

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021 AND  
INDEPENDENT AUDITOR’S REVIEW REPORT**

**(ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM  
FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**To the General Assembly of  
Logo Yazılım Sanayi ve Ticaret A.Ş.**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Logo Yazılım Sanayi ve Ticaret A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2021 and the related condensed consolidated statements of profit or loss, condensed consolidated statements of other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six-month period then ended, and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of Review*

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

*Other Matter*

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 were audited and as at and for the six month period ended 30 June 2020 were reviewed by another auditor who expressed an unqualified opinion and an unqualified conclusion on 17 February 2021 and 5 August 2020, respectively.

*Conclusion*

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

DRT BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Okan Öz, SMMM  
Partner

İstanbul, 11 August 2021

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021**

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**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2021**

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

	Notes	Reviewed 30 June 2021	Audited 31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>		<b>585.356.604</b>	<b>543.820.036</b>
Cash and cash equivalents	5	338.255.198	261.595.709
Financial investments	6	-	32.081.501
Trade receivables		225.775.499	235.668.367
- <i>Trade receivables from third parties</i>	9	225.775.499	235.668.367
Other receivables		140.576	799.556
- <i>Other receivables from third parties</i>	10	140.576	799.556
Inventories	11	3.302.436	2.846.711
Prepaid expenses	18	7.853.004	4.917.554
Other current assets	10	10.029.891	5.910.638
<b>Non-current assets</b>		<b>629.114.148</b>	<b>553.699.940</b>
Other receivables		6.555.105	5.343.356
- <i>Other receivables from related parties</i>	29	6.555.105	5.343.356
Financial investments	6	34.205.797	28.104.547
Right-of-use assets	14	18.868.199	17.710.399
Property, plant and equipment	12	18.261.041	19.346.322
Intangible assets		540.666.639	470.238.309
- <i>Goodwill</i>	15	229.288.892	202.740.417
- <i>Other intangible assets</i>	13	311.377.747	267.497.892
Prepaid expenses	18	2.202.674	2.019.197
Deferred tax asset	27	7.962.577	10.007.150
Other non-current assets		392.116	930.660
<b>Total assets</b>		<b>1.214.470.752</b>	<b>1.097.519.976</b>

The accompanying consolidated financial statements have been approved by Board of Directors on 11 August 2021 and signed on its behalf by Buğra Koyuncu, Vice Chairman of the Board of Directors and Logo Group Chief Executive Officer, CEO and Gülnur Anlaş, Logo Group Chief Financial Officer, CFO.

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

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2021

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

	Notes	Reviewed 30 June 2021	Audited 31 December 2020
<b>LIABILITIES</b>			
<b>Short-term liabilities</b>		<b>386.779.186</b>	<b>406.374.780</b>
Short-term borrowings	8	32.032.296	9.520.664
Short-term portions of long-term borrowings	8	19.969.048	17.463.445
Trade payables		40.547.677	65.971.841
- <i>Trade payables to third parties</i>	9	40.547.677	65.971.841
Employee benefit obligations	17	43.985.795	75.595.098
Other payables		45.175.335	56.671.372
- <i>Other payables to related parties</i>		3.800	12.131
- <i>Other payables to third parties</i>	10	45.171.535	56.659.241
Contract liabilities	18	192.494.649	175.869.865
Current income tax liabilities		12.044.959	3.461.961
Other short-term liabilities		529.427	1.820.534
<b>Long-term liabilities</b>		<b>174.196.846</b>	<b>153.395.136</b>
Long-term borrowings	8	133.161.111	125.316.688
Other payables		4.595.797	4.595.797
- <i>Other payables to third parties</i>	10	4.595.797	4.595.797
Long-term provisions		29.975.377	16.719.235
- <i>Long-term provisions for employee benefits</i>	17	29.975.377	16.719.235
Deferred tax liabilities	27	6.464.561	6.763.416
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>		<b>615.960.652</b>	<b>502.281.113</b>
Paid-in capital	19	100.000.000	25.000.000
Adjustments to share capital	19	2.991.336	2.991.336
Restricted reserves appropriated from profit		7.196.456	7.196.456
Put option revaluation fund			
related with non-controlling interests	4	(32.788.799)	(29.324.261)
Treasury shares (-)	19	(9.782.044)	(10.054.033)
Reserves for treasury shares	19	9.782.044	10.054.033
Accumulated other comprehensive expenses			
that will not be reclassified to profit or loss		(5.723.975)	(4.898.251)
- <i>Loss on remeasurement of defined benefit plans</i>		(9.737.344)	(6.232.607)
- <i>Gain from investments in equity instruments</i>	6	4.013.369	1.334.356
Accumulated other comprehensive income			
that will be reclassified to profit or loss		91.532.100	72.028.714
- <i>Foreign currency translation differences</i>		96.316.257	74.999.449
- <i>Hedge gain / loss</i>		(4.784.157)	(2.970.735)
Prior years' profit		332.942.105	314.759.107
Net profit for the period		119.811.429	114.528.012
<b>Non-controlling interests</b>		<b>37.534.068</b>	<b>35.468.947</b>
<b>Total equity</b>		<b>653.494.720</b>	<b>537.750.060</b>
<b>Total liabilities and equity</b>		<b>1.214.470.752</b>	<b>1.097.519.976</b>

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

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR PERIOD 1 JANUARY – 30 JUNE 2021**

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

	Notes	Reviewed 1 January - 30 June 2021	Not reviewed 1 April - 30 June 2021	Reviewed 1 January - 30 June 2020	Not reviewed 1 April - 30 June 2020
Revenue	21	317.169.445	177.787.846	218.746.691	117.020.720
Cost of sales (-)	21	(61.718.071)	(34.116.949)	(41.827.522)	(21.579.683)
<b>Gross profit</b>		<b>255.451.374</b>	<b>143.670.897</b>	<b>176.919.169</b>	<b>95.441.037</b>
General administrative expenses (-)	22	(40.206.690)	(19.716.401)	(31.806.247)	(16.913.916)
Marketing expenses (-)	22	(45.013.552)	(25.775.903)	(37.178.191)	(19.548.129)
Research and development expenses (-)	22	(72.416.247)	(37.698.014)	(54.509.098)	(27.569.871)
Other operating income	23	13.839.983	1.685.249	6.214.273	2.098.624
Other operating expenses (-)	23	(1.912.367)	(1.058.960)	(4.854.573)	(4.037.986)
<b>Operating profit</b>		<b>109.742.501</b>	<b>61.106.868</b>	<b>54.785.333</b>	<b>29.469.759</b>
Income from investing activities	24	984.589	141.714	4.697.236	4.343.080
<b>Operating profit before financial income/(expenses)</b>		<b>110.727.090</b>	<b>61.248.582</b>	<b>59.482.569</b>	<b>33.812.839</b>
Financial income	25	29.739.303	14.043.558	4.184.052	1.813.383
Financial expenses (-)	26	(10.343.429)	(6.522.484)	(5.302.468)	(3.084.548)
<b>Profit before tax</b>		<b>130.122.964</b>	<b>68.769.656</b>	<b>58.364.153</b>	<b>32.541.674</b>
<b>Tax expense:</b>					
Current tax expense	27	(12.363.588)	(6.586.721)	(4.669.084)	(2.399.529)
Deferred tax (expense)/income	27	(1.212.028)	1.697.163	(2.566.256)	906.219
<b>Profit for the period</b>		<b>116.547.348</b>	<b>63.880.098</b>	<b>51.128.813</b>	<b>31.048.364</b>
<b>Profit for the period attributable to:</b>					
Non-controlling interests		(3.264.081)	(1.202.718)	(486.685)	155.910
Equity holders of the parent		119.811.429	65.082.816	51.615.498	30.892.454
<b>Earnings per 1 TL shares</b>	<b>28</b>	<b>1,24</b>	<b>0,67</b>	<b>0,53</b>	<b>0,32</b>

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

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY – 30 JUNE 2021 AND 2020**

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

	Reviewed 1 January - 30 June 2021	Not reviewed 1 April - 30 June 2021	Reviewed 1 January - 30 June 2020	Not reviewed 1 April - 30 June 2020
<b>Profit for the period</b>	<b>116.547.348</b>	<b>63.880.098</b>	<b>51.128.813</b>	<b>31.048.364</b>
<i>Items that will be reclassified to profit or loss:</i>				
Foreign currency translation differences	26.646.010	11.884.773	19.224.979	9.376.147
Hedge loss	(1.813.422)	(1.063.775)	(2.023.349)	(439.192)
<i>Items that will not be reclassified to profit or loss:</i>				
Loss on revaluation and remeasurement of provision for employment termination benefits 17	(3.881.730)	-	(1.344.016)	177.116
Gain from investments in equity instruments	2.679.013	1.617.882	-	-
Tax effect 27	376.993	12.597	129.084	(21.329)
<b>Other comprehensive income</b>	<b>24.006.864</b>	<b>12.451.477</b>	<b>15.986.698</b>	<b>9.092.742</b>
<b>Total comprehensive income</b>	<b>140.554.212</b>	<b>76.331.575</b>	<b>67.115.511</b>	<b>40.141.106</b>
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	2.065.121	1.174.237	4.647.364	2.025.880
Equity holders of the parent	138.489.091	75.157.338	62.468.147	38.115.226

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

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS 1 JANUARY – 30 JUNE 2021 AND 2020

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

	Share capital	Adjustments to share capital	Treasury shares	Reserves for treasury shares	Restricted reserves appropriated from profit	Gain and loss on remeasurement of defined benefit plans (*)	Gain from investments in equity instruments (*)	Gain/losses on hedging instrument (**)	Foreign currency translation differences (**)	Prior years' profit	Net profit for the period	Put option revaluation fund related with non-controlling interests (***)	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
<b>Balances as of 1 January 2020</b>	<b>25.000.000</b>	<b>2.991.336</b>	<b>(10.054.033)</b>	<b>10.054.033</b>	<b>7.196.456</b>	<b>(4.676.659)</b>	<b>586.613</b>	<b>-</b>	<b>41.264.159</b>	<b>228.448.354</b>	<b>86.310.753</b>	<b>(18.158.065)</b>	<b>368.962.947</b>	<b>25.638.059</b>	<b>394.601.006</b>
Transfer to prior years' profit	-	-	-	-	-	-	-	-	-	86.310.753	(86.310.753)	-	-	-	-
Purchase of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(3.980.554)	(3.980.554)	499.224	(3.481.330)
Increase/(decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	(3.354.383)	(3.354.383)	-	(3.354.383)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	51.615.498	-	51.615.498	(486.685)	51.128.813
Other comprehensive income/(expenses)	-	-	-	-	-	(1.214.932)	-	(2.023.349)	14.090.930	-	-	-	10.852.649	5.134.049	15.986.698
<b>Balance as of 30 June 2020</b>	<b>25.000.000</b>	<b>2.991.336</b>	<b>(10.054.033)</b>	<b>10.054.033</b>	<b>7.196.456</b>	<b>(5.891.591)</b>	<b>586.613</b>	<b>(2.023.349)</b>	<b>55.355.089</b>	<b>314.759.107</b>	<b>51.615.498</b>	<b>(25.493.002)</b>	<b>424.096.157</b>	<b>30.784.647</b>	<b>454.880.804</b>
<b>Balances as of 1 January 2021</b>	<b>25.000.000</b>	<b>2.991.336</b>	<b>(10.054.033)</b>	<b>10.054.033</b>	<b>7.196.456</b>	<b>(6.232.607)</b>	<b>1.334.356</b>	<b>(2.970.735)</b>	<b>74.999.449</b>	<b>314.759.107</b>	<b>114.528.012</b>	<b>(29.324.261)</b>	<b>502.281.113</b>	<b>35.468.947</b>	<b>537.750.060</b>
Transfer to prior years' profit	75.000.000	-	-	-	-	-	-	-	-	39.528.012	(114.528.012)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(28.673.009)	-	-	(28.673.009)	-	(28.673.009)
Change in subsidiary put option liability	-	-	-	-	-	-	-	-	-	-	-	(3.464.538)	(3,464.538)	-	(3,464.538)
Treasury shares	-	-	271.989	(271.989)	-	-	-	-	-	7.327.995	-	-	7.327.995	-	7,327.995
Net profit for the period	-	-	-	-	-	-	-	-	-	-	119.811.429	-	119,811.429	(3,264.081)	116,547,348
Other comprehensive income/(expenses)	-	-	-	-	-	(3,504.737)	2,679,013	(1,813,422)	21,316,808	-	-	-	18,677,662	5,329,202	24,006,864
<b>Balance as of 30 June 2021</b>	<b>100.000.000</b>	<b>2.991.336</b>	<b>(9.782.044)</b>	<b>9.782.044</b>	<b>7.196.456</b>	<b>(9.737.344)</b>	<b>4.013.369</b>	<b>(4.784.157)</b>	<b>96.316.257</b>	<b>332.942.105</b>	<b>119.811.429</b>	<b>(32.788.799)</b>	<b>615.960.652</b>	<b>37.534.068</b>	<b>653.494.720</b>

(\*) Accumulated other comprehensive income/(expenses) that will not to be reclassified to profit or loss.

