivables arising from the services rendered by the Group to maritime companies that are not in the scope of consolidation.

As at 31 December 2024 and 31 December 2023, trade payables due to related parties are as follows:

	31 December 2024	31 December 2023
GSD Holding A.Ş.	195	557
Cano Maritime Limited	421	132
Hako Maritime Limited	441	154
Toplam	1,057	843

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

6. RELATED PARTY DISCLOSURES (Continued)

(b) Related party disclosures

Transactions with related parties as at 31 December 2024 and 31 December 2023 are as follows

	31 December 2024	31 December 2023
Group Companies of the Parent Company		
Mila Maritime Ltd Commercial management commission	5,215	5,790
Zeyno Maritime Ltd Commercial management commission	4,304	4,570
Neco Maritime Ltd Commercial management commission	4,134	4,538
Dodo Maritime Ltd Commercial management commission	4,884	4,610
Lena Maritime Ltd Commercial management commission	4,661	4,515
Nejat Maritime Ltd Commercial management commission	5,069	4,008
Deniz Maritime Ltd Commercial management commission	2,784	-
GSD Yatırım Bankası A.Ş. Interest expense	14,153	13,432
GSD Yatırım Bankası A.Ş. Interest income	-	(456)
GSD Holding A.Ş. shares paid	1,573	(1,780)
M. Turgut Yılmaz Office rental interest expense within the scope of TFRS16	(268)	(612)
M. Turgut Yılmaz Office lease depreciation expense within the scope of TFRS16	(3,182)	(4,398)
GSD Holding A.Ş. Guaranty expense	(862)	(286)

(c) Derivative financial transactions

As at 31 December 2024, the Group does not have any derivative transactions with related parties (31 December 2023: None).

(d) Key management benefits

Total benefit of key management for the period ended 31 December 2024 is TRY10,190 (31 December 2023: TRY10,401).

(e) Other related party transactions

As of 31 December 2024, GSD Holding has given a surety of TRY763,037 Laurel World Maritime S.A'ya 1,072,521 to credit institutions (31 December 2023: GSD Holding has given a surety of TRY663,523 to credit institutions and to Laurel World Maritime S.A).

(f) İlişkili taraflarla olan bakiye ve işlemler

	31 December 2024	31 December 2023
Loans used from GSD Yatırım Bankası A.Ş.	110,266	128,325
Period-end provision amount	110,266	128,325

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

7. TRADE RECEIVABLES AND PAYABLES

7.1 Trade receivables

As at 31 December 2024 and 31 December 2023, details of trade receivables are as follows:

	31 December 2024	31 December 2023
Trade receivables from marine activities	2,356	3,546
Doubtful trade receivables	1,980	2,859
Provision for doubtful trade receivables	(1,980)	(2,859)
	2,356	3,546

As at 31 December 2024 and 31 December 2023, movements in the provision for doubtful trade receivables:

	31 December 2024	31 December 2023
Provision at the beginning of the year	2,859	1,980
Monetary loss profit	(879)	879
Provision at the end of period	1,980	2,859

7.2 Trade payables

As at 31 December 2024 and 31 December 2023, details of trade payables are as follows:

	31 December 2024	31 December 2023
Trade payables from marine activities	28,678	18,980
Other trade payables (*)	195	557
Seller	428	447
Trade payables from VAT refund receivables	78	113
	29,379	20,097

(*) Other trade payables comprised of representation services that are provided by GSD Holding.

8. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

8.1 Receivables from finance sector activities

As at 31 December 2024 and 31 December 2023, details of short-term receivables from finance sector operations are as follows:

	31 December 2024	31 December 2023
Finance lease receivables (net)	51	69
	51	69

The Group does not have long-term receivables from finance sector operations as at 31 December 2024 (31 December 2023: None). The Group's credit, liquidity and market risk exposures resulting from financial sector receivables are disclosed in Note 34.

As at 31 December 2023 and 31 December 2022, details of finance lease receivables are as follows;

	31 December 2024	31 December 2023
Finance lease receivables, not due	64	88
Unearned interest income (-)	(13)	(19)
Short-term finance lease receivables, net	51	69
Total finance lease receivables, net	51	69

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

8. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES (Continued)

8.1 Receivables from finance sector activities (Continued)

8.1.1 Doubtful receivables

Until June 16, 2011, GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. continued its financial leasing activities, which are subject to the supervision of the BRSA, under the title of Tekstil Finansal Kiralama A.Ş. The company terminated and changed its financial leasing activities on 16 June 2011, and continues its maritime activities except for the financial leasing written in its main contract. Pursuant to the permission specified in the BRSA's letter dated 07 January 2022 and numbered E-125090171-110.02.02-37636, the "Doubtful Trade Receivables" in the Portfolio, on February 25, 2022, together with all their interests, other accessories and guarantees, were assigned and transferred to Denge Varlık Yönetim AŞ for a price of TRY143 within the framework of Article 183 of the Code of Obligations and the terms and conditions set out in the contract.

The movement of the provisions which are booked for doubtful receivables does not exist.

8.2 Payables from Financial Sector Activities

As at 31 December 2024 and 31 December 2023, details of payables from finance sector operations are as follows:

	31 December 2024	31 December 2023
Advances received	210	258
	210	258

9. OTHER PAYABLES

As at 31 December 2024 and 31 December 2023, details of other receivables are as follows:

	31 December 2024	31 December 2023
Other tax payables	682	500
Other payables to related parties	862	286
Social security premium payables	351	251
Other	42	235
	1,937	1,272

10. INVENTORIES

	31 December 2024	31 December 2023
Ship oil	5,064	5,964
	5,064	5,964

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

11. PREPAID EXPENSES

As of December 31, 2024 and December 31, 2023, the details of prepaid expenses classified in current assets are as follows:

	31 December 2024	31 December 2023
Insurance expenses	5,269	5,726
Prepaid loan commission expenses	2,480	3,364
Prepaid miscellaneous expenses	404	934
Ship annual tonnage tax expenses	-	105
Ship annual registration fee expenses	-	45
	8,153	10,174

As at 31 December 2024 and 31 December 2023, there are no prepaid expenses classified in non-current assets.

12. CURRENT INCOME TAX ASSETS

As at 31 December 2024, the current income tax assets amounting to TRY478 consist of tax deductions from interest income derived from bank deposits which are not yet deducted. (31 December 2023: TRY100)

13. ASSETS HELD FOR SALE

As at 31 December 2024, assets held for sale amounting to TRY1,774 comprised of a land which were acquired from certain customers in exchange for finance lease receivables. (31 December 2023: TRY1,774).

14. TANGIBLE ASSETS

Estimates and assumptions used in the preparation of the consolidated financial statements have been reviewed. In this context, the possible impairment effects that may occur in the consolidated financial statements dated 31 December 2024 have been evaluated and the carriage has continued with its recorded values.

For the accounting period ending on 31 December 2024, the movements of property, plant and equipment are as follows

	1 January 2024	Additions	Disposals	Currency translation differences	31 December 2024
Cost					
Ships	3,272,946	-	-	(554,845)	2,718,101
Drydock	143,674	-	-	30,132	173,806
Construction on Progress(*)	-	256,386	-	17,159	273,545
Vehicles	5,694	5,400	(3,912)	-	7,182
Furniture and fixtures	20,303	68	(233)	-	20,138
Total	3,442,617	261,854	(4,145)	(507,554)	3,192,772

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

14. TANGIBLE ASSETS (CONTINUED)

	1 January 2024	Current year charge	Disposals	Currency translation differences	31 December 2024
Birikmiş amortisman					
Ships	954,916	85,203	-	(162,498)	877,621
Drydock	91,891	29,648	-	(15,613)	105,926
Vehicles	2,971	1,372	(2,129)	-	2,214
Furniture and fixtures	19,462	277	(233)	-	19,506
Total	1,069,240	116,500	(2,362)	(178,111)	1,005,267
Net book value	2,373,377				2,187,505

* These are the costs incurred as of the reporting period within the scope of the dry cargo ship purchase contract signed by Hako Maritime Ltd. on July 30, 2024, for delivery in 2028.

