

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023**

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LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2023

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

	Notes	30 September 2023	Audited 31 December 2022
ASSETS			
Current assets		1,099,263	1,084,727
Cash and cash equivalents	4	389,099	229,151
Financial investments	5	168,754	411,131
Trade receivables		449,780	387,441
- Trade receivables from third parties	8	448,234	386,374
- Trade receivables from related parties	28	1,546	1,067
Other receivables		57	245
- Other receivables from third parties	9	57	245
Inventories	10	13,306	8,350
Derivative instruments	29	-	1,962
Prepaid expenses	17	31,632	27,765
Other current assets	9	46,635	18,682
Non-current assets		2,482,394	1,582,131
Other receivables		3,666	1,247
- Other receivables from related parties	28	3,666	1,247
Financial investments	5	643,411	383,471
Right-of-use assets	13	22,518	20,244
Property, plant and equipment	11	99,515	46,514
Intangible assets		1,700,977	1,102,811
- Goodwill	14	628,041	436,915
- Other intangible assets	12	1,072,936	665,896
Prepaid expenses	17	1,396	2,508
Deferred tax asset	26	8,561	24,313
Other non-current assets		2,350	1,023
Total assets		3,581,657	2,666,858

The accompanying consolidated financial statements have been approved by Board of Directors on 31 October 2023 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 SEPTEMBER 2023

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

	Notes	30 September 2023	Audited 31 December 2022
LIABILITIES			
Current liabilities		1,578,162	1,185,507
Short-term borrowings	7	41,395	21,362
Short-term portions of long-term borrowings	7	58,871	39,836
Trade payables		125,187	143,813
- <i>Trade payables to third parties</i>	8	125,187	143,813
Payables related to employee benefits	16	211,712	213,588
Other payables		418,706	295,270
- <i>Other payables to third parties</i>	9	418,702	295,266
- <i>Other payables to related parties</i>		4	4
Liabilities arising from customer contracts	17	689,537	462,877
Current tax liability	26	18,426	3,659
Other current liabilities		14,328	5,102
Non-current liabilities		389,110	282,526
Long-term borrowings	7	251,693	192,450
Other payables		20,124	6,901
- <i>Other payables to third parties</i>	9	20,124	6,901
Long-term provisions		94,608	67,880
- <i>Provisions for employee benefits</i>	16	94,608	67,880
Deferred tax liability	26	22,685	15,295
EQUITY			
Equity attributable to equity holders of the parent		1,434,539	1,090,109
Paid-in capital	18	100,000	100,000
Share capital adjustment differences	18	2,991	2,991
Restricted reserves appropriated from profit		29,382	29,382
Put option revaluation fund			
related with non-controlling interests		(338,242)	(225,551)
Treasury shares (-)	18	(95,141)	(25,335)
Reserves related to the repurchased shares	18	95,141	25,335
Accumulated other comprehensive expenses			
that will not be reclassified to profit or loss		81,740	28,375
- <i>Defined benefit plan remeasurement losses</i>		(20,611)	(19,492)
- <i>Gain from investments</i>			
in equity instruments		102,351	47,867
Accumulated other comprehensive income			
that will be reclassified to profit or loss		428,519	266,104
- <i>Foreign currency translation differences</i>		452,619	282,482
- <i>Hedge gain losses</i>		(11,920)	(6,015)
- <i>Fair value losses on financial assets at fair value through</i>			
other comprehensive income		(12,180)	(10,363)
Retained earnings		674,466	473,136
Net profit for the period		455,683	415,672
Non-controlling interests		179,846	108,716
Total equity		1,614,385	1,198,825
Total liabilities and equity		3,581,657	2,666,858

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 THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023 AND 2022**

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

	Notes	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Revenue	20	1,661,134	636,774	1,019,620	382,765
Cost of sales (-)	20	(353,109)	(136,120)	(237,043)	(106,833)
Gross profit		1,308,025	500,654	782,577	275,932
General administrative expenses (-)	21	(205,615)	(93,746)	(116,118)	(36,772)
Marketing expenses (-)	21	(315,937)	(111,370)	(154,235)	(66,513)
Research and development expenses (-)	21	(438,897)	(179,923)	(204,143)	(81,233)
Other operating income	22	17,456	5,121	6,975	2,145
Other operating expenses (-)	22	(29,457)	(6,250)	(14,420)	(3,774)
Operating profit		335,575	114,486	300,636	89,785
Income from investing activities	23	65,953	19,077	38,146	12,132
Shares in losses of investments valued by equity method	6	(7,575)	(5,030)	-	-
Operating profit before finance income/(expenses)		393,953	128,533	338,782	101,917
Finance income	24	291,790	60,427	169,774	54,483
Finance expenses (-)	25	(111,385)	(54,134)	(106,146)	(30,381)
Profit before tax		574,358	134,826	402,410	126,019
Tax expense:					
Current tax expense	26	(111,986)	(10,936)	(34,111)	(12,072)
Deferred tax (expense)/income	26	(10,338)	1,793	(10,798)	960
Profit for the period		452,034	125,683	357,501	114,907
Profit for the period attributable to:					
Non-controlling interests		(3,649)	49	4,660	1,484
Equity holders of the parent		455,683	125,634	352,841	113,423
Earnings per share (Full TL)		4.75	1.31	3.66	1.18

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 SEPTEMBER 2023 AND 2022

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

	Notes	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Profit for the period		452,034	125,683	357,501	114,907
<i>Items that will be reclassified