(\*\*) Accumulated other comprehensive income and expense that will be reclassified to profit or loss.

(\*\*\*) Note 4.

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

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS 1 JANUARY - 30 JUNE 2021 AND 2020

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

	Notes	Reviewed 1 January - 30 June 2021	Reviewed 1 January - 30 June 2020
<b>A. Cash flows from operating activities</b>		<b>98.703.275</b>	<b>100.482.626</b>
Profit for the period		116.547.348	51.128.813
<b>Adjustments to reconcile net profit for the period</b>		<b>52.819.664</b>	<b>36.037.502</b>
Adjustment related to depreciation and amortization	12,13,14	37.418.351	29.558.387
Adjustment related to reversal of provisions for employment termination benefits	17	9.213.863	(16.619.408)
Adjustment related to interest expense	26	2.897.940	2.832.976
Adjustment related to interest income	24,25	(13.738.288)	(5.456.053)
Adjustment related to impairment/ (reversal of) on receivables	9	(1.759.560)	2.655.622
Other adjustments related to profit (loss) reconciliation		5.211.742	15.830.638
Adjustment related to tax (income)/expense	27	13.575.616	7.235.340
<b>Changes in net working capital</b>		<b>(63.985.255)</b>	<b>18.713.961</b>
Adjustments related to decrease in trade receivables		8.137.984	31.486.370
Adjustments related to (increase)/decrease in inventories		(455.725)	(152.255)
Adjustments related to increase in other operating assets		(7.002.187)	(2.981.180)
Adjustments related to decrease in trade payables		(25.424.164)	(17.268.938)
Adjustments related to increase in other operating liabilities		(39.241.163)	7.629.964
<b>Cash flows used in operating activities</b>		<b>105.381.757</b>	<b>105.880.276</b>
Tax payments		(6.223.255)	(4.475.395)
Payments related to employee benefits	17	(455.227)	(922.255)
Cash outflows for purchases to gain control of subsidiaries	4	(8.493.796)	(5.305.569)
Cash outflows for purchases of property, plant and equipment and intangible assets	12,13	(56.918.803)	(37.295.534)
Cash outflows for the acquisition of debt instruments or shares of other entities or funds	6	(2.396.975)	(3.792.487)
Proceeds from sales of property, plant and equipment	12	170.587	78.961
Change in financial investments		32.081.501	-
Interest received		13.362.347	5.456.053
<b>B. Cash flows from investing activities</b>		<b>(22.195.139)</b>	<b>(40.858.576)</b>
Repayments of loans	32	(30.719.283)	(15.037.292)
Cash from loans	32	39.733.169	-
Interest paid		(1.657.116)	(1.699.554)
Lease payments	32	(6.648.290)	(2.630.469)
Proceeds from sales of treasury shares		9.770.661	-
Dividend paid		(28.673.009)	-
<b>C. Cash flows from financing activities</b>		<b>(18.193.868)</b>	<b>(19.367.315)</b>
<b>Net increase in cash and cash equivalents before the effects of foreign currency translation differences</b>		<b>58.314.268</b>	<b>40.256.735</b>
<b>D. Effects of foreign currency translation differences on cash and cash equivalents</b>		<b>18.345.221</b>	<b>(918.631)</b>
<b>Net increase in cash and cash equivalents</b>		<b>76.659.489</b>	<b>39.338.104</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5</b>	<b>261.595.709</b>	<b>152.183.722</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>338.255.198</b>	<b>191.521.826</b>

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

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

### NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

Logo Yazılım Sanayi ve Ticaret Anonim Şirketi (“Logo Yazılım” or the “Company”) was established as a Limited Company in 1986 and became a joint stock company on 30 September 1999 after changing its legal form. The Company is registered in Turkey and operates under the Turkish Commercial Code.

The main activity of the Company is production, development, processing and multiplication of operating systems, application software, databases, software increasing productivity, multimedia software products and all types of similar software processed inside all types of computer hardware, and distribution of these at all physical and electronic environment, and to carry out all the services such as technical support, training and technical service activities.

As of 30 June 2021, the Group has 1.231 employees (31 December 2020: 1.177).

The address of the registered office is as follows:

Şahabettin Bilgisu Caddesi, No: 609  
Gebze Organize Sanayi Bölgesi  
Gebze, Kocaeli

As of 30 June 2021, the main shareholder and ultimate controlling party of Logo Yazılım is Logo Teknoloji ve Yatırım A.Ş. The partnership structure of the Company is explained in Note 19.

The nature of businesses of subsidiaries and the joint venture of Logo Yazılım (together referred to as the “Group”) are as follows:

<b>Subsidiaries</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Total Soft S.A. (“Total Soft”)	Romania	Development and marketing of software
Logo Elektronik Ticaret Hizmetleri A.Ş. (“e-Logo”)	Turkey	Development and marketing of software
Logo Financial Solutions GmbH (“Logo GmbH”)	Germany	Development and marketing of software
Logo Business Solutions FZ-LLC (“Logo FFC-LLC”)	United Arab Emirates	Marketing of software
Logo Kobi Dijital Hizmetler A.Ş. (“Logo Kobi”)	Turkey	Development and marketing of software
Architected Business Solutions SRL (“ABS”)	Romania	Development and marketing of software
ABS Financial Services SRL (“ABS FS”)	Romania	Development and marketing of software
Elba HR İnsan Kaynakları Eğitim ve Danışmanlık AŞ (“Peoplise”)*	Turkey	Development and marketing of software

<b>Joint ventures</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Logo Infosoft Business Technology Private Limited (“Logo Infosoft”)	India	Development and marketing of software

(\*) On 11 May 2020, the Company acquired 86.7% shares of Peoplise – digital human resources management platform operating in Turkey – pursuant to share purchase agreement that signed on 20 April 2020 (Note 4).

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### 2.1.1 Financial Reporting Standards Applied

The accompanying condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards (“TAS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) in compliance with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (the “Communiqué”) announced by the CMB on 13 June 2013 which is published on Official Gazette numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards and related supplements and interpretations (“TAS/IFRS”). TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

The condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

The Group has prepared its condensed consolidated financial statements for the interim period ended 30 June 2021 in accordance with the Turkish Accounting Standard 34, "Interim Financial Reporting" ("TAS 34"). Interim condensed consolidated financial statements do not include all disclosures and notes required by the year-end financial statements and they should be read in conjunction with the consolidated financial statements dated as at 31 December 2020.

The condensed consolidated financial statements have been prepared under the historical cost convention except for the financial assets presented at fair values and revaluations related to the differences between carrying value and fair value of property, plant and equipment and intangible assets arising from business combinations.

##### 2.1.2 Financial Statements of Subsidiaries Operating in Foreign Countries

Financial statements of subsidiaries, operating in countries other than Turkey, are adjusted to TAS/IFRS published by POA for the purpose of fair presentation. Subsidiaries’ assets and liabilities are translated into Turkish Lira from the foreign exchange rate at the balance sheet date, and income and expenses are translated into Turkish Lira at the average foreign exchange rate. Foreign currency translation differences arising from the translation are included in the foreign currency translation difference under the equity.

##### 2.1.3 Basis of Consolidation

The condensed consolidated financial statements prepared in accordance with the principles of consolidated financial statements for the year ended 31 December 2020 include the accounts of Logo Yazılım and its subsidiaries.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1.3 Basis of Consolidation (Continued)

The table below sets out the subsidiaries of Logo Yazılım and ownership interests held by the Company as of 30 June 2021 and 31 December 2020:

<b>Subsidiaries</b>	<b>30 June 2021 (%)</b>	<b>31 December 2020 (%)</b>
Total Soft	80,00	80,00
e-Logo	100,00	100,00
Logo GmbH	100,00	100,00
Logo Kobi	100,00	100,00
ABS	80,00	80,00
ABS FS	80,00	80,00
Peoplise (*)	88,00	86,70
<b>Joint venture</b>	<b>30 June 2021 (%)</b>	<b>31 December 2020 (%)</b>
Logo Infosoft (**)	50,00	50,00

(\*) Note 4.

(\*\*) With the agreement signed by the Company with GSF Software Labs LLC on 1 January 2018, its control over Logo Infosoft has turned into joint control. After this date, Logo Infosoft has been evaluated as a joint venture in the consolidated financial statements and recognized as an investment valued by the equity method.

#### *Subsidiaries*

The condensed consolidated financial statements include financial statements of the Company and entities controlled by the Company's subsidiaries. Control is provided by the Company providing the following conditions:

- Have the authority on the investee company/asset,
- Being open to or entitled to variable returns from the investee company/asset, and
- Ability to use its power that may have effect on the returns.

The balance sheets, income statements and other comprehensive income statements of the subsidiaries that are incorporated into consolidation are consolidated using full consolidation method. The registered value of the investment recorded in the assets of the Company and the amount from subsidiaries' shareholder's equity corresponded to the Company's share are settled net. The transactions and balances between the Company and subsidiaries are mutually deleted under consolidation.

#### *Joint venture*

Joint venture is a joint initiative in which the parties, who have joint control in an arrangement, have rights related to net assets in this common arrangement. Joint control is the sharing of the control over an economic activity depends on the agreement. This control is supposed to exist if the decisions about the related activity can only be made by the unanimous vote of the sides who share the control.

The investments in joint ventures are recognized using equity method as of the date after the investees turn into associate or joint venture.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1.4 Functional and Presentation Currency

For the purpose of the consolidated financial statements, the results and financial position and cash flows of the Group are presented in Turkish Lira (“TL”), which is the currency of the primary economic environment in which Logo Yazılım operates (“the functional currency”).

The functional currency of subsidiaries operating in Romania is Romanian Leu (“RON”). Functional currency of Logo Infosoft is Indian rupee (“INR”). Financial position and operating results of each entity included in consolidation are measured using the currency of the primary economic environment in which these entities operate. The financial statements of the subsidiaries operating in foreign countries are prepared in the functional currency of the country in which they operate in accordance with the law and regulations of the country, the assets and liabilities in the financial statements are translated into TL by using the closing exchange rate effective on the balance sheet date, and income and expenses are translated into TL by using the monthly average exchange rate. The currency differences resulting from the use of closing and monthly average rates are monitored in the foreign currency translation differences account under equity and other comprehensive income.

#### 2.2 Going concern

The entities included in the consolidation have prepared their financial statements in accordance with the going concern principle. The Group management has made an assessment of the sustainability of the Group's operations and concluded that the Group has sufficient resources to continue its activities in the near future.

#### *COVID-19*

The Group's Management have taken the necessary actions to minimize the possible effects of the global COVID-19 pandemic on the operations and financial position of the Group. COVID-19 pandemic has caused developments/slowdowns both in the sector the Group is operating and in the general economic activities, but the Group continued its activities without any interruption. Meanwhile, actions have been taken by the Group to minimize the increase in investment expenditures and operational expenses and the cash strategy was revised to strengthen the liquidity position.