Movement of tangible assets for the year ended 31 December 2023 are as follows;

	1 January 2023	Additions	Disposals	Currency translation differences	31 December 2023
Cost					
Ships	2,305,140	149,441	-	818,365	3,272,946
Drydock	92,873	40,296	-	10,505	143,674
Construction on Progress	383,324	608,984	(837,713)	(154,595)	-
Vehicles	5,694	-	-	-	5,694
Furniture and fixtures	19,991	312	-	-	20,303
Total	2,807,022	799,033	(837,713)	674,275	3,442,617

	1 January 2023	Current year charge	Disposals	Currency translation differences	31 December 2023
Accumulated depreciation					
Ships	901,386	92,696	-	(39,166)	954,916
Drydock	73,213	21,935	-	(3,257)	91,891
Vehicles	1,816	1,155	-	-	2,971
Furniture and fixtures	19,126	336	-	-	19,462
Total	995,541	116,122	-	(42,423)	1,069,240
Net book value	1,811,481				2,373,377

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

15. RIGHT OF USE ASSETS

As at 31 December 2024 details of right of use assets are as follows:

	1 January 2024	Additions	Disposals	Currency translation differences	31 December 2024
Cost					
Buildings	14,217	2,623	-	-	16,840
Vehicles	6,026	-	-	-	6,026
Total	20,243	2,623	-	-	22,866

	1 January 2024	Current year charge	Disposals	Currency translation differences	31 December 2024
Accumulated depreciation					
Buildings	11,870	3,182	-	-	15,052
Vehicles	4,707	934	-	-	5,641
	16,577	4,116	-	-	20,693
Net book value	3,666				2,173

	1 January 2023	Current year charge	Disposals	Currency translation differences	31 December 2023
Cost					
Buildings	13,209	1,008	-	-	14,217
Vehicles	6,026	-	-	-	6,026
Total	19,235	1,008	-	-	20,243

	1 January 2023	Current year charge	Disposals	Currency translation differences	31 December 2023
Accumulated depreciation					
Buildings	7,396	4,474	-	-	11,870
Vehicles	3,605	1,102	-	-	4,707
	11,001	5,576	-	-	16,577
Net book value	8,234				3,666

16. INTANGIBLE ASSETS

As at 31 December 2024 and 31 December 2023, details of intangible assets of the Group are as follows

	31 December 2024	31 December 2023
Net book value at the beginning of the period	126	179
Current period depreciation	(35)	(53)
Net book value	91	126

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

17. FINANCIAL LIABILITIES

17.1 Borrowing costs

In the consolidated financial statements of the Group as of December 31, 2024, a borrowing cost of TRY 5,414 has occurred within the scope of the construction of a dry cargo ship with a capacity of 64,000 DWT, which is being built by Hako Maritime Limited, a %100 subsidiary located in Malta. This amount has been fully capitalized. Until the date of receiving the ship, it will continue to be capitalized as part of the costs of the said ships in accordance with the TMS 23 Borrowing Costs Standard under the investments made in the financial position statement of Hako Maritime Limited. After the date of receiving the ship, it will continue to be followed up in the ships account classified under tangible fixed assets.

17.2 Bank borrowings

As of 31 December 2024, and 31 December 2023, borrowing consist of loan payables and lease transactions. The details of loan debts and debts from lease transactions are as follows:

31 December 2024					31 December 2023		
	Currency	Original amount	Carrying amount	Interest rate %	Original amount	Carrying amount	Interest rate %
Fixed interest	USD	3,125	110,266	7.0%	3,019	128,325	7.0%
Short-term borrowings		3,125	110,266		3,019	128,325	
Fixed interest	USD	-	-	-	-	-	-
Floating interest	USD	3,209	113,201	8.70% 7.69%	2,293	97,472	%9.37
Short-term portion of long-term bank borrowings		3,209	113,201		2,293	97,472	
17.2 Bank borrowings							
Fixed interest	USD	-	-	-	-	-	-
Floating interest	USD	16,240	572,952	8.70% 7.69%	10,520	447,127	9.37%
Long-term portion of long-term bank borrowings		16,240	572,952		10,520	447,127	
Total long-term borrowings			686,153			544,599	
Total			796,419			672,924	

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

17. FINANCIAL LIABILITIES (Continued)

17.2 Bank borrowings (Continued)

The Group's credit, liquidity and market risk exposures resulting from its financial liabilities are disclosed in Note 34.

Repayment schedule of the borrowings that are originally medium term and long-term loans are as follows:

	31 December 2024		31 December 2023	
	Fixed interest	Floating interest	Fixed interest	Floating interest
Up to 1 year	110,266	113,201	128,325	97,472
Up to 2 years	-	572,952	-	96,906
Up to 3 years	-	-	-	350,221
Total	110,266	686,153	128,325	544,599

18. COMMITMENTS

18.1 Guarantees given

The Guarantees, Pledges and Mortgages ("GPMs") that the Company gave as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024			31 December 2023		
	Total TRY	USD (TRY	TRY	Total TRY	USD (TRY	TRY
GPMs given by the Company	Equivalent	Equivalent)		Equivalent	Equivalent)	
A. Total Amount of GPMs that were Given on Behalf of Its Own Legal Entity	763,037	-	763,037	663,523	-	663,523
1. Letters of guarantee that were given by the Group bank as cash collateral surety	-	-	-	-	-	-
2. Letters of guarantee that were given by the non-group bank as cash collateral surety	-	-	-	-	-	-
3. Cash	-	-	-	-	-	-
4. Tangible asset mortgage given as cash collateral surety (*)	763,037	-	763,037	663,523	-	663,523
5. Participation share given as cash collateral surety	-	-	-	-	-	-
B. Total Amount of GPMs that was Given in Favor of the Partnerships that were Included in the Scope of Full Consolidation	105,841	-	105,841	127,508	-	127,508
1. Bails given as cash collateral surety (**)	105,841	-	105,841	127,508	-	127,508
2. Tangible asset mortgage given as cash collateral surety	-	-	-	-	-	-
3. Bank deposit pledge given as cash collateral	-	-	-	-	-	-
C. Total Amount of GPMs that Other Third Parties give With The Purpose of Assuring Debts for Conducting Ordinary Commercial Activities	-	-	-	-	-	-
D. GPMs that were Given the Scope of the Article 12/2 of the Corporate Governance Communiqué	-	-	-	-	-	-
E. Total Amount of the Other GPMs Given	-	-	-	-	-	-
i. Total Amount of GPMs that were Given In Favor of the ultimate shareholder	-	-	-	-	-	-
ii. Total Amount of GPMs that were Given In Favor of Other Group Companies that are not Included in the Scope of Articles B and C (**)	-	-	-	-	-	-
iii. Total Amount of GPMs that were Given In Favor of the Third Parties that are not Included in the Scope of Article C	-	-	-	-	-	-
Total	868,878	-	868,878	791,031	-	791,031

(*) With the agreements made with Credit Europe Bank in 2021, refinancing was provided with five-year terms. Ship mortgages were given to Credit Europe Bank due to the refinancing. As of 31 December 2024 TRY763,037.