While preparing the interim condensed consolidated financial statements as at 30 June 2021, the Group has evaluated the possible effects of the COVID-19 pandemic on the financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.3 New and Amended Turkish Financial Reporting Standards

##### a. Amendments that are mandatorily effective from 2021:

##### **Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform – Phase 2**

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group management has evaluated that these amendments do not have any impact on the consolidated financial statements of the Group.

##### b. New and revised TFRSs in issue but not yet effective:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TMS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TMS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TMS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018 – 2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

##### **TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2021.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021**

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

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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.3 New and Amended Turkish Financial Reporting Standards (Continued)**

*b. New and revised TFRSs in issue but not yet effective (Continued):*

**Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

**Amendments to TFRS 3 *Reference to the Conceptual Framework***

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

**Amendments to TAS 16 *Property, Plant and Equipment - Proceeds before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

**Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract***

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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#### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.3. New and Amended Turkish Financial Reporting Standards (Continued)

###### *b. New and revised TFRSs in issue but not yet effective (Continued):*

##### **Annual Improvements to TFRS Standards 2018-2020 Cycle**

###### Amendments to TFRS 1 *First time adoption of Turkish Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

###### Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

###### Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021**

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

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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.3. New and Amended Turkish Financial Reporting Standards (Continued)**

*b. New and revised TFRSs in issue but not yet effective (Continued):*

**Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9**

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

**Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021**

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to TFRS 16) that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

**2.4 Changes in Accounting Policies**

Changes in accounting policies, if any, that result from applying a new TAS/TFRS for the first time are applied retrospectively or prospectively in accordance with transition provisions. Changes with no transition provisions, significant discretionary changes in accounting policy or accounting errors are applied retrospectively and financial statements of prior period are restated.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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### NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the six months period ended 30 June 2021 have been prepared in accordance with TAS 34. The significant accounting policies used in preparing the condensed interim consolidated financial statements for the six months period ended 30 June 2021 are consistent with the accounting policies disclosed in the consolidated financial statements as of 31 December 2020. Accordingly, the condensed consolidated interim financial statements should be evaluated with the consolidated financial statements for the year ended 31 December 2020. The Group has disclosed its accounting policies for the first time in Note 2.4.

#### 2.6 Significant Accounting Estimates and Assumptions

Preparation of consolidated financial statements requires the usage of estimations and assumptions which may affect the reported amounts of assets and liabilities as of the balance sheet date, disclosure of contingent assets and liabilities and reported amounts of income and expenses during the financial period. The accounting assessments, forecasts and assumptions are reviewed continuously considering the past experiences, other factors and the reasonable expectations about the future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management’s existing incidents and operations, they may differ from the actual results. The estimates and assumptions that can lead to significant adjustments on the carrying value of the assets and liabilities are as follows:

##### *Provision for doubtful receivables*

Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than related parties and key customers are assessed with their prior year performances, their credit risk in the current market, and their individual performances after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.

##### *Useful lives of intangible assets*

In accordance with the accounting policy stated in Note 2.5, intangible assets are stated at historical cost less depreciation, net of any impairment charges. Depreciation on intangible assets is calculated using the straight-line method over their estimated useful lives. Useful lives depend on the best estimates of management and are reviewed in each financial period and corrected accordingly.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021**

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

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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.6 Significant Accounting Estimates and Assumptions (Continued)**

*Revenue recognition*

The Group uses percentage of completion method in accounting of its software license revenue and customized software revenue as of the balance sheet date. Completion level is calculated by dividing the estimated total service given as of the balance sheet date to the total service required contractually.

LEM is an insurance package that provides free ownership for all the charged version updates which protect enterprises against all the legal amendments, and which includes new features that will contribute new values to the products throughout the year. Since the free of charge LEM products given in the first year are given along with the currently up-to-date software, they do not bring significant updates for the user and their commercial value is lower compared to the LEM products provided in the subsequent years. Thus, related sales amounts are recognized as revenue within the transaction year.

*Research and development costs*

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized by the Group. Management determines the cost of employees to be capitalized considering time spent by each employee on research and development activities. The costs of employees related to research are expensed as incurred.

*Goodwill impairment test*

The Group tests the goodwill amount for impairment each year or in shorter periods in case of any impairment. The recoverable amounts of cash generating units are determined on fair value less cost of disposal basis. The details of estimates and assumptions used are explained in Note 15.

**2.7 Comparative Information and Restatement of Prior Periods’ Financial Statements**

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. The consolidated balance sheet of the Group as of 30 June 2021 has been provided with the comparative financial information of 31 December 2020 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the interim period ended 30 June 2021 have been provided with the comparative financial information, for the period ended 30 June 2020.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

### NOTE 3 - SEGMENT REPORTING

The Group’s chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Adjusted earnings before interest, tax, depreciation and amortization (“EBITDA”) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Adjusted EBITDA definition includes revenue, direct cost of revenues excluding depreciation and amortization accounted for operating expenses (except other operating income and expenses).

<b>30 June 2021</b>	<b>Turkey</b>	<b>Romania</b>	<b>Segmental eliminations</b>	<b>Consolidated</b>
Segment assets	919.577.005	294.895.240	(1.493)	1.214.470.752
Segment liabilities	316.664.759	244.312.766	(1.493)	560.976.032
Goodwill	175.721.816	53.567.076	-	229.288.892
Property, plant and equipment and other intangible asset	172.224.575	157.414.213	-	329.638.788
Right-of-use assets	8.037.620	10.830.579	-	18.868.199

<b>30 June 2021</b>	<b>Turkey</b>	<b>Romania</b>	<b>Segmental eliminations</b>	<b>Consolidated</b>
Revenue	211.955.763	105.213.682	-	317.169.445
Cost of sales	(6.021.730)	(55.696.341)	-	(61.718.071)
Operating expenses	(118.701.765)	(38.934.724)	-	(157.636.489)
Other operating income	3.338.728	10.501.255	-	13.839.983
Other operating expenses	(1.708.965)	(203.402)	-	(1.912.367)
Income from investing activities	984.589	-	-	984.589
Financial income	29.353.419	385.884	-	29.739.303
Financial expenses	(7.456.024)	(2.887.405)	-	(10.343.429)
Depreciation and amortization	(24.829.856)	(12.588.495)	-	(37.418.351)
Tax expense	(11.517.079)	(2.058.537)	-	(13.575.616)
Profit/(loss) for the period	100.226.936	16.320.412	-	116.547.348
Adjusted EBITDA	112.062.124	23.171.112	-	135.233.236
Purchase of property, plant and equipment and intangible assets	39.537.424	17.381.379	-	56.918.803

Reconciliation between adjusted EBITDA and profit before tax is as follows:

<b>30 June 2021</b>	<b>Consolidated</b>
Adjusted EBITDA	135.233.236
Depreciation and amortization	(37.418.351)
Income from investing activities	984.589
Other operating income	13.839.983
Other operating expenses	(1.912.367)
Financial income	29.739.303
Financial expenses	(10.343.429)
<b>Profit before tax</b>	<b>130.122.964</b>

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 30 JUNE 2021**

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

**NOTE 3 - SEGMENT REPORTING (Continued)**

<b>31 December 2020</b>	<b>Turkey</b>	<b>Romania</b>	<b>Segmental eliminations</b>	<b>Consolidated</b>
Segment assets	831.996.902	265.526.932	(3.858)	1.097.519.976
Segment liabilities	323.705.285	236.068.489	(3.858)	559.769.916
Goodwill	155.692.858	47.047.559	-	202.740.417
Property, plant and equipment				
And other intangible asset	155.096.580	131.747.634	-	286.844.214
Right-of-use assets	6.594.507	11.115.892	-	17.710.399

<b>30 June 2020</b>	<b>Turkey</b>	<b>Romania</b>	<b>Segmental eliminations</b>	<b>Consolidated</b>
Revenue	140.830.047	77.916.644	-	218.746.691
Cost of sales	(2.822.545)	(39.004.977)	-	(41.827.522)
Operating expenses	(90.369.944)	(33.123.592)	-	(123.493.536)
Other operating income	5.654.532	559.741	-	6.214.273
Other operating expenses	(1.326.757)	(3.527.816)	-	(4.854.573)
Income from investing activities	4.697.236	-	-	4.697.236
Financial income	3.903.902	280.150	-	4.184.052
Financial expenses	(3.337.454)	(1.965.014)	-	(5.302.468)
Depreciation and amortization	(19.905.331)	(9.653.056)	-	(29.558.387)
Tax expense	(6.914.147)	(321.193)	-	(7.235.340)
Profit/(loss) for the period	50.314.870	813.943	-	51.128.813
Adjusted EBITDA	67.542.889	15.441.131	-	82.984.020
Purchase of property, plant and equipment and intangible assets	25.910.556	11.384.978	-	37.295.534

Reconciliation between adjusted EBITDA and profit before tax is as follows:

<b>30 June 2020</b>	<b>Consolidated</b>
Adjusted EBITDA	82.984.020
Depreciation and amortization	(29.558.387)
Income from investing activities	4.697.236
Other operating income	6.214.273
Other operating expenses	(4.854.573)
Financial income	4.184.052
Financial expense	(5.302.468)
<b>Profit before tax</b>	<b>58.364.153</b>

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

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#### NOTE 4 - BUSINESS COMBINATION

##### Acquisition of Peoplise

On 11 May 2020, the Group acquired 86.70% of the shares of Peoplise.

Peoplise is an integrated and video-enabled digital human resources management platform designed for all recruitment needs of corporate companies. This merger is expected to contribute significantly to the growth target by complementing the existing Human Resources solutions and supporting the Group's ongoing investments in the HR product portfolio, especially with the synergy it will create during the transition period to cloud-based solutions, it will support the increasing exposure to large corporate enterprises and global markets.

The Group's share in Peoplise increased to 88% with the payment made on 5 March 2021 as per the contract.

The difference between the total acquisition amount and the net assets acquired for the purchase of Peoplise is accounted for in accordance with the TFRS 3, “Business Combinations Standard”. The acquisition price and acquired assets and liabilities' fair value used within the scope of TFRS 3 are summarized in the table below:

	<b>11 May 2020</b>
Total assets	5.273.550
Intangible asset - customer relations	4.004.436
Intangible asset - advanced technology	1.425.116
Total liabilities	(1.519.988)
<hr/>	
Fair value of net assets	9.183.114
Non-controlling interests (-)	(499.224)
Purchase value (*)	12.360.762
<hr/>	
<b>Goodwill (Note 15)</b>	<b>3.676.872</b>

(\*) TL 7.017.187 of the total purchase price was paid in cash in 2020. TL 8.087.849 was paid in the interim period ending on 30 June 2021.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

### NOTE 4 - BUSINESS COMBINATION (Continued)

#### Acquisition of Nexia

Nexia CRG Expert S.R.L. (“Nexia”) provides accounting, tax, payroll and personnel management services to its customers operating in real estate, e-commerce, retail, energy and various other service areas in the Romanian region. Total Soft, the Group's subsidiary, has incorporated the accounting department of Nexia as a whole. This merger has been evaluated and recognized in accordance with the provisions of TFRS 3, “Business Combinations Standard”. This merger is expected to contribute to Total Soft's growth objective in the region. The purchase price, the fair values of the acquired assets and liabilities used within the scope of TFRS 3 are summarized in the table below:

	<b>1 October 2020</b>
Total assets	219
Total liabilities	(33.749)
Fair value of net assets	(33.530)
Purchase value (*)	1.638.126
<b>Goodwill (Note 15)</b>	<b>1.671.656</b>

(\*) TL 852.593 of the total purchase price was paid in cash in 2020. TL 405.947 was paid in the interim period ending on 30 June 2021.

### NOTE 5 - CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Cash	47.657	69.082
Banks		
- Demand deposits - TL	9.813.379	715.667
- Demand deposits - foreign currency	17.535.413	31.691.121
- Time deposits - TL	135.279.188	109.747.643
- Time deposits - foreign currency	90.677.772	39.980.828
Credit card slip receivables	74.194.067	73.559.439
Liquid funds (*)	10.576.384	5.649.349
Checks received	131.338	182.580
	<b>338.255.198</b>	<b>261.595.709</b>

(\*) Liquid funds consist of investment instruments with a maturity of less than 3 months which can be converted into cash at any time without significant loss.