(**) Hako Maritime Limited has pledged to GSD Yatırım Bankası A.Ş. for Nehir Maritime Limited, which is within the scope of consolidation.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

18. COMMITMENTS (CONTINUED)

18.1 Guarantees Given (continued)

As of December 31, 2024 and December 31, 2023, Collateral/Pledge/Mortgages (CPM) consist of letters of guarantee, guarantees, ship mortgages, share pledges and sureties given to the following institutions.

	31 December 2024	31 December 2023
Banks	868,878	791,031
	868,878	791,031

As at 31 December 2024, the rate of the other GPMs the Company have given to the Company's shareholders' equity is 0%. (31 December 2023: 0%).

18.2 Guarantees Taken

As at 31 December 2024 and 31 December 2023, the details of the guarantees that were obtained in return for the Company's receivables from finance sector activities are as follows:

	31 December 2024	31 December 2023
Mortgages	3,721	5,372
	3,721	5,372

18.3 Other

As at 31 December 2023, GSD Holding has provided surety amounting to TRY763,037 to credit institutions as a guarantee against its open lines of credit (31 December 2023: TRY663,523).

19. EMPLOYEE BENEFIT OBLIGATIONS

As of December 31, 2024 and December 31, 2023, there is no liability for employee benefits.

20. DEFERRED INCOME

As of 31 December 2023, the amount of deferred income amounting to TRY9,040 stems from early collection of monthly rents of ships (31 December 2023: TRY18,520).

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

21. PROVISION FOR EMPLOYEE BENEFITS

21.1 Provision for short-term employee benefits

As of 31 December 2024, and 31 December 2023, details of provision for short-term employee benefits are as follows:

	31 December 2024	31 December 2023
Employee bonus provision	1,733	1,265
	1,733	1,265

As of 31 December 2024, and 31 December 2023, the movement of employee bonus provision is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	1,265	1,348
Amount paid in the current period	(876)	531
Monetary gains/(losses)	(389)	(614)
Provision amount set aside in the current period	1,733	-
Balance at the end of the period	1,733	1,265

As of 31 December 2024 and 31 December 2023, details of provision for long-term employee benefits are as follows;

	31 December 2024	31 December 2023
Provision for employee benefits		
<i>Employee termination benefit provision</i>	775	410
<i>Unused vacation provision</i>	368	49
Total	1,143	459

Employee termination benefit provision

In accordance with the provisions of the Labor Law in force, employees whose employment contracts have been terminated in such a way that they are entitled to severance pay are obliged to pay the legal severance pay to which they are entitled. The compensation to be paid is one month's salary for each year of service, and this amount is limited to TRY46,655.43 (1 January 2024: full TRY35,058.58 , 31 December 2024). In accordance with the Turkish Accounting Standard on Employee Benefits (TMS 19) published in the Official Gazette dated 12 March 2013 and numbered 28585, all actuarial losses and gains related to the severance pay provision have been accounted for in other comprehensive income/expense as of the balance sheet dates.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

21. PROVISION FOR EMPLOYEE BENEFITS (Continued)

21.1 Provision for short-term employee benefits

As of 31 December 2024 and 31 December 2023, details of provision for long-term employee benefits are as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	410	2,193
Actuarial gain/loss	44	33
Interest cost	90	71
Provision for the current period	423	101
Monetary gains/(losses)	(100)	(559)
Provision payment for the current period	(92)	(1,429)
Balance at the end of the period	775	410

Unused vacation provision

obliged to pay the earning that the employees are entitled but did not use to that person or beneficiaries as at that person's earning on the contract ending date. According to TAS 19 unused vacation provisions identified as "Benefits to employees" are accrued in the earned periods and are not discounted. The provision for the unused leaves as at 31 December 2024 and 31 December 2023 is the total undiscounted liability amount that all the employees are entitled which corresponds to the days of their unused leaves.

As of 31 December 2024, and 31 December 2023, movement of provision for employee termination benefits is as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	49	3,254
Actuarial gain/loss	-	(3,205)
Interest cost	(44)	-
Provision for the current period	363	-
Monetary gains/(losses)	368	49

22. OTHER CURRENT AND NON-CURRENT ASSETS

As of 31 December 2024, and 31 December 2023, details of other current assets are as follows:

	31 December 2024	31 December 2023
Deferred VAT	3,457	3,294
Job advances to personnel	3	349
Other	11	-
	3,471	3,643

As at 31 December 2024 and 31 December 2023, details of other non-current assets are as follows:

	31 December 2024	31 December 2023
Other non-current assets due to third parties	25	25
	25	25

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

23. EQUITY

23.1 Paid-in share capital

As of 31 December 2024, the Company's nominal value of authorized share capital amounts to TRY150,000 (31 December 2023: TRY150,000) comprising 150,000,000 registered shares of par value of 1 Kuruş ("Kr") each. (One TRY is equivalent to a hundred Kr). As at 31 December 2024 and 31 December 2023, the shareholding structure of the Company is disclosed in Note 1.

23.2 Adjustment to share capital

As of 31 December 2024, the Company's inflation-adjustment differences amount to TRY1,724,560 (31 December 2023: TRY1,724,560).

23.3 Repurchase of shares (-)

Share premiums consist of share premiums. Share premiums represent the cash inflows obtained as a result of selling the shares at market prices. These premiums are shown under equity and cannot be distributed but can be used for future capital increases. (As of January 1, 2020, share premium is TRY23 sales losses of repurchased shares are net TRY1,434 , moving to TRY1,457 and sales profits of repurchased shares realized in 2020 are TRY54,237). The company granted the right to buy new shares to the existing partners for the paid capital increase. Existing partners have used their right to buy new shares for 15 days covering the period of 12/26 August 2021, which is the priority period.

Shares with a nominal value of 176.418,174 , which could not be sold at the end of the priority period, were offered for sale at the prices formed in the primary market of the stock exchange on September 2/3, 2021. These unsold shares were sold at above nominal prices and provide, TRY1.440 of export premium benefit. As of. 31 December 2024 an amount of TRY52,675 paylara has been classified under equity as premiums/discounts related to shares (31 December 2023: TRY52,675)

23.4 Ortak Kontrole Tabi Teşebbüs Veya İşletmeleri İçeren Birleşmelerin Etkisi

The merger of these two companies through the acquisition of GSD Dış Ticaret Anonim Şirketi by GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. as a whole with all assets, liabilities and all rights, receivables, payables and obligations, and the merger of these two companies within the body of GSD Denizcilik Gayrimenkul İnşaat Sanayi ve Ticaret A.Ş. is a merger covering jointly controlled entities and therefore is not subject to "TFRS 3 Business Combinations".

As of 31 December 2024, the Company has merger effects covering jointly controlled initiatives or entities amounting to. (31 December 2023: (TRY0)).

23.5 Other comprehensive income or expenses not to be reclassified to profit or loss

The Company's accumulated other comprehensive income and expenses arising from the reclassification to profit or loss measurement losses on defined benefit plans are summarized below:

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

23. EQUITY (Continued)

23.5 Other comprehensive income or expenses not to be reclassified to profit or loss (Continued)

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. The Group has adopted the amendments to TAS 19 which were applicable as of 1 January 2014 and recognized all actuarial gains and losses in other comprehensive income. Actuarial loss recognized recognized under equity in the balance sheet amounts to TRY44 (31 December 2023: TRY27).