As of 30 June 2021, the weighted average effective annual interest rates of TL denominated time deposits are 6,50% and 19,00% (31 December 2020: 8,50% and 20,00%). As of 30 June 2021, the weighted average effective annual interest rates of USD denominated time deposits are between 0,5% and 2% (31 December 2020: 1% and 3% for USD denominated time deposits and 0,65% and 2,25% for EUR denominated time deposits).

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 6 - FINANCIAL INVESTMENTS

#### Short-term financial investments

	30 June 2021	31 December 2020
Private sector bonds (*)		
- <i>Assets at fair value through other comprehensive income</i>	-	32.081.501

(\*) Private sector bills consist of financial investments which are easily convertible into cash, do not bear the risk of significant changes in value and have high liquidity. The bonds are denominated in USD and the annual weighted average interest rate range is 4.88%-6.25%.

#### Long-term financial investments

##### *Financial assets recognized at fair value*

Details of non-current financial investments as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures”) (**)	5.463.369	2.784.356
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş. (“İnterpro”) (**)	80.653	80.653
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş. (“Dokuz Eylül”) (**)	50.000	50.000
	<b>5.594.022</b>	<b>2.915.009</b>

(\*\*) As of 30 June 2021, Logo Ventures has been evaluated as an asset at fair value through other comprehensive income and the difference between its fair value and cost amounting to TL 2.679.013 has been recognized in other comprehensive income. On the other hand, İnterpro and Dokuz Eylül are reflected in the consolidated financial statements at cost as of 30 June 2021 and 31 December 2020, as their fair value is not significant.

	30 June 2021	31 December 2020
Private sector bonds (***)		
- <i>Assets at fair value through other comprehensive income</i>	8.683.393	7.658.131

(\*\*\*) Private sector bills consist of financial investments which are easily convertible into cash, do not bear the risk of significant changes in value and have high liquidity. The bonds are denominated in USD and the annual weighted average interest rate range is 5.25%-6.0%. The maturities of the bonds classified under long-term investments are 2025 and must be paid with fixed interest every six months.

##### *Other long-term financial investments:*

	30 June 2021	31 December 2020
Other long-term financial investments (****)	19.928.382	17.531.407

(\*\*\*\*) The Group's joint venture consists of the convertible debt instruments issued by Logo Infosoft, when the relevant amounts are included in equity the ownership ratio of the Group is 75.44%. The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement in accordance with the accounting policies explained in Note 2.5.

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 7 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Summarized financial information on investments accounted for using the equity method are as follows:

##### *Summary balance-sheet information*

<b>Logo Infosoft</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Cash and cash equivalents	532.827	1.685.774
Other current assets	4.299.518	3.426.358
Other non-current assets	790.474	945.401
<b>Total assets</b>	<b>5.622.819</b>	<b>6.057.533</b>
Other short-term liabilities	10.659.006	8.336.121
Other long-term liabilities	30.481.488	24.224.647
<b>Total liabilities</b>	<b>41.140.494</b>	<b>32.560.768</b>
<b>Net liabilities</b>	<b>(35.517.675)</b>	<b>(26.503.235)</b>

##### *Summary income statement information*

<b>Logo Infosoft</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Income	737.941	1.085.609
Expenses (-)	(5.384.033)	(5.244.789)
<b>Net loss for the period</b>	<b>(4.646.092)</b>	<b>(4.159.180)</b>
Ownership ratio of the Group	50,00%	50,00%
Group's share	(2.323.046)	(2.079.590)
Unrecognised losses (*)	2.323.046	2.079.590

(\*) Logo Infosoft's portion of the Group's share of loss amounting to TL 2.323.046 has not been accounted because Logo Infosoft's carrying amount has been zero.

#### NOTE 8 - BORROWINGS

Details of borrowings as of 30 June 2021 and 31 December 2020 is as follows:

<b>Short-term borrowings:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Short-term bank loans	23.882.776	2.799.296
Credit card payables	728.418	231.815
Lease liabilities	7.421.102	6.489.553
	<b>32.032.296</b>	<b>9.520.664</b>

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 8 - BORROWINGS (Continued)**

<b>Short-term portions of long-term borrowings:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Short-term portions of long-term bank loans	19.633.242	17.043.175
Lease liabilities	335.806	420.270
	<b>19.969.048</b>	<b>17.463.445</b>

<b>Total short-term borrowings</b>	<b>52.001.344</b>	<b>26.984.109</b>
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<b>Long-term borrowings:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Long-term bank loans	119.680.326	112.413.383
Lease liabilities	13.480.785	12.903.305
<b>Total long-term borrowings</b>	<b>133.161.111</b>	<b>125.316.688</b>

	<b>30 June 2021</b>		
	<b>Weighted average annual interest rate (%)</b>	<b>Original amount</b>	<b>TL equivalent</b>
<b>Short-term borrowings:</b>			
Bank borrowings - TL - unsecured		3.063.456	3.063.456
Bank borrowings - RON - unsecured	Rabor+1 1,65%	9.952.350	20.819.320
Credit card payables - TL		728.418	728.418
Lease liabilities- EUR	4,5%	332.832	3.449.636
Lease liabilities - TL	12% - %25%	3.971.466	3.971.466
			<b>32.032.296</b>
<b>Short-term portion of long-term borrowings:</b>			
Bank borrowings - EUR – secured	Euribor+2,45%-2,50%	1.894.278	19.633.242
Lease liabilities - EUR		32.400	335.806
			<b>19.969.048</b>
<b>Long-term borrowings:</b>			
Bank borrowings - EUR - secured	Euribor+2,45%-2,50%	11.547.139	119.680.326
Lease liabilities - TL		5.272.276	5.272.276
Lease liabilities - EUR		791.983	8.208.509
			<b>133.161.111</b>
<b>Total borrowings</b>			<b>185.162.455</b>

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**NOTE 8 - BORROWINGS (Continued)**

	<b>31 December 2020</b>		
	<b>Weighted average annual interest rate (%)</b>	<b>Original amount</b>	<b>TL equivalent</b>
<b>Short-term borrowings:</b>			
Bank borrowings - TL - unsecured		2.540.901	2.540.901
Bank borrowings - RON - unsecured	Robor+1%-1.65%	140.639	258.395
Credit card payables - TL		231.815	231.815
Lease liabilities- EUR		356.732	3.213.405
Lease liabilities- TL	12%-25%	3.276.148	3.276.148
			<b>9.520.664</b>
<b>Short-term portion of long-term borrowings:</b>			
Bank borrowings - EUR -secured	Euribor+2.45%- 2.50%	1.892.025	17.043.175
Financial leases - EUR		46.656	420.270
			<b>17.463.445</b>
<b>Long-term borrowings:</b>			
Bank borrowings - EUR - secured	Euribor+2.45%-2.50%	12.479.422	112.413.383
Lease liabilities - TL		4.123.938	4.123.938
Lease liabilities - EUR		974.630	8.779.367
			<b>125.316.688</b>
<b>Total borrowings</b>			<b>152.300.797</b>

The redemption schedules of long-term borrowings as of 30 June 2021 and 31 December 2020 are as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>		
To be paid within 1-2 years	25.740.237	23.393.957		
To be paid within 2-5 years	65.010.099	56.553.066		
To be paid in more than 5 years	42.410.775	45.369.665		
	<b>133.161.111</b>	<b>125.316.688</b>		
	<b>Net book value</b>	<b>Fair value</b>		
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Bank borrowings	163.196.344	132.255.854	176.424.665	145.342.326
	<b>163.196.344</b>	<b>132.255.854</b>	<b>176.424.665</b>	<b>145.342.326</b>

Interest rate and currency risk of the Group are explained in Note 30.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 9 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables as of 30 June 2021 and 31 December 2020 are as follows:

<b>Short-term trade receivables:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade receivables	157.786.510	161.563.717
Credit card receivables	115.096.061	117.856.712
Cheques and notes receivables	2.913.053	4.484.233
Less: Provision for doubtful receivables	(34.263.906)	(32.509.022)
Less: Unearned finance income from futures sales	(15.756.219)	(15.727.273)
	<b>225.775.499</b>	<b>235.668.367</b>

As of 30 June 2021, the average turnover of the trade receivables is 114 days (31 December 2020: 129 days), excluding the credit card receivables, the turnover day is 57 days (31 December 2020: 69 days). The discount rate applied to the undue receivables is 18,96% (31 December 2020: 17,13%).

As of 30 June 2021, TL 20.752.080 of trade receivables (31 December 2020: TL 20.091.728) were past due but not impaired. The aging analysis of these trade receivables is as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Up to 1 month	9.792.913	5.832.128
1-3 months	6.576.808	2.875.373
More than 3 months	4.382.359	11.384.227
	<b>20.752.080</b>	<b>20.091.728</b>

As of 30 June 2021, TL 11.342.200 of overdue receivables consist of trade receivables of Total Soft (31 December 2020: TL 16.199.714). Group manages its receivables in accordance with credit risk management policies which is explained in Note 30.

The movement of provision for doubtful receivables for the periods ended 30 June 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
<b>As of 1 January</b>	<b>32.509.022</b>	<b>24.320.148</b>
Provisions during the period	2.543.006	4.814.605
Provision released	(4.302.566)	(2.158.983)
Foreign currency translation difference	3.514.444	2.512.581
<b>As of 30 June</b>	<b>34.263.906</b>	<b>29.488.351</b>

<b>Trade payables to third parties:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade payables	40.547.677	65.971.841

As of 30 June 2021, the average debt payment period is 108 days (31 December 2020: 115 days).

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)**

The table below shows the maximum exposure of the Group to credit risk as of 30 June 2021 and 31 December 2020:

30 June 2021	Trade receivables		Other receivables		Bank
	Related party	Other	Related party	Other	
The maximum of credit risk exposure as of reporting date	-	225.775.499	6.555.105	140.576	338.076.203
- <i>Amount of risk covered by guarantees</i>	-	290.274	-	-	-
Net carrying value of not past due and not impaired financial assets	-	205.023.419	6.555.105	140.576	338.076.203
Net carrying value of past due but not impaired financial assets	-	20.752.080	-	-	-
- <i>Amount of risk covered by guarantees</i>	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-
- <i>Past due (gross carrying value)</i>	-	34.263.906	-	-	-
- <i>Provision for impairment (-)</i>	-	(34.263.906)	-	-	-
- <i>Amount of risk covered by guarantees</i>	-	-	-	-	-

The guarantees which cover the credit risk include guarantee cheques, mortgages, and letters of guarantee.

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**NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)**

31 December 2020	Trade receivables		Other receivables		Bank
	Related party	Other	Related party	Other	
The maximum of credit risk exposure as of reporting date	-	235.668.367	5.343.356	799.556	261.344.047
- <i>Amount of risk covered by guarantees</i>	-	290.274	-	-	-
Net carrying value of not past due and not impaired financial assets	-	215.576.639	5.343.356	799.556	261.344.047
Net carrying value of past due but not impaired financial assets	-	20.091.728	-	-	-
- <i>Amount of risk covered by guarantees</i>	-	-	-	-	-
Net carrying value of impaired assets -	-	-	-	-	-
- <i>Past due (gross carrying value)</i>	-	32.509.022	-	-	-
- <i>Provision for impairment (-)</i>	-	(32.509.022)	-	-	-
- <i>Amount of risk covered by guarantees</i>	-	-	-	-	-

The guarantees which cover the credit risk include guarantee cheques, mortgages, and letters of guarantee.

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 10 - OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS

#### Short-term other receivables from third parties:

	30 June 2021	31 December 2020
Income accruals	10.541	667.835
Deposits and guarantees given	130.035	131.721
	<b>140.576</b>	<b>799.556</b>

#### Short-term other payables to third parties:

	30 June 2021	31 December 2020
Put option liability - ABS (*)	28.808.245	25.343.708
Other taxes payable	15.708.603	25.119.365
Other payables to third parties (**)	654.687	6.196.168
	<b>45.171.535</b>	<b>56.659.241</b>

#### Long-term other payables to third parties:

	30 June 2021	31 December 2020
Put option liability – Peoplise (***)	3.980.554	3.980.553
Other	615.243	615.244
	<b>4.595.797</b>	<b>4.595.797</b>

(\*) As a result of the acquisitions of ABS and ABS FS, there is a sales option given to Avramos Holding Ltd. by Logo Yazılım for the 20% Total Soft shares transferred to Avramos Holding Ltd. between 1 January 2021 and 31 December 2024. As of 30 June 2021, a put option liability amounting to TL 28.808.245 is recognized in the other short-term payables to related parties as a result of the sales option given in the consolidated financial statements.

(\*\*) Note 4.

(\*\*\*) As a result of the acquisition of Peoplise, there is a sales option given to minority shareholders by Logo Yazılım for the 12% Peoplise shares. As of 30 June 2021, the Company has accounted for the liability for a put option amounting to TL 3.980.554 in the short-term liabilities account as a result of the sales option given in the consolidated financial statements.

#### Other current assets:

	30 June 2021	31 December 2020
Prepaid taxes	5.451.424	2.425.985
Deferred VAT	1.195.071	1.124.957
Personnel advances	796.308	413.220
Business advances	765.105	225.531
Other	1.821.983	1.720.945
	<b>10.029.891</b>	<b>5.910.638</b>

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**NOTE 11 - INVENTORIES**

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade goods	2.944.007	2.714.608
Raw materials and equipment	336.204	126.891
Other	22.225	5.212
	<b>3.302.436</b>	<b>2.846.711</b>

**NOTE 12 - PROPERTY, PLANT AND EQUIPMENT**

	<b>1 January 2021</b>	<b>Additions</b>	<b>Purchase of subsidiary (*)</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 June 2021</b>
<b>Cost:</b>						
Machinery, plant equipment	16.734.912	636.159	-	(777.684)	1.268.354	17.861.741
Motor vehicles	4.120.764	55.069	-	-	533.583	4.709.416
Furniture and fixtures	6.967.484	71.086	-	(75.217)	157.161	7.120.514
Leasehold improvements	26.033.420	177.683	-	-	60.780	26.271.883
	<b>53.856.580</b>	<b>939.997</b>	<b>-</b>	<b>(852.901)</b>	<b>2.019.878</b>	<b>55.963.554</b>
<b>Accumulated depreciation:</b>						
Machinery, plant equipment	13.145.024	731.808	-	(607.131)	1.103.958	14.373.659
Motor vehicles	3.828.381	129.163	-	-	503.286	4.460.830
Furniture and fixtures	5.357.150	180.811	-	(75.183)	108.284	5.571.062
Leasehold improvements	12.179.703	1.067.155	-	-	50.104	13.296.962
	<b>34.510.258</b>	<b>2.108.937</b>	<b>-</b>	<b>(682.314)</b>	<b>1.765.632</b>	<b>37.702.513</b>
<b>Net book value</b>	<b>19.346.322</b>					<b>18.261.041</b>

	<b>1 January 2020</b>	<b>Additions</b>	<b>Purchase of subsidiary (*)</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 June 2020</b>
<b>Cost:</b>						
Machinery, plant equipment	12.547.429	1.499.788	39.325	(104.254)	913.676	14.895.964
Motor vehicles	3.263.580	103.846	-	(118.203)	432.986	3.682.209
Furniture and fixtures	6.378.765	227.499	16.148	-	120.842	6.743.254
Leasehold improvements	25.522.419	366.032	-	-	47.507	25.935.958
	<b>47.712.193</b>	<b>2.197.165</b>	<b>55.473</b>	<b>(222.457)</b>	<b>1.515.011</b>	<b>51.257.385</b>
<b>Accumulated depreciation:</b>						
Machinery, plant equipment	9.305.674	1.122.071	30.263	(25.293)	717.626	11.150.341
Motor vehicles	2.874.962	215.185	-	(118.203)	398.201	3.370.145
Furniture and fixtures	4.797.727	177.880	5.422	-	77.318	5.058.347
Leasehold improvements	10.684.231	708.006	-	-	36.625	11.428.862
	<b>27.662.594</b>	<b>2.223.142</b>	<b>35.685</b>	<b>(143.496)</b>	<b>1.229.770</b>	<b>31.007.695</b>
<b>Net book value</b>	<b>20.049.599</b>					<b>20.249.690</b>

(\*) Note 4.

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 13 - INTANGIBLE ASSETS

	1 January 2021	Additions	Purchase of subsidiary (*)	Disposals	Foreign currency translation differences	30 June 2021
<b>Costs:</b>						
Development costs	400.376.247	55.014.217	-	-	19.032.578	474.423.042
Advanced technology	19.413.827	-	-	-	675.701	20.089.528
Customer relations	64.650.780	-	-	-	6.749.129	71.399.909
Non-compete agreement	2.747.778	-	-	-	-	2.747.778
Other intangible assets	14.280.023	964.589	-	-	1.056.615	16.301.227
	<b>501.468.655</b>	<b>55.978.806</b>	<b>-</b>	<b>-</b>	<b>27.514.023</b>	<b>584.961.484</b>
<b>Accumulated depreciation:</b>						
Development costs	185.286.066	27.212.106	-	-	5.691.160	218.189.332
Advanced technology	14.052.336	462.752	-	-	672.069	15.187.157
Customer relations	20.701.616	2.642.984	-	-	1.653.395	24.997.995
Non-compete agreement	2.747.778	-	-	-	-	2.747.778
Other intangible assets	11.182.967	716.293	-	-	562.215	12.461.475
	<b>233.970.763</b>	<b>31.034.135</b>	<b>-</b>	<b>-</b>	<b>8.578.839</b>	<b>273.583.737</b>
<b>Net book value</b>	<b>267.497.892</b>					<b>311.377.747</b>

(\*) Note 4.

TL 54.763.223 of the total additions to development costs for the interim period ended 30 June 2021 (30 June 2020: 34.667.846) consist of capitalised personnel costs.

TL 32.931.158 (30 June 2020: TL 24.324.896), TL 1.490.638 (30 June 2020: TL 1.410.514), TL 2.595.987 (30 June 2020: TL 3.572.078) and TL 400.568 (30 June 2020: TL 250.899) of the depreciation and amortization expenses related to property, plant and equipment, intangible assets, and right-of-use assets as of 30 June 2021 have been accounted for research and development expenses, marketing expenses, general administrative expenses and cost of sales, respectively (Note 21 and 22).

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**NOTE 13 - INTANGIBLE ASSETS (Continued)**

	<b>1 January 2020</b>	<b>Additions</b>	<b>Purchase of subsidiary (*)</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 June 2020</b>
<b>Costs:</b>						
Development costs	285.430.764	34.862.846	6.632.263	-	11.619.975	338.545.848
Advanced technology	16.783.543	-	-	-	528.140	17.311.683
Customer relations	48.608.718	-	-	-	5.275.242	53.883.960
Non-compete agreement	2.747.778	-	-	-	-	2.747.778
Other intangible assets	12.292.123	235.523	152.219	-	502.561	13.182.426
	<b>365.862.926</b>	<b>35.098.369</b>	<b>6.784.482</b>	<b>-</b>	<b>17.925.918</b>	<b>425.671.695</b>
<b>Accumulated depreciation:</b>						
Development costs	133.454.118	19.237.888	2.650.597	-	2.925.746	158.268.349
Advanced technology	10.695.531	940.148	-	-	437.496	12.073.175
Customer relations	13.953.562	2.148.588	-	-	870.370	16.972.520
Non-compete agreement	2.747.778	-	-	-	-	2.747.778
Other intangible assets	9.195.542	480.519	63.671	-	403.344	10.143.076
	<b>170.046.531</b>	<b>22.807.143</b>	<b>2.714.268</b>	<b>-</b>	<b>4.636.956</b>	<b>200.204.898</b>
<b>Net book value</b>	<b>195.816.395</b>					<b>225.466.797</b>

**NOTE 14 – RIGHT-OF-USE ASSETS**

	<b>1 January 2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 June 2020</b>
<b>Cost:</b>					
Motor vehicles	12.618.514	785.243	-	211.216	13.614.973
Office	17.521.821	3.252.267	(3.383)	1.844.595	22.615.300
	<b>30.140.335</b>	<b>4.037.510</b>	<b>(3.383)</b>	<b>2.055.811</b>	<b>36.230.273</b>
<b>Accumulated depreciation:</b>					
Motor vehicles	7.020.425	1.880.555	-	142.631	9.043.611
Office	5.409.511	2.394.724	-	514.228	8.318.463
	<b>12.429.936</b>	<b>4.275.279</b>	<b>-</b>	<b>656.859</b>	<b>17.362.074</b>
<b>Net book value</b>	<b>17.710.399</b>				<b>18.868.199</b>

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 14 – RIGHT-OF-USE ASSETS (Continued)**

	1 January 2020	Additions	Disposals	Foreign currency translation differences	30 June 2020
<b>Cost:</b>					
Motor vehicles	9.575.676	1.692.501	-	165.091	11.433.268
Office	12.469.973	3.304	(940.179)	1.384.703	12.917.801
	<b>22.045.649</b>	<b>1.695.805</b>	<b>(940.179)</b>	<b>1.549.794</b>	<b>24.351.069</b>
<b>Accumulated depreciation:</b>					
Motor vehicles	3.142.590	1.867.330	-	60.304	5.070.224
Office	4.511.441	2.660.772	-	694.909	7.867.122
	<b>7.654.031</b>	<b>4.528.102</b>	<b>-</b>	<b>755.213</b>	<b>12.937.346</b>
<b>Net book value</b>	<b>14.391.618</b>				<b>11.413.723</b>

**NOTE 15 – GOODWILL**

	30 June 2021	31 December 2020
Total Soft	164.566.292	144.537.334
Total Soft (“ABS”)	51.663.773	45.375.903
Netsis	5.892.252	5.892.252
Peoplise	3.676.872	3.676.872
Total Soft (“Nexia”)	1.903.303	1.671.656
Sempa	903.000	903.000
Vardar	346.338	346.338
Intermat	337.062	337.062
	<b>229.288.892</b>	<b>202.740.417</b>

Movement table of goodwill for the interim accounting periods ended 30 June 2021 and 2020 is as follows:

	2021	2020
<b>As of 1 January</b>	<b>202.740.417</b>	<b>146.362.128</b>
Foreign currency translation difference	26.548.475	24.661.249
Purchase of subsidiary (*)	-	9.811.246
<b>As of 30 June</b>	<b>229.288.892</b>	<b>180.834.623</b>

(\*) Note 4.

The Group applies impairment test for goodwill every year or in shorter periods in case any triggering event that shows any impairment indicator on goodwill. The recoverable amounts of cash generating units are determined based on fair value less cost of disposal (“FVLCD”).

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 15 – GOODWILL (Continued)

##### *Goodwill impairment test - Total Soft and ABS*

FVLCD is determined by discounting the expected future cash flows to be generated by the cash-generating unit (CGU). The below key assumptions are used in the calculation of the recoverable value of CGU as of 31 December 2020:

Goodwill impairment test has been performed by using the five years consolidated business projections of Total Soft and ABS prepared by the management between 1 January 2020 and 31 December 2024. 14,9% has been used as cumulative average growth rate the years between 2019 and 2024.

Cash flows for future periods (perpetuity) were extrapolated using a constant growth rate of 2,4% which is the expected inflation rate announced by the Central Bank of Romania.

Weighted average cost of capital rate of 18,2% has been used as after-tax discount rate in order to calculate the recoverable amount of the unit.

After-tax rate was adjusted considering the tax cash outflows and other future tax related cash flows and differences between the cost of the assets and their tax bases.

No impairment has been recorded as a result of the impairment test made according to available analyzes.