23.6 Other comprehensive income or expenses to be reclassified to profit or loss

Foreign currency translation differences

Assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on translation of foreign currency transactions are recognized in the income statement. As of 31 December 2023, foreign currency translation differences of the Company amount to TRY1,509,307 (31 December 2023: TRY1,679,295).

23.7 Restricted reserves

According to the Turkish Commercial Code, legal retained earnings are composed of primary and secondary legal reserves. Until the primary legal reserves reach 20% of the Company's capital, they are reserved at the rate of 5% of the profit for the period. The secondary legal reserves are reserved at the rate of 10% of all the dividend distributions that exceed 5% of the Company capital. Primary and secondary legal reserves cannot be distributed unless they exceed 50% of the total capital however, they can be used for covering the losses in case the voluntary reserves are consumed.

As of 31 December 2024, and 31 December 2023, restricted reserves movement is as follows:

	31 December 2024	31 December 2023
Primary legal reserves	197,512	196,901
Special funds	67,172	65,744
Legal reserves inflation differences	54,535	54,535
Balance at the end of the period	319,219	317,180

The differences resulting from the conversion of the following inflation-adjusted amounts in the Company's legal records into CPI-adjusted amounts within the scope of TMS 29 are accounted for in the Retained Earnings item.

	PPI Indexed Legal Records	CPI Indexed Amounts	Differences Followed in Retained Years' Profits/Loss
Capital inflation adjustment differences	2,319,776	1,724,560	595,216
Share premiums/discounts	1,575	52,675	(51,100)
Restricted reserves	193,267	319,219	(125,952)
Extraordinary reserves	798,530	-	798,530
Special funds	284,883	-	284,883

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

23. EQUITY (Continued)

23.8 Prior years' profits

As of 31 December 2024, and 31 December 2023, movements of prior years' profits are as follows:

	31 December 2024	31 December 2023
Balance on 1 January	(1,057,950)	(1,141,749)
Profits/(losses) for the prior period	(440,921)	82,166
Gains/losses from defined benefits plan	269	1,633
Balance at end of period	(1,498,602)	(1,057,950)

Listed companies distribute dividends as required by the Turkish Commercial Code ("TCC") and the CMB as follows:

According to the Turkish Commercial Code ("TCC"), legal retained earnings are composed of primary and secondary legal reserves. Until the primary legal reserves reach 20% of the Company's capital, they are reserved at the rate of 5% of the profit for the period. The secondary legal reserves are reserved at the rate of 10% of all the dividend distributions that exceed 5% of the company capital. Primary and secondary legal reserves cannot be distributed unless they exceed 50% of the total capital however, they can be used for covering the losses in case the voluntary reserves are consumed.

The inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

According to the regulations of Capital Markets Board (CMB) of Turkey, there is no minimum required profit distribution for the exchange-traded companies and the net distributable profit of an exchange-traded company preparing consolidated financial statements is calculated by taking into regard its net profit arising from its financial statements in accordance with Turkish Financial Reporting Standards as much as the total of the items that may be distributed as dividend arising from its statutory financial statements based on its books of account.

The exchange-traded companies in Turkey distribute their profits by the resolution of their general assemblies in accordance with the relevant legislations and within the guidelines stated in their profit distribution policies determined by their general assemblies. The profit distribution policies of the exchange-traded companies must contain at least whether any profit will be distributed or not and if it will be distributed, the profit distribution rate determined for shareholders and other profit-sharing persons; method of payment of the dividend; time of payment of the dividend providing that the dividend distribution process will start latest by the end of the accounting period during which the general assembly meeting was held; whether advance dividend will be distributed or not and, if it will be distributed, the related principles in respect of this.

The Company adopted a policy of not distributing cash or bonus dividend and distributing retained earnings by way of share capital increases through bonus issue by capitalization of internal resources within the regulatory framework of CMB and re-evaluating this policy every year, pursuant to its profit distribution policy explained below. Dividends are distributed to all outstanding shares as of the distribution date equally in proportion to their ownership percentage in share capital regardless of the issue and acquisition dates of these shares. The rights arising from the dividend privilege are reserved. In the capital increases of public companies, bonus shares are distributed to outstanding shares as of the date of share capital increase.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

23. EQUITY (Continued)

23.9 Profit Distribution

Profit distribution policy

The Ordinary General Assembly of the Company has resolved on 6 May 2024 that the profit distribution policy of Company for the year 2023 and the subsequent years pursuant to the Corporate Governance Principles is the distribution of profits as bonus shares by means of share capital increases from internal resources through the capitalization of profits, to the extent that the criteria stipulated by the regulatory framework of CMB in relation to share capital increases through bonus issue are met, in order to finance the growth by way of retention of earnings in equity through the accumulation of profits in extraordinary reserves by considering the growth plans, investing activities and existing financial structures of the associated companies and subsidiaries and this policy is to be reevaluated every year by taking into account the regulations of the Capital Markets Board regarding profit distribution and the liquidity position of the Company.

Profit distribution policy

Pursuant to the article 16/8 of the Communiqué on Shares (VII-128.1) promulgated by the Capital Markets Board of Turkey (the CMB), without prejudice to statutory obligations with respect to share capital increase, the applications of publicly traded companies to the CMB for share capital increases by capitalization of internal resources excluding period profit which will result in the adjusted share price dropping below full TRY 2, the share price being calculated as the average of the weighted average trading prices in stock exchange within 30 days prior to the disclosure of share capital increase to the public, are not put into process by the CMB.

24. MARINE SECTOR REVENUES AND EXPENSES

The details of marine sector revenues and expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Ship lease income	493,967	337,599
Revenues from intra-group service activities	31,214	28,027
Other income	24,710	8,921
Marine sector income	549,891	374,547
Ship depreciation expense	(114,851)	(114,631)
Personnel expenses	(124,014)	(94,519)
Various ship equipment, oil and fuel expenses	(54,589)	(60,704)
Rent expense paid back	(19,754)	(11,247)
Ship insurance expenses	(19,383)	(16,012)
Technical management fees	(11,610)	(9,705)
Expenses from intra-group service activities	(8,605)	(7,876)
Other expense	(552)	(459)
Marine sector expenses	(353,358)	(315,153)
Gross profit/(loss) from marine sector activities)	196,533	59,394

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

24. MARINE SECTOR REVENUES AND EXPENSES (Continued)

Each of the subsidiaries included in the scope of consolidation, established by the Company in Malta with a 100% capital share, owns one ship. Ships are rented within the scope of time charter (ship limited to a certain time) contract and earn rental income.

Our 100% subsidiary Hako Maritime Limited, based in Malta, has started investing in a dry cargo ship which is currently under construction. The commencement date of the operation is expected to be 2028, the year the ship construction is completed.