Sensitivity to the changes in the estimates used in the impairment test of Total Soft's goodwill is as follows:

##### *Long-term growth rate*

Originally, when the long-term growth rate is assumed to be 2,4, instead of 2%, the recoverable amount would be 2% higher than the book value of cash generating unit including goodwill and no impairment provision would be required.

##### *Discount rate*

Originally, when the discount rate is assumed to be 18,2% instead of 18,7%, the recoverable amount would be 4% higher than the book value of cash generating unit including goodwill and no impairment provision would be required.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 16 - COMMITMENTS AND CONTINGENT LIABILITIES

#### Guarantees received:

	Original currency	30 June 2021		31 December 2020	
		Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	243.324	243.324	243.324	243.324
Mortgages received	TL	46.950	46.950	46.950	46.950
			<b>290.274</b>		<b>290.274</b>

As of 30 June 2021 and 31 December 2020, guarantee/pledge/mortgage (“GPM”) given by the Company on behalf of its legal entity are as follows:

#### GPM given by the Company:

	30 June 2021				31 December 2020			
	EUR	USD	RON	TL	EUR	USD	RON	TL
A. Total amount of Guarantees provided by the Company on behalf of itself	-	388.818	-	1.638.950	-	327.863	-	894.470
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method (*)	184.248.908	-	656.287	-	160.132.736	-	82.942	-
C. Provided on behalf of third parties in order to maintain operating activities (to secure third party payables)	-	-	-	-	-	-	-	-
D. Other Guarantees given -	-	-	-	-	-	-	-	-
(i) Total amount of Guarantees given on behalf of the parent Company -	-	-	-	-	-	-	-	-
(ii) Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	-	-	-	-	-	-	-	-
(iii) Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-	-	-
	<b>184.248.908</b>	<b>388.818</b>	<b>656.287</b>	<b>1.638.950</b>	<b>160.132.736</b>	<b>327.863</b>	<b>82.942</b>	<b>894.470</b>

(\*) Note 8.

The ratio of other GPMs given by the Company to the Company's equity is 0% as of 30 June 2021 (31 December 2020: 0%).

The lawsuits filed against the Group in the previous periods amount to TL 4.428.192. The Group's management does not expect any cash outflows regarding these lawsuits therefore, no provisions has been accounted in the consolidated financial statements.

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 17 - EMPLOYEE BENEFITS

##### Short-term payables for employment benefits:

	30 June 2021	31 December 2020
Personnel premiums	23.052.881	41.297.483
Due to personnel	10.733.780	7.280.516
Taxes, funds and social security payables	10.199.134	27.017.099
	<b>43.985.795</b>	<b>75.595.098</b>

##### Long-term provisions for employment benefits:

	30 June 2021	31 December 2020
Provision for employment termination benefits	16.203.620	10.000.811
Provision for unused vacation	13.771.757	6.718.424
	<b>29.975.377</b>	<b>16.719.235</b>

The movements of provision for unused vacation liability for the interim periods ended 30 June 2021 and 2020 are as follow:

	2021	2020
<b>As of 1 January</b>	<b>6.718.424</b>	<b>6.475.048</b>
Increase during the period	6.437.557	509.648
Foreign currency translation difference	615.776	430.505
<b>As of 30 June</b>	<b>13.771.757</b>	<b>7.415.201</b>

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). The amount payable consists of one month's salary limited to a maximum of TL 8.284,51 for each year of service (31 December 2020: TL 7.638,96). Provision for employment termination benefits is calculated based on the present value of the Group's obligation to pay in the event of retirement.

Employment termination benefit liability is not funded and there is no legal funding requirement.

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 17 - EMPLOYEE BENEFITS (Continued)

TAS 19, “Employee Benefits” requires actuarial valuation methods to be developed to estimate the Group’s obligation under the defined benefit plans. The following actuarial assumptions used in the calculation of the total liability are given below. Actuarial gain/(loss) is accounted for under the “actuarial gains/losses”, which is calculated within the employee benefits in the statement of income.

	30 June 2021	31 December 2020
Discount rate (%)	3,67	3.67
Probability of retirement (%)	96,47	94,88

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the reserve for employment termination benefits every six months the maximum amount of TL 8.284,51 which is effective from 1 July 2021 (1 July 2020: TL 7.117,17) has been taken into consideration in the calculations.

The movements in the provision for employment termination benefits during the periods ended 30 June 2021 and 2020 are as follows:

	2021	2020
<b>As of 1 January</b>	<b>10.000.811</b>	<b>7.120.017</b>
Interest cost	252.632	494.649
Service cost	2.523.674	420.419
Actuarial loss	3.881.730	1.344.016
Compensation paid	(455.227)	(922.255)
<b>As of 30 June</b>	<b>16.203.620</b>	<b>8.456.846</b>

#### NOTE 18 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Short-term prepaid expenses:	30 June 2021	31 December 2020
Prepaid expenses	7.853.004	4.917.554
	<b>7.853.004</b>	<b>4.917.554</b>
Long-term prepaid expenses:	30 June 2021	31 December 2020
Advances given	2.202.674	2.019.197
	<b>2.202.674</b>	<b>2.019.197</b>

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 18 - PREPAID EXPENSES AND CONTRACT LIABILITIES (Continued)

##### Contract liabilities:

	30 June 2021	31 December 2020
Contract liabilities (*)	187.846.608	170.886.245
Advances received	4.648.041	4.983.620
	<b>192.494.649</b>	<b>175.869.865</b>

(\*) Contract liabilities mainly relates to LEM sales income, pay as you go sales (integrator revenue), after-sales services, customized software sales billed but not earned.

The details of contract liabilities as of 30 June 2021 and 31 December 2020 as follows:

	30 June 2021	31 December 2020
Pay as you go sales income	108.257.840	85.221.466
LEM sales income	54.860.797	67.207.340
Revenue from continuing projects	3.729.487	17.427.209
After-sales services revenue	20.998.484	1.030.230
	<b>187.846.608</b>	<b>170.886.245</b>

#### NOTE 19 - EQUITY

The Company's authorized and paid-in share capital consists of 10.000.000.000 (31 December 2020: 2.500.000.000) shares with a nominal value of Kurus 1 each. The shareholding structure of the Company as at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	Share (%)	31 December 2020	Share (%)
Logo Teknoloji ve Yatırım A.Ş.	33.630.053	33,63	8.407.513	33,63
Publicly traded	66.369.947	66,37	16.592.487	66,37
	<b>100.000.000</b>	<b>100,00</b>	<b>25.000.000</b>	<b>100,00</b>
Adjustments to share capital	2.991.336		2.991.336	
<b>Share capital</b>	<b>102.991.336</b>		<b>27.991.336</b>	

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 19 - EQUITY (Continued)

The shares representing capital are categorized as group A and B. The privileges are granted to group A shares by means of half of the members of Board of Directors of the Parent Company will be elected from among the candidates nominated by group A shareholders and the Chairman of the Board is elected from among the board members proposed by Group A shareholders. Adjustments to share capital represent the differences between the historical amounts and the amounts adjusted according to the inflation of cash contributions to share capital.

#### Treasury shares

As of 30 June 2021, the amount of treasury shares which is accounted in Group's equity is TL 9.782.044 and it is 3,22% of share capital (31 December 2020: TL 10.054.033).

The difference between purchase amounts and sales amounts amounting to TL 9.770.661 is accounted under equity in the relevant period. Current period tax expense related to sales amounting to TL 2.442.665 is also accounted for under equity.

#### Dividend distribution

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2014.

As a dividend distribution policy as long as the ongoing regulations and its financial resources allow the Company, considering its long-term corporate strategy, investment plans and financing policies, and its profitability and cash position, and provided that it can be met from the profit in the statutory records, intends to distribute up to 55% of the distributable profit calculated in accordance with Capital Market Regulations to its shareholders; dividend distribution may be realized in cash or by capital increase through bonus shares or partly in cash and partly through bonus shares. In the event that the dividend amount is less than 5% of the paid-in capital then such amount will not be distributed and will be retained within the company.

Dividend advance payments can be made in accordance with Turkish Commercial Code and CMB regulations provided that General Assembly authorizes the Board of Directors to pay dividend advance, limited to the related year, to shareholders in accordance with the Articles of Association.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 19 - EQUITY (Continued)

The Group aims to complete the dividend payment before the last working day of the year in which dividend distribution decision is made in the General Assembly and starts the payment latest at the end of the accounting period when the General Assembly meeting is held. General Assembly or Board of Directors, if authorized by the General Assembly, can decide to distribute dividend in installments in line with CMB regulations.

### NOTE 20 - EXPENSES BY NATURE

As of 30 June 2021 and 2020, expenses are disclosed by function and the details of the expenses are summarized in Note 22 and Note 23.

### NOTE 21 - SALES AND COST OF SALES

#### Revenue:

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Sales revenue	214.952.438	120.910.950	149.106.056	80.004.426
Service revenue	92.516.872	50.675.126	69.657.243	36.733.822
SaaS service revenue	13.266.517	7.801.951	5.292.296	3.166.257
Sales returns	(1.314.008)	(798.715)	(1.618.106)	(933.399)
Sales discounts	(2.252.374)	(801.466)	(3.690.798)	(1.950.386)
<b>Net sales income</b>	<b>317.169.445</b>	<b>177.787.846</b>	<b>218.746.691</b>	<b>117.020.720</b>
Cost of sales	(61.718.071)	(34.116.949)	(41.827.522)	(21.579.683)
<b>Gross profit</b>	<b>255.451.374</b>	<b>143.670.897</b>	<b>176.919.169</b>	<b>95.441.037</b>

#### Cost of sales:

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Cost of services	57.496.105	31.786.650	39.315.968	19.978.585
Cost of transfer of financial rights	3.875.490	2.142.560	2.208.980	1.364.204
Cost of trade goods sold	346.476	187.739	302.574	236.894
<b>Cost of sales</b>	<b>61.718.071</b>	<b>34.116.949</b>	<b>41.827.522</b>	<b>21.579.683</b>

**LOGO YAZILIM SANAYİ VE TİCARET A.Ş.****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 22 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES AND  
GENERAL ADMINISTRATIVE EXPENSES**

<b>Research and development expenses:</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Depreciation and amortization	32.931.158	17.176.808	24.324.896	12.547.022
Personnel expenses	26.956.369	13.790.136	22.489.018	11.183.246
Outsourced benefits and services	4.294.791	2.363.870	2.580.936	1.277.508
Consultancy expenses	1.780.295	1.021.364	796.419	323.450
Motor vehicles expenses	589.227	311.452	572.010	380.356
Travel expenses	21.004	8.534	147.860	4.743
Other	5.843.403	3.025.850	3.597.959	1.853.546
	<b>72.416.247</b>	<b>37.698.014</b>	<b>54.509.098</b>	<b>27.569.871</b>
<b>Marketing, selling and distribution expenses:</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Advertising and sales expenses	19.378.601	11.298.823	15.640.527	8.080.834
Personnel expenses	18.858.599	10.636.335	15.793.866	8.457.518
Consultancy expenses	1.879.951	1.191.883	883.519	472.355
Depreciation and amortization	1.490.638	839.202	1.410.514	729.094
Outsourced benefits and services	1.465.974	725.178	1.544.326	903.653
Motor vehicles expenses	582.547	336.233	498.048	302.923
Travel expenses	13.473	3.518	-	-
Other	1.343.769	744.731	1.407.391	601.752
	<b>45.013.552</b>	<b>25.775.903</b>	<b>37.178.191</b>	<b>19.548.129</b>
<b>General administrative expenses:</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Personnel expenses	29.905.548	14.323.644	21.162.747	11.648.168
Consultancy expenses	4.349.133	2.248.063	3.851.645	1.897.025
Depreciation and amortization	2.595.987	1.479.906	3.572.078	1.708.248
Motor vehicles expenses	826.131	456.802	698.908	508.446
Outsourced benefits and services	346.725	182.081	261.197	110.145
Travel expenses	110.643	52.093	155.190	8.649
Other	2.072.523	973.812	2.104.482	1.033.235
	<b>40.206.690</b>	<b>19.716.401</b>	<b>31.806.247</b>	<b>16.913.916</b>

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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### NOTE 23 - OTHER OPERATING INCOME AND EXPENSES

#### Other operating income and expenses

<b>Other operating income</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Foreign exchange gains (*)	1.488.548	606.034	731.285	340.255
Rediscount income	640.580	(570.787)	3.420.931	1.149.077
Overdue interest income	459.200	360.573	295.954	132.098
Other	11.251.655	1.289.429	1.766.103	477.194
	<b>13.839.983</b>	<b>1.685.249</b>	<b>6.214.273</b>	<b>2.098.624</b>

(\*) Arising from foreign exchange differences of trade receivables and payables.

<b>Other operating expenses</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Rediscount expense	669.527	419.903	55.683	(25.018)
Foreign exchange losses (*)	644.893	408.771	448.587	341.829
Provision expenses	33.770	33.770	3.682.902	3.559.693
Other	564.177	196.516	667.401	161.482
	<b>1.912.367</b>	<b>1.058.960</b>	<b>4.854.573</b>	<b>4.037.986</b>

(\*) Arising from foreign exchange differences of trade receivables and payables.

### NOTE 24 - INCOME FROM INVESTING ACTIVITIES

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Gain on sales of securities	984.589	141.714	4.697.236	4.343.080
	<b>984.589</b>	<b>141.714</b>	<b>4.697.236</b>	<b>4.343.080</b>

### NOTE 25 - FINANCIAL INCOME

	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>	<b>1 January - 30 June 2020</b>	<b>1 April - 30 June 2020</b>
Foreign exchange gains	16.985.604	6.244.988	3.425.235	1.313.765
Interest income	12.753.699	7.798.570	758.817	499.618
	<b>29.739.303</b>	<b>14.043.558</b>	<b>4.184.052</b>	<b>1.813.383</b>

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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#### NOTE 26 - FINANCIAL EXPENSES

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Foreign exchange losses	3.487.291	1.731.924	1.307.723	1.123.982
Change in share purchase obligation	2.552.985	2.552.985	-	-
Interest expenses	1.657.116	894.670	1.699.554	785.547
Interest expense from leases	1.240.824	645.797	1.133.422	632.219
Credit card commissions	746.174	353.609	597.423	271.085
Interest cost of employee termination benefits	252.632	127.014	494.649	247.324
Other financial expenses	406.407	216.485	69.697	24.391
	<b>10.343.429</b>	<b>6.522.484</b>	<b>5.302.468</b>	<b>3.084.548</b>

#### NOTE 27 - TAX ASSETS AND LIABILITIES

	30 June 2021	30 June 2020
Current period tax expense	(12.363.588)	(4.669.084)
Deferred tax expense	(1.212.028)	(2.566.256)
<b>Current period tax expense</b>	<b>(13.575.616)</b>	<b>(7.235.340)</b>

#### *Deferred taxes*

The Group recognizes deferred tax assets and liabilities based upon the temporary differences between financial statements as reported in accordance with TFRS and its tax base of statutory financial statements. These differences usually result in the recognition of revenue and expense items in different periods for TFRS and statutory tax purposes.

Turkish Tax Legislation does not permit a parent company to file a consolidated tax return. Therefore, tax assets and liabilities, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

The composition of cumulative temporary differences and the related deferred income tax assets and liabilities in respect of items for which deferred tax has been provided as of 30 June 2021 and 31 December 2020 using the enacted tax rates, is as follows:

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**NOTE 27 - TAX ASSETS AND LIABILITIES (Continued)**

	Total temporary differences		Deferred tax assets/(liabilities)	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
<b>Deferred tax assets:</b>				
Expense provisions	41.321.699	50.844.428	8.264.340	10.168.886
Finance expense not accrued	15.589.239	15.603.114	3.117.848	3.120.623
Provision for employment termination benefits	9.712.070	5.691.569	1.942.414	1.138.314
Deferred income	6.498.214	6.646.257	1.299.643	1.329.251
Provision for vacation	3.335.115	2.037.821	667.023	407.564
Provision for doubtful receivables	890.936	808.966	178.187	161.793
	<b>77.347.273</b>	<b>81.632.155</b>	<b>15.469.455</b>	<b>16.326.431</b>
<b>Deferred tax liabilities:</b>				
Difference between the tax base and carrying value of property equipment and intangible assets	(69.857.195)	(65.413.485)	(13.971.439)	(13.082.697)
	<b>(69.857.195)</b>	<b>(65.413.485)</b>	<b>(13.971.439)</b>	<b>(13.082.697)</b>
<b>Deferred tax assets/(liabilities), net</b>			<b>1.498.016</b>	<b>3.243.734</b>

The analysis of deferred tax assets and liabilities are as follows:

Deferred tax assets	1 January - 30 June 2021	1 January - 31 December 2020
To be recovered in less than 12 months	12.860.018	14.780.553
To be recovered in more than 12 months	2.609.437	1.545.878
	<b>15.469.455</b>	<b>16.326.431</b>
<b>Deferred tax liabilities</b>		
To be recovered in more than 12 months	(13.971.439)	(13.082.697)
	<b>(13.971.439)</b>	<b>(13.082.697)</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>1.498.016</b>	<b>3.243.734</b>

Movement of deferred taxes asset/(liabilities) for the periods is as follows:

	2021	2020
<b>1 January</b>	<b>3.243.734</b>	<b>2.424.120</b>
Charged to the statement of profit or loss	(1.212.028)	(2.566.256)
Charged to the statement of other comprehensive income	376.993	129.084
Foreign currency translation difference	(910.683)	(5.071.096)
<b>30 June</b>	<b>1.498.016</b>	<b>(5.084.148)</b>

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#### NOTE 27 - TAX ASSETS AND LIABILITIES (Continued)

##### *Corporate tax*

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

Turkish Corporate Tax Law has been amended by Law No. 5520 dated 13 June 2006. Most of the articles of this new Law No. 5520 have come into force effective from 1 January 2006. Accordingly, the corporate tax rate for 2021 is 25% and for 2022 it is 23% (31 December 2020: 22% for 2020). The corporate tax rate is 16% in Romania (31 December 2020: 16%).

Corporation tax rate is applicable on the total income of the companies after adjusting for certain disallowable expenses, income tax exemptions (participation exemption etc.) and income tax deductions (for example research and development expenses deduction). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Companies in Turkey are required to pay advance corporation tax quarterly at the rate of 25% on their corporate income for 2021. Advance tax is payable by the 17th of the second month following each calendar. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 30th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

There are many exemptions in Corporate Tax Law regarding corporations. Those related to the Group are explained below:

corporate and income taxpayers operating in technology development regions are exempt from corporate and income tax until 31 December 2023.

In accordance with the Temporary Article added to the Technology Development Regions Law No. 4691 with Article 44 of the Law No. 5035, the income and corporate taxpayers operating in the technology development regions are exempted from income and corporate tax, exclusively for the gains from the software and R&D activities in this region, until 31 December 2023.

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### NOTE 27 - TAX ASSETS AND LIABILITIES (Continued)

#### *Corporate tax (Continued)*

The investment allowance, which has been applied for many years and calculated as 40% of property plant and equipment acquisitions exceeding a certain amount, was annulled with the Law No, 5479 dated 30 March 2006, However, in accordance with the temporary Law No, 69 added to the Income Tax Law, corporate and income taxpayers can offset the investment allowance amounts present as of 31 December 2005, which could not be offset against taxable income in 2005 and:

- In accordance with the investment certificates prepared for applications made before 24 April 2003 investments to be made after 1 January 2006 in the scope of the certificate regarding the investments that began in the scope of additional articles 1, 2, 3, 4, 5 and 6 of Income Tax Law No: 193 before it was repealed with the Law No, 4842 dated 9 April 2003, and
- Investment allowance amounts to be calculated in accordance with legislation effective at 31 December 2005 related to investments which exhibit a technical and economic and integrity and which were started prior to 1 January 2006 in the scope of Income Tax Law 193 repealed 19th article, only against the income related to the years 2006, 2007 and 2008, in accordance with the legislation at 31 December 2005 (including provisions related to tax rates).

The Constitutional Court abolished the provisions of Temporary Article 69 of the Income Tax Law regarding the time limitation to the investment allowance in its meeting held on 15 October 2009 and published the minutes of the relevant meeting on its website in October 2009. The decision of the Constitutional Court on the cancellation of the time limitation for investment allowance for the years 2006, 2007 and 2008 came into force with its promulgation in the Official Gazette, dated 8 January 2010, and thereby the time limitation regarding investment allowance was removed.

### NOTE 28 - EARNINGS PER SHARE

The earnings per hundred shares with nominal value of Kuruş 1 amounted to TL 1,24 for the interim period ended 30 June 2021 (30 June 2020: TL 0,53).

	<b>1 January - 30 June 2021</b>	<b>1 January - 30 June 2020</b>
Net profit for the period of the parent shareholders	119.811.429	51.615.498
Average number of shares outstanding during the period	9.655.657.467	9.651.930.800
<b>Earnings per 1 TL shares</b>	<b>1,24</b>	<b>0,53</b>

### NOTE 29 - RELATED PARTY DISCLOSURES

#### a) Due from related parties at 30 June 2021 and 31 December 2020:

<b>Other receivables from related parties:</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Logo Infosoft	6.555.105	5.343.356
	<b>6.555.105</b>	<b>5.343.356</b>

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### NOTE 29 - RELATED PARTY DISCLOSURES (Continued)

- b) Sales and services given to related parties and financial income from related parties during the interim periods ended 30 June 2021 and 2020:

Services given to related parties	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Logo Infosoft	632.929	236.490	884.934	484.982
Logo Siber	431.406	278.695	414.978	170.871
Logo Teknoloji ve Yatırım A.Ş.	11.924	6.280	7.447	4.386
	<b>1.076.259</b>	<b>521.465</b>	<b>1.307.359</b>	<b>660.239</b>

- c) Services received from related parties and other transactions during the interim periods ended 30 June 2021 and 2020:

#### Services received from related parties

Services received from related parties	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Logo Siber	30.189	30.189	-	-
Logo Teknoloji ve Yatırım A.Ş.	419	419	-	-
	<b>30.608</b>	<b>30.608</b>	<b>-</b>	<b>-</b>

- d) Remuneration of the executive management:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Benefits paid to executive management	7.579.758	4.091.878	6.391.505	3.438.660

During the interim periods ending on 30 June 2021 and 30 June 2020, all benefits provided to key management personnel (executive management include general manager and assistant general managers) are short-term benefits and fees. It does not include termination benefits and other payments.

0,26% of the share capital of the Company held as Treasury Share within the scope of the Repurchase of Company Shares Program, were sold to Murat Erkurt, Member of the Board of Directors, on 4 May 2021.

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### NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

#### 30.1 Financial Risk Management

##### Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are managed by limiting average risk from any individual counterparty (other than related parties) and obtaining sufficient collateral where necessary.

##### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Company aims at maintaining flexibility in funding by keeping committed credit lines available. The Company management holds adequate cash and credit commitment that will meet the cash need for the immediate future in order to manage its liquidity risk. In this context, the Company has credit limit from banks amounting to over TL 100.000.000 that can be utilized whenever needed.