25. INTEREST AND OTHER INCOME/ INTEREST, COMMISSION AND OTHER EXPENSES

The details of interest and other income and interest, commission and other expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Finance lease interest income	-	3
Finance lease receivables foreign exchange gains	6	32
Total interest and other income	6	35
Financial lease receivables foreign exchange	(9)	(1)
Gross profit/(loss) from finance sector activities)	(3)	34

26. GENERAL ADMINISTRATIVE EXPENSES

The details of general administrative expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	24,947	23,729
Donation	10,103	7,147
Depreciation expenses	5,799	7,040
Audit expenses	2,104	1,444
Purchases of services from related parties' expenses	1,996	1,925
Vehicle, transportation and travel expenses	758	1,383
Quotation expenses	108	78
Other	3,446	4,399
Total	49,322	47,288

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

26. GENERAL ADMINISTRATIVE EXPENSES

The details personnel expenses that are included in general administrative expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows

	1 January- 31 December 2024	1 January- 31 December 2023
Wages and salaries	18,289	14,839
Employee termination benefit, unused vacation and bonus provision expenses	2,431	1,660
Social security premium expenses – employer's share	2,008	1,777
Employee termination benefit and bonus paid	70	1,429
Other	2,149	4,024
Total	24,947	23,729

27. FEES RELATED TO SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRMS/INDEPENDENT AUDITORS

The Company's explanation regarding the fees for services provided by independent audit firms, prepared pursuant to the KGK's Board Decision published in the Official Gazette on 30 March 2021 and whose preparation principles are based on the KGK letter dated 19 August 2021, is as follows: The explanation regarding the wages calculated on the basis of purchasing power as of December 31, 2024 is as follows:

	31 December 2024	31 December 2023
Independent audit fee for the reporting period	1,881	1,728
Fees for tax consultancy services	223	212
Total	2,104	1,940

28. OTHER INCOME FROM MAIN ACTIVITIES

The details of other operating expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Interest received from banks	135,913	38,832
Employee termination benefit cancellation income	968	4,635
Exchange profit	571	9,441
Other	182	83
Total	137,634	52,991

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

28. OTHER OPERATING EXPENSES

The details of other operating expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign currency exchange losses from operations	37,744	8,913
Total	37,744	8,913

29. INCOME/EXPENSES FROM INVESTMENT ACTIVITIES

The total of income from investment activities for the accounting periods ending on December 31, 2024 and December 31, 2023 includes income from dividend income Exchange Protected Deposits as follows.

	1 January- 31 December 2024	1 January- 31 December 2023
Interest income from investing activities	1,127	9,822
Foreign currency income related to investing activities	193	6,077
Other income from investment activities (Dividends)	2,227	-
Toplam	3,547	15,899

30. FINANCIAL INCOME AND EXPENSES

The Group does not have any financial income for the periods ended 31 December 2024 and 31 December 2023.

The details of financial expenses for the periods ended 31 December 2024 and 31 December 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Interest expense	(50,702)	(49,129)
Exchange loss arising from borrowing	(1,167)	-
Interest expense on employee provision	(90)	(71)
Other financial expenses	(1,195)	(1,266)
Toplam	(53,154)	(50,466)

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

31. NET MONETARY POSITION GAINS / (LOSSES)

The details of the Company's net monetary position gains/(losses) as of 31 December 2024 in accordance with TMS 29 are as follows::

Non-monetary items	31 December 2024
Financial statement items	(220,484)
Fixed Assets Classified for Sale from Continuing Operations	546
Investments in Associates, Joint Ventures and Subsidiaries	9,698
Vehicles	11
Furniture and Fixtures	127
Right of Use Assets	(513)
Other Intangible Assets	25
Prepaid Expenses	(6)
Deferred Tax Assets	(568)
Other Non-Current Assets	7
Capital Inflation Adjustment Differences	(576,197)
Premiums/Discounts Related to Shares	(16,191)
Accumulated Other Comprehensive Income or Expense That Will Not Be Reclassified to Profit or Loss	(20)
Restricted Reserves Allocated from Profit	(97,943)
Previous Years' Profit/(Losses)	460,540
Profit or loss statement items	1,953
Revenues	46,547
Cost of Sales (-)	(12,293)
Revenue from Financial Sector Activities	5
Cost of Financial Sector Activities (-)	(7)
General Administrative Expenses (-)	(44,118)
Other Income from Main Activities	9,511
Other Expenses from Main Activities (-)	(115)
Income from Investment Activities	3,727
Expenses from Investment Activities (-)	(796)
Financing Expenses (-)	(419)
Not to be Reclassified to Profit or Loss	(89)
Net Monetary Position Gains / (losses)	(218,531)

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

32. TAX ASSETS AND LIABILITIES

Corporation Tax

The Corporate Tax rate applied in Turkey is 25%, starting from declarations that must be submitted as of October 1, 2023. Necessary provisions have been made in the financial statements for the Company's estimated tax liabilities regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income is computed over the remaining tax base after adding the non-deductible expenses from the tax base in the determination of the commercial income and deducting the tax-exempt gains, non-taxable incomes and other deductions (if any, previous year losses and investment allowances used if preferred).

Provisional taxation in Turkey will continue to be declared and calculated on a quarterly basis. The Bill of Law No. 7338 to amend some laws with the Tax Procedure Law was submitted to the Presidency of the Assembly on October 1, 2021, and was accepted in the General Assembly of the Assembly on October 14, 2021, with the name of "Law on Amendments to the Tax Procedure Law and Some Laws" numbered 7338 on October 26, 2021 published in the Official Gazette.

According to this law, which will cover the taxation periods of 01.01.2022 and the following periods; the last three months of the relevant calendar year or accounting period will not be counted as the temporary tax period, and as a result, the fourth provisional tax return will not be declared.

With the "Law No. 7316 on the Collection Procedure of Public Receivables and the Amendment of Some Laws" published in the Official Gazette dated 22.04.2021 and numbered 31462, amendments were made to some tax laws and other laws. The Corporate Tax Rate has been amended with the relevant law.

As of December 31, 2024, the tax rate is 25% (December 31, 2023: 25%)

There is no practice in Turkey to reach an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office until the evening of the 30th day of the fourth month following the month in which the accounting period is closed. However, the tax inspection authorities can review the accounting records within five years, and if an incorrect transaction is detected, the tax amounts to be paid may change.

Withholding Tax

In addition to corporate tax, income tax withholding must be calculated separately on dividends, excluding those distributed to full-fledged corporations and foreign companies' branches in Turkey, which receive dividends in case of distribution and declare these dividends by including them in corporate income.

Income tax withholding was applied as 10% in all companies between April 24, 2003 and July 22, 2006. This rate has been applied as 15% with the Council of Ministers Decision No. 2006/10731 as of 22 July 2006. Dividends that are not distributed and added to the capital are not subject to income tax withholding.

With the President's Decision No. 4936 ("Decision"), which was published in the Official Gazette dated 22.12.2021, and within the scope of the Income Tax Law and the Corporate Tax Law, the withholding tax rate from the dividends distributed by the fully taxpayer institutions was reduced from 15% to 10%.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

32. TAX ASSETS AND LIABILITIES (Continued)

A withholding tax of 19.8% must be applied on the investment allowance amount utilized based on investment incentive certificates obtained before April 24, 2003. For investment expenditures made without an incentive certificate after this date, 40% of the expenditures that are directly related to the Company's production activities can be deducted from taxable income. No withholding tax is applied on investment expenditures made without an incentive certificate. The Company is obliged to accrue a 19.8% income tax withholding due to the use of investment allowance related to the period before April 24, 2003.

As of December 31, 2024, the Company calculates the Income Tax Withholding amount based on the Investment Allowance utilized for the period prior to April 24, 2003, and finally pays it in the following month by declaring it through the withholding tax return, after calculating the Income Tax Withholding (if any) on the investment allowance to be utilized based on the tax base that will be accrued in the Corporate Tax Return.

In the Temporary Article 69, which was added to the Income Tax Law No. 193 with the Law No. 5479, which was published in the Official Gazette No. 26133 dated April 8, 2006 and entered into force as of January 1, 2006, the taxpayers within the scope of this article are in force on December 31, 2005. It is envisaged that they will be able to deduct the investment incentive amounts they will calculate according to the provisions of the legislation (including the provisions regarding the tax rate) only from their earnings for the years 2006, 2007 and 2008, therefore, the investment incentive application has been abolished as of 1 January 2006.

In this framework, the rights of obliged parties who could not use some or all of their investment incentive exemption rights within a three-year period ceased to exist as of 31 December 2008.

On the other hand, articles 2 and 15 of the Law No. 5479 and article 19 of the Income Tax Law were repealed as of January 1, 2006, and thus, investment incentive exemption was granted over investment expenditures made between January 1, 2006 and April 8, 2006 was not allowed.

However, pursuant to the decision taken by the Constitutional Court at its meeting held on October 15, 2009, the phrases 2006, 2007 and 2008 included in the temporary article 69 of the above-mentioned Income Tax Law regarding investment incentives, and the phrases of article 19 have been removed from the date of January 1, 2006. It has been decided to cancel the regulation regarding the abolition of the investment incentives on the grounds that it is unconstitutional, and the time limitation regarding the investment discount has also been removed.

Pursuant to the decision taken by the Constitutional Court, it was ruled that the annulment regarding the investment discount would enter into force with the publication of the Decision in the Official Gazette, and the relevant Constitutional Court Decision was published in the Official Gazette dated 8 January 2010 and numbered 27456.

According to this, investment allowance amounts transferred to 2006 due to insufficient earnings and investment allowance amounts arising from investments that started before 2006 and continued after this date within the scope of economic and technical integrity can be used not only in 2006, 2007 and 2008, but also in the following years. With the new regulation, it has been ensured that the investment incentive exemption, which cannot be deducted due to insufficient earnings and is carried over to the following periods, continues to be utilized without any year limitation.

However, the "Law on Amending the Income Tax Law and Some Laws and Decrees with the Force of Law" numbered 6009 was published in the Official Gazette dated 1 August 2010 and numbered 27659, and the amount to be deducted as an investment allowance exemption with the relevant law is % of the income amount of the relevant year. It is stated that it cannot exceed 25. With the amendment, the corporate tax rate of those who will benefit from the investment discount is the current rate (20%) instead of 30%.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

32. TAX ASSETS AND LIABILITIES (Continued)

With the decision of the Constitutional Court dated February 9, 2012 and numbered 2012/9 (Main No: 2010/93), it was added to the first paragraph of the temporary 69th article of the Income Tax Law with the 5th article of the Law no. The amount to be deducted as an investment allowance exception cannot exceed 25% of the relevant income. It has decided that the sentence in the form is unconstitutional and annulled. Following the decision of the Constitutional Court, necessary arrangements were made by the Revenue Administration to enable taxpayers to benefit from investment incentives without considering the 25% limit in their Annual Corporate Tax Returns for 2011.

As of December 31, 2024, the Company has an unused Investment Allowance amounting to TRY837,320 related to the period before April 24, 2003. Due to the use of Investment Allowance pertaining to the period after April 24, 2003, the Company is obliged to accrue a 19.8% Income Tax Withholding. As of December 31, 2024, the Company will calculate the Income Tax Withholding amount over the Investment Allowance used for the period prior to April 24, 2003, and declare and pay it in the following month via the withholding tax return, based on the final Corporate Tax base calculated in the Corporate Tax Return and the amount of Investment Allowance to be used, if any.

With the Law No. 4842 dated April 9, 2003, the articles of the Income Tax Law regarding Investment Discounts were amended, and it was stated that 40% of the investment made within the framework of the criteria specified in the law would be benefited from the Investment Discount Exemption in the purchase of investment goods. Income Tax Withholding is also not applied in the Investment Discount Exceptions utilized according to this provision. All of the Company's investment incentives have been used within the scope of the law numbered 4842, and after the use of the investment discount, there is no withholding tax-free investment allowance according to the said law.

As of 31 December 2024, the Group can use the unused investment discount of TRY837,320 (31 December 2023: TRY839,998) by deducting it from future earnings.

Transfer pricing regulations in Turkey are specified in Article 13 of the Corporate Tax Law titled "Disguised profit distribution through transfer pricing". The communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing regulates the details regarding the application. If the taxpayer purchases or sells goods or services with related parties at the price or price they have determined, contrary to the arm's length principle, the gain is deemed to have been distributed implicitly, in whole or in part, through transfer pricing. Transactions such as disguised profit distribution through transfer pricing, giving for corporate tax purposes, borrowing and lending of money, bonuses, fees and similar payments are considered as the purchase or sale of goods or services in all cases and conditions. Companies are obliged to fill out the transfer pricing form, which will be included in the annex of the annual corporate tax return. In this form, the amounts of all transactions made with related companies within the relevant accounting period and the transfer pricing methods related to these transactions are stated.

The tax provisions for the periods ended 31 December 2024 and 31 December 2023 consist of the following:

	1 January- 31 December 2024	1 January- 31 December 2023
Current period income tax		
Current period corporation tax income/(expenses)	(13,184)	(3,160)
Deferred tax income/(expenses)	440	1,585
Total tax income/(expenses)	(12,744)	(1,575)

For the periods ended 31 December 2024 and 31 December 2023, the provision for income tax in the statement of profit or loss is different from the amount computed by applying the statutory tax rate of income before tax:

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

32. TAX ASSETS AND LIABILITIES (Continued)

	1 January- 31 December 2024	1 January- 31 December 2024
Subsidiary tax effect (*)	48,968	(923)
Tax calculated based on the reported profit/loss	5,454	109,691
Amount of tax-exempt income	723	5,587
Profit/(loss) before the reported tax	(21,815)	(438,763)
Amount of disallowable expenses	(3,604)	(6,691)
Other	(64,285)	(109,239)
Tax income/(expense)	(12,744)	(1,575)

(*) *Shipping companies established in Malta and Marshall Islands, which are subsidiaries of the Company, are exempt from tax in accordance with the laws of the country they are located in. Period and previous year profits of the subsidiaries, through cash or bonus profit distribution or bonus capital increase, the Corporate Tax rate in Turkey in the period of the Company's profit for the period. The Corporate Tax rate in Turkey has been applied as 25% within the company's profit for the period.*

The Company calculates deferred tax assets and liabilities arising from the effects of the evaluation differences between TFRS and Tax Procedural Law (TPL).

As of 31 December 2024 and 31 December 2023, the list of temporary differences and related deferred tax assets and liabilities by using current tax rates are as follows:

	31 December 2024	31 December 2023
Employee termination benefits and other employee rights	719	432
Remeasurement differences of tangible and intangible assets	(525)	244
Other	486	508
Deferred tax assets net	680	1,184

As of 31 December 2024 and 31 December 2023, movement of deferred tax assets is as follows:

	31 December 2024	31 December 2023
Opening balance	1,184	661
Deferred tax income/(expense) that is recognized in profit or loss	440	1,585
Monetary gains/losses	(929)	(1,055)
Deferred tax that is recognized in shareholders' equity	(15)	(7)
Balance at the end of period	680	1,184

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

33. EARNINGS/(LOSSES) PER SHARE)

Earnings/(losses) per share calculation for the periods ended 31 December 2024 and 31 December 2023 are as follows

	1 January- 31 December 2024	1 January- 31 December 2023
Net profit /(loss) for the period	(34,559)	(440,338)
Weighted average number of ordinary shares	150,000	150,000
Basic earnings/(losses) expressed in 1 TRY per share	(0.230)	(2.936)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS

34.1 Financial risk management purposes and policies

The Group Companies are exposed to various risks during their activities:

- Credit Risk
- Liquidity Risk
- Market Risk

This note is disclosed to give information about the targets, policies and processes in the risk management of the Group companies in case the Group companies are exposed to the aforementioned risks.