Non-derivative financial instruments	30 June 2021					
	Carrying value	Contractual cash outflow (I+II+III+IV)	Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	185.162.455	198.390.776	26.877.970	28.477.117	99.279.079	43.756.610
Trade payables						
- Trade payables to third parties	40.547.677	40.547.677	40.547.677	-	-	-
Payables under employee benefits	43.985.795	43.985.795	43.985.795	-	-	-
Other payables						
- Other payables to third parties	49.767.332	49.767.332	45.171.535	-	4.595.797	-
<b>Total liabilities</b>	<b>319.463.259</b>	<b>332.691.580</b>	<b>156.582.977</b>	<b>28.477.117</b>	<b>103.874.876</b>	<b>43.756.610</b>

Non-derivative financial instruments	31 December 2020					
	Carrying value	Contractual cash outflow (I+II+III+IV)	Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	152.300.797	165.387.269	4.870.541	25.235.891	88.194.694	47.086.143
Trade payables						
- Trade payables to third parties	65.971.841	65.971.841	65.971.841	-	-	-
Payables under employee benefits	75.595.098	75.595.098	75.595.098	-	-	-
Other payables						
- Other payables to third parties	61.255.038	61.255.038	56.659.241	-	4.595.797	-
<b>Total liabilities</b>	<b>355.122.774</b>	<b>368.209.246</b>	<b>203.096.721</b>	<b>25.235.891</b>	<b>92.790.491</b>	<b>47.086.143</b>

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### NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

#### 30.1 Financial Risk Management (Continued)

##### Interest rate risk

The Group management evaluates its interest bearing assets in short-term investment instruments within the framework of the principle of management with natural precautions by balancing the maturities of its interest sensitive assets and liabilities.

The Group’s interest rate sensitive financial instruments are as follows:

	30 June 2021	31 December 2020
<u>Financial instruments with fixed interest rate</u>		
Financial assets		
- Financial assets at amortized cost	225.956.960	149.728.471
Financial liabilities	45.848.887	22.844.239
<u>Financial instruments with floating interest rate</u>		
Financial assets		
- Financial assets at fair value through profit/loss	10.576.384	5.649.349
- Financial assets at fair value through other comprehensive income	8.683.393	39.739.632
Financial liabilities	139.313.568	129.456.558

Financial assets designated as fair value through profit or loss consists of fixed and floating interest rate bank deposits denominated in TL and foreign currencies which maturities less than three months and liquid funds. Since the interest expense of the floating rate loans during the year is not significant, sensitivity analysis of interest rate change has not been presented.

##### Funding risk

The ability to fund the existing and prospective debt requirements is managed as necessary by possessing liquid funds and obtaining adequate committed funding lines from high quality lenders.

##### Foreign currency risk

The Group is exposed to exchange rate risk arising from exchange rate changes due to the translation of the amounts payable or receivable denominated in foreign currency into Turkish Lira. The exchange rate risk is monitored by analyzing the foreign exchange position.

Foreign exchange rates used to translate the Group’s assets and liabilities denominated in foreign currencies into TL as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
USD	8,7052	7,3405
EUR	10,3645	9,0079

The Group is mainly exposed to foreign currency risk in USD and EUR.

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**NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

		Foreign Currency Position as of 30 June 2021			
		TL equivalent	USD	EUR	Other
1.	Trade receivables	15.044.580	793.787	777.470	76.418
2a.	Monetary financial assets (cash, and banks accounts included)	93.741.728	10.473.929	241.635	59.660
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
<b>4.</b>	<b>Current assets (1+2+3)</b>	<b>108.786.308</b>	<b>11.267.716</b>	<b>1.019.105</b>	<b>136.078</b>
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
<b>8.</b>	<b>Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.</b>	<b>Total assets (4+8)</b>	<b>108.786.308</b>	<b>11.267.716</b>	<b>1.019.105</b>	<b>136.078</b>
10.	Trade payables	366.607	(56.370)	82.717	-
11.	Financial liabilities	(23.418.684)	-	(2.259.510)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
<b>13.</b>	<b>Current liabilities (10+11+12)</b>	<b>(23.052.077)</b>	<b>(56.370)</b>	<b>(2.176.793)</b>	<b>-</b>
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(127.888.835)	-	(12.339.122)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
<b>17.</b>	<b>Non-current liabilities (14+15+16)</b>	<b>(127.888.835)</b>	<b>-</b>	<b>(12.339.122)</b>	<b>-</b>
<b>18.</b>	<b>Total liabilities (13+17)</b>	<b>(150.940.912)</b>	<b>(56.370)</b>	<b>(14.515.915)</b>	<b>-</b>
19.	Net asset/(liability) position of off-balance sheet derivative financial instruments (19a - 19b)	-	-	-	-
19a.	Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b.	Off-balance sheet foreign currency derivative financial liabilities	-	-	-	-
<b>20.</b>	<b>Net foreign assets/(liability) position (9-18+19)</b>	<b>(42.154.604)</b>	<b>11.211.346</b>	<b>(13.496.810)</b>	<b>136.078</b>
<b>21.</b>	<b>Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(42.154.604)</b>	<b>11.211.346</b>	<b>(13.496.810)</b>	<b>136.078</b>
22.	Total fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export (*)	(29.993.009)	-	-	-
24.	Import	-	-	-	-

(\*) Includes exports from the countries in which the Group operates. As of 30 June 2021, the Group's total sales made outside Turkey during the interim period is TL 108.235.189 (30 June 2020: TL 114.612.154).

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**NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS  
(Continued)**

		<b>Foreign Currency Position as of 31 December 2020</b>			
		<b>TL equivalent</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>
1.	Trade receivables	13.754.590	806.442	869.781	-
2a.	Monetary financial assets (cash, and banks accounts included)	94.729.548	10.925.397	1.612.671	4.901
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
<b>4.</b>	<b>Current assets (1+2+3)</b>	<b>108.484.138</b>	<b>11.731.840</b>	<b>2.482.452</b>	<b>4.901</b>
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
<b>8.</b>	<b>Non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.</b>	<b>Total assets (4+8)</b>	<b>108.484.138</b>	<b>11.731.840</b>	<b>2.842.452</b>	<b>4.901</b>
10.	Trade payables	277.399	(160.045)	161.215	-
11.	Financial liabilities	(20.676.850)	-	(2.295.413)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
<b>13.</b>	<b>Current liabilities (10+11+12)</b>	<b>(20.399.451)</b>	<b>(160.045)</b>	<b>(2.134.198)</b>	<b>-</b>
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(121.192.750)	-	(13.454.051)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
<b>17.</b>	<b>Non-current liabilities (14+15+16)</b>	<b>(121.192.750)</b>	<b>-</b>	<b>(13.454.051)</b>	<b>-</b>
<b>18.</b>	<b>Total liabilities (13+17)</b>	<b>(141.592.201)</b>	<b>(160.045)</b>	<b>(15.588.249)</b>	<b>-</b>
19.	Net asset/(liability) position of off-balance sheet derivative financial instruments (19a - 19b)	-	-	-	-
19a.	Off-balance sheet foreign currency derivative financial assets	-	-	-	-
19b.	Off-balance sheet foreign currency derivative financial liabilities	-	-	-	-
<b>20.</b>	<b>Net foreign assets/(liability) position (9-18+19)</b>	<b>(33.108.063)</b>	<b>11.571.795</b>	<b>(13.105.797)</b>	<b>4.901</b>
<b>21.</b>	<b>Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(33.108.063)</b>	<b>11.571.795</b>	<b>(13.105.797)</b>	<b>4.901</b>
22.	Total fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export (*)	(61.233.479)	(873.228)	(6.086.163)	-
24.	Import	-	-	-	-

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### NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The following table shows the TL equivalents of Group’s sensitivity to a 10% change in USD and EUR 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the period and presents effect of 10% change in foreign currency rates. The positive amount indicates increase in profit/loss before tax or equity.

#### *Foreign currency sensitivity*

	30 June 2021			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	9.758.509	(9.758.509)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>9.758.509</b>	<b>(9.758.509)</b>	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	193.777	(193.777)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
<b>6- EUR net effect (4+5)</b>	<b>193.777</b>	<b>(193.777)</b>	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	1.192	(1.192)	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
<b>9- USD net effect (7+8)</b>	<b>1.192</b>	<b>(1.192)</b>	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(14.182.546)	14.182.546	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
<b>12- EUR net effect (10+11)</b>	<b>(14.182.546)</b>	<b>14.182.546</b>	-	-
	31 December 2020			
	Profit/(Loss)		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
Change of USD against TL by 10%				
1- USD net assets/liabilities	8.492.873	(8.492.873)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>8.492.873</b>	<b>(8.492.873)</b>	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	181.725	(181.725)	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
<b>6- EUR net effect (4+5)</b>	<b>181.725</b>	<b>(181.725)</b>	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	1.403	(1.403)	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
<b>9- USD net effect (7+8)</b>	<b>1.403</b>	<b>(1.403)</b>	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(11.987.296)	11.987.296	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
<b>12- EUR net effect (10+11)</b>	<b>(11.987.296)</b>	<b>11.987.296</b>	-	-

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

#### NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

##### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may pay out dividends, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings, accounts payable and due to related parties, as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

	30 June 2021	31 December 2020
Total payables	225.710.132	218.272.638
Less: Cash and cash equivalents	(338.255.198)	(261.595.709)
Net debt	(112.545.066)	(43.323.071)
Total equity	615.960.652	502.281.113
Total capital	503.415.586	458.958.042
<b>Debt/equity ratio</b>	<b>(22%)</b>	<b>(9%)</b>

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

The estimated fair values of financial instruments have been determined by the Company, using available market information and appropriate valuation methodologies. However, judgement 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 company 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 it is practicable to estimate fair value.

# LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

### NOTE 31 - FINANCIAL INSTRUMENTS

#### Monetary assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature.

The trade receivables are carried at amortized cost using the effective yield method less provision for doubtful receivables, and hence are considered to approximate their fair values.

#### Monetary liabilities

The fair value of long-term financial liabilities and other monetary liabilities is considered to approximate their respective carrying values as they have floating interests.

It is estimated that the carrying values of trade and other payables reflect their fair values due to their short-term nature.

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as of 30 June 2021 is as follows:

<b>Financial assets at fair value in the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial investments	8.683.393	-	25.522.404
<b>Financial liabilities at fair value in the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Put option liability	-	-	32.788.799

Fair value hierarchy table as of 31 December 2020 is as follows:

<b>Financial assets at fair value in the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial investments	39.736.632	-	20.446.416
<b>Financial liabilities at fair value in the statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Put option liability	-	-	29.324.261

## LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 JUNE 2021

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

#### NOTE 32 - DISCLOSURES ON THE STATEMENT OF CASH FLOW

	Bank loans and Credit cards	Financial leases	Total
<b>1 January 2021</b>	<b>132.487.670</b>	<b>19.813.128</b>	<b>152.300.798</b>
Cash inflows	39.733.169	-	39.733.169
Cash outflows	(30.719.283)	-	(30.719.283)
Foreign currency translation differences	22.423.206	4.038.728	26.461.934
Increase in lease liabilities (TFRS 16)	-	4.034.127	4.034.127
Cash outflows from lease liabilities (TFRS 16)	-	(6.648.290)	(6.648.290)
<b>30 June 2021</b>	<b>163.924.762</b>	<b>21.237.693</b>	<b>185.162.455</b>
Cash and cash equivalents (-)			(338.255.198)
<b>Net debt</b>			<b>(153.092.743)</b>

	Bank loans and credit cards	Financial leases	Total
<b>1 January 2020</b>	<b>119.711.958</b>	<b>16.501.182</b>	<b>136.213.140</b>
Cash inflows	-	-	-
Cash outflows	(29.185.543)	-	(29.185.543)
Foreign currency translation differences	41.961.255	-	41.961.255
Increase in lease liabilities (TFRS 16)	-	10.166.344	10.166.344
Cash outflows from lease liabilities (TFRS 16)	-	(6.854.398)	(6.854.398)
<b>31 December 2020</b>	<b>132.487.670</b>	<b>19.813.128</b>	<b>152.300.798</b>
Cash and cash equivalents (-)			(261.595.709)
<b>Net debt</b>			<b>(109.294.911)</b>

#### NOTE 33 - EVENTS AFTER THE REPORTING PERIOD

On July 6, 2021, the Board of Directors decided to establish the second Venture Capital Investment Fund to be an element of Logo’s innovation strategy. Under the management of İstanbul Portföy Yönetimi A.Ş., İstanbul Portföy Yönetimi A.Ş. has decided to participate in the second Logo Venture Capital Investment Fund by 88.63% and the total Resource Commitment of the investors is 12.637.500,00 American Dollar.

The merge process of Logo Elektronik Ticaret Hizmetleri A.Ş., which is 100% subsidiary, under the umbrella of the Company started.

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