The Board of Directors of the Group companies is generally responsible for the establishment and supervision of the risk management frame of the companies.

The risk management policies of the Group companies are formed to determine and analyze the risks that the companies can be exposed to. The purpose of the risk management policies is to form the appropriate risk limit controls, to supervise risks and to adhere to the limits. The Company creates a disciplined and constructive control environment and helps all the employees understand their roles and responsibilities via various training and management standards and processes.

34.1.1 Credit risk

The Group is exposed to credit risk because of its dry cargo transportation. Credit risk is the risk that one party in a mutual relationship suffers a financial loss as a result of the other party not fulfilling his/her commitment regarding a financial instrument. The Company tries to manage credit risk by limiting the transactions made with certain parties and evaluating continuously the trustworthiness of the parties.

Credit risk concentration is about certain companies operating in similar lines of business or being located in the same geographical region. This concentration is also about changes that can occur under economic, political and similar other conditions – affecting the commitments of these companies that stem from contracts. Credit risk concentration reveals the Company's sensitivity about its performance of being effective to a certain branch of industry or geographical region.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (Continued)

34.1 Financial risk management purposes and policies (Continued)

The Group tries to manage its credit risk by working with international companies which are specialized in their sectors and by doing business in terms of international law.

34.1.2 Liquidity risk

Liquidity risk come in sight during the funding of the Group companies' activities. This risk includes both the risk of not being able to fund the Group companies' assets in appropriate maturities and dates and the risk of not being able to liquidate an asset with a reasonable price and in an appropriate timeframe. The Group fulfills its funding needs through banks. The Company continuously evaluates liquidity risk by determining the changes and watching the course of these changes in the fund resources that are necessary to reach the company target.

34.1.3 Market Risk

The Group protects itself with respect to changing market conditions by using instruments of purchase and sale. The market risk is managed by purchase and sale of derivative financial instruments, within the limits determined by the Company management, and by getting preventive positions.

(i) Foreign currency risk

The Group carries the foreign currency risk due to the transactions conducted in foreign currencies (such as marine operations, investment activities and bank credits). Since the financial statements of the Group are prepared based on Turkish Lira, the mentioned financial statements are affected by the floating of the foreign currencies with respect to Turkish Lira.

(ii) Interest rate risk

The activities of the Group companies are exposed to the risk of changes in interest rates when its receivables and loans on interest are redeemed or reprised on different times or amounts. Furthermore, the Group, in case it has loans involving flexible interest rates such as Libor or Eurolibor rates, may also be exposed to the risk of interest rate due to the reprising thereof. The risk management activities aim to optimize the net interest income if the market interest rates in compliance with the basic strategies of the Company are considered.

Sensitivity of the assets, liabilities and off-balance sheet items to interest is evaluated daily and monthly by the Company Management while also taking the developments in the market into account. Standard method, value exposed to the risk (VaR - Method of Historical Analogy) and methods of Active- Passive risk measurement are used while measuring the risk of interest rate endured by the Group.

Measurements within the context of standard method are conducted on monthly bases via maturity ladder and those within the context of VaR measurements are conducted on daily bases. Active passive measurement model is also conducted on daily basis. During VaR calculations conducted on daily basis, interest rate risks of securities of Turkish Lira and foreign currency in the portfolio of the Company which are allocated for sale-purchase and ready for sale and off- balance sheet positions are measured. Mentioned calculations are supported with scenario analyses and stress testings.

Standard method, value at risk (VaR-Historical Simulation Method) and Active-Liability risk measurement methods are used in measuring the interest rate risk that the Group is exposed to.

Measurements made within the scope of the standard method are performed on a monthly basis using the maturity ladder, and measurements made within the scope of VaR calculations are performed on a daily basis. The active-passive risk measurement model is also run on a daily basis.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (Continued)

34.1 Financial risk management purposes and policies (Continued)

34.1.4 Credit Risk

Sectoral distribution of the receivables originating from finance sector activities is as follows:

	31 December 2024	%	31 December 2023	%
Other	51	100	69	100
	51	100	69	100

As of 31 December 2024 and 31 December 2023, the assets of the Company which are qualified as credits exposed to credit risk are as in the following table:

	Receivables originating from finance sector activities		Trade and other receivables		
	Third parties	Related parties	Third parties	Bank deposit	Securities
31 December 2024					
Maximum loan risks to be endured as at the end of the reporting period (A+B+C+D+E)	51	2,356	-	822,088	1,688
A. Net book value of the financial assets which are undue and have not been impaired	-	2,356	-	822,088	1,688
B. Net book value of the financial assets conditions of which have been re-negotiated and which will otherwise be considered as due or impaired	-	-	-	-	-
C. Net book value of the assets which are due but have not been impaired	51	-	-	-	-
portion guaranteed by securities etc	51	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Due (gross registered value)	-	-	1,980	-	-
- Impairment (-)	-	-	(1,980)	-	-
-Portion of the net value guaranteed by securities etc.	-	-	-	-	-
- Undue (gross registered value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Portion of the net value guaranteed by securities etc.	-	-	-	-	-
E. Elements comprising off-balance sheet loan risk	-	-	-	-	-
	Receivables originating from finance sector activities		Trade and other receivables		
	Third parties	Related parties	Third parties	Bank deposit	Securities
31 December 2023					
Maximum loan risks to be endured as at the end of the reporting period (A+B+C+D+E)	69	2,932	614	696,652	21,563
A. Net book value of the financial assets which are undue and have not been impaired	-	2,932	614	696,652	21,563
B. Net book value of the financial assets conditions of which have been re-negotiated and which will otherwise be considered as due or impaired	-	-	-	-	-
C. Net book value of the assets which are due but have not been impaired	69	-	-	-	-
portion guaranteed by securities etc	69	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Due (gross registered value)	-	-	2,859	-	-
- Impairment (-)	-	-	(2,859)	-	-
-Portion of the net value guaranteed by securities etc.	-	-	-	-	-
- Undue (gross registered value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Portion of the net value guaranteed by securities etc.	-	-	-	-	-
E. Elements comprising off-balance sheet loan risk	-	-	-	-	-

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (Continued)

34.2 Disclosures Regarding Financial Risk Management

34.2.2 Liquidity risk

The chart below provides the maturity analysis of the financial liabilities of the Group companies based on the remaining maturities as at balance sheet date. The amounts indicated in the chart represent undiscounted amounts based on contracts.

31 December 2024

Due Dates in Relation to the Contract	Carrying value	Sum of cash outflow in relation to the contract	Less than 3 months	Between 3-12 months	Between 1-5 years
Non-derivative Financial Liabilities	827,945	(899,697)	(113,952)	(785,745)	-
Bank loans	796,419	(868,171)	(82,426)	(785,745)	-
Payables from finance sector activities	210	(210)	(210)	-	-
Trade payables	29,379	(29,379)	(29,379)	-	-
Other payables	1,937	(1,937)	(1,937)	-	-

31 December 2023

Due Dates in Relation to the Contract	Carrying value	Sum of cash outflow in relation to the contract	Less than 3 months	Between 3-12 months	Between 1-5 years
Non-derivative Financial Liabilities	694,551	(813,476)	(188,688)	(149,367)	(475,421)
Bank loans	672,924	(791,849)	(167,061)	(149,367)	(475,421)
Payables from finance sector activities	258	(258)	(258)	-	-
Trade payables	20,097	(20,097)	(20,097)	-	-
Other payables	1,272	(1,272)	(1,272)	-	-

34.2.3 Market risk

Interest rate risk

The Company is exposed to the interest rate risk due to the effect of the changes in interest rates on assets yielding interest. The mentioned risk of interest rate is managed by making use of liquid assets as short term investment.

Interest rate position table			
Financial instruments with fixed interest		31 December 2024	31 December 2023
	Finance lease receivable	51	69
	Time deposits	772,613	647,979
	(GUD) Currency Protected Time Deposits	-	21,563
	Investment fund	-	-
	Bank loans	1,688	-
		110,266	128,325
Financial instruments with floating interest			
	Bank loans	686,153	544,599

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (Continued)

34.2 Disclosures related to financial risk management(continued)

34.2.3 Market risk (continued)

Interest rate risk sensitivity analysis

If the interest rates of floating rate financial instruments on 31 December 2024 were 100 basis points higher / lower at the renewal dates and all other variables were held constant, the net loss for the period excluding tax would have been TRY47 higher / lower (31 December 2023: TRY43).

Foreign currency risk

Foreign currency risk is the risk arising from the change in the value of a financial instrument depending on the changes in foreign exchange rate. The Company is exposed to the risk of currency due to the changes in exchange rates while converting its foreign currency assets to Turkish Lira. Risks of currency are managed by the using of foreign currency liquid assets as short term investment.

The chart below summarizes the foreign currency position risk of the Group in detail as at the dates of 31 December 2024 and 31 December 2023. Foreign currency assets and liabilities of the Group are as follows in foreign currency

Foreign currency position chart								
	31 December 2024				31 December 2023			
	Total TRY Equivalent	USD (in Turkish Liras)	Euro (in Turkish Liras)	Other (in Turkish Liras)	Total TRY Equivalen t	USD (in Turkish Liras)	Euro (in Turkish Liras)	Other (in Turkish Liras)
1. Trade Receivables	-	-	-	-	-	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	272,603	272,603	-	-	696,612	696,612	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	12,960	12,960	-	-	16,484	16,484	-	-
4. Current assets (1+2+3)	285,563	285,563	-	-	713,096	713,096	-	-
5. Trade receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	2,181,906	2,181,906	-	-	2,369,811	2,369,811	-	-
8. Non-current assets (5+6+7)	2,181,906	2,181,906	-	-	2,369,811	2,369,811	-	-
9. Total assets (4+8)	2,467,469	2,467,469	-	-	3,082,907	3,082,907	-	-
10. Trade payables	28,678	28,678	-	-	18,980	18,980	-	-
11. Financial liabilities	223,674	223,601	73	-	226,051	225,957	94	-
12a. Other (Monetary)	6,210	6,210	-	-	286	286	-	-
12b. Other (Non-monetary)	9,038	9,038	-	-	18,553	18,553	-	-
13. Short-term liabilities (10+11+12)	267,600	267,527	73	-	263,870	263,776	94	-
14Trade payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	572,952	572,952	-	-	447,127	447,127	-	-
16 a. Other (Monetary)	-	-	-	-	-	-	-	-
16 b. Other (Non-monetary)	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	572,952	572,952	-	-	447,127	447,127	-	-
18. Total liabilities (13+17)	840,552	840,479	73	-	710,997	710,903	94	-
19. Net Asset/(Liability) Position of the Off-Balance Sheet Foreign Currency Derivative Instruments (19a-19b)								
19a. Sum of the Off-Balance Sheet Foreign Currency Derivative Products with Active Character	-	-	-	-	21,563	21,563	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	1,626,917	1,626,990	(73)	-	2,393,473	2,393,567	(94)	-
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a)								
	(558,911)	(558,838)	(73)	-	4,168	4,262	(94)	-

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (CONTINUED)

34.2 Disclosures related to financial risk management(Continued)

As of 31 December 2024, and 31 December 2023, items including derivative financial assets and liabilities, if any, in the consolidated statement of financial position are based on the assumptions that foreign currencies will be 10% more valuable or worthless, keeping all other variables constant, against TRY at these dates. Consolidated exchange rate sensitivity analysis reflecting the change in the consolidated profit/loss and consolidated equities of the Group caused by the differences between the current carrying values and the values that would be carried in case of an increase or decrease in the exchange rates are given in the tables below.

Foreign Exchange Rate Sensitivity Analysis Table				
31 December 2024				
	Profit/(Loss)		Equity	
	Foreign currency appreciates Foreign currency depreciates	Foreign currency depreciates Foreign currency appreciates	Foreign currency appreciates Foreign currency depreciates	Foreign currency depreciates Foreign currency appreciates
Change of USD by 10% against TRY:				
1. USD net asset/liability	(47,456)	47,456	210,147	(210,147)
2. Secured portion from USD risk (-)	-	-	-	-
Change of EUR by 10% against TRY:				
3. Euro net asset/liability	6	(6)	-	-
4. Secured portion from EUR risk (-)	-	-	-	-
Change of other currencies by 10% against TRY:				
5. Other currencies net asset/liability	-	-	-	-
6. Secured portion from other currencies risk (-)	-	-	-	-

Foreign Exchange Rate Sensitivity Analysis				
31 December 2023				
	Profit/(Loss)		Equity	
	Foreign currency appreciates Foreign currency depreciates	Foreign currency depreciates Foreign currency appreciates	Foreign currency appreciates Foreign currency depreciates	Foreign currency depreciates Foreign currency appreciates
Change of USD by 10% against TRY:				
1. USD net asset/liability	(5,660)	5,660	242,818	(242,818)
2. Secured portion from USD risk (-)	-	-	-	-
Change of EUR by 10% against TRY:				
3. Euro net asset/liability	(6)	6	-	-
4. Secured portion from EUR risk (-)	-	-	-	-
Change of other currencies by 10% against TRY:				
5. Other currencies net asset/liability	-	-	-	-
6. Secured portion from other currencies risk (-)	-	-	-	-

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

34. THE NATURE AND LEVEL OF THE RISKS THAT STEM FROM FINANCIAL INSTRUMENTS (CONTINUED)

34.2 Disclosures related to financial risk management(continued)

Other price risks:

The Group is exposed to stock price risk arising from the stock investments. Stock investments are conducted for strategic purposes rather than commercial goals. The Group does not actively purchase-sale such investments.

35. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Group, 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 the Group could realize in a current market exchange. The following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value.

Financial Assets

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of receivables from finance sector activities as of 31 December 2024 are estimated to be their fair values since they are short term.

Financial Liabilities

The carrying values of finance sector payables, borrowings and short-term trade payables are estimated to be their fair values.

GSD DENİZCİLİK GAYRİMENKUL İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in thousands of TRY based on the purchasing power of Turkish Lira ("TRY") as of December 31, 2024.)

35. FINANCIAL INSTRUMENTS (Continued)

Carrying and fair values of the financial assets and liabilities which are not reflected at their fair values in the financial statements as of 31 December 2024 and 31 December 2023 are shown in the table below:

	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	822,112	822,112	696,669	696,669
Financial Investments (KKM)	-	-	20,056	21,563
Fund	1,600	1,688	-	-
Trade receivables	2,356	2,356	3,546	3,546
Receivables from finance sector activities	51	51	69	69
Payables from finance sector activities	210	210	258	258
Trade payables	29,379	29,379	20,097	20,097
Other payables	1,937	1,937	1,272	1,272
Bank borrowings	796,419	796,419	672,924	672,924

Classification of the fair value measurement

The chart below discloses the valuation methods of the financial instruments reflected at their fair values. The valuation methods according to different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

As at the 31 December 2024, there is no financial investment carried at fair value (31 December 2023: None).

36. EVENTS AFTER THE REPORTING PERIOD

None.

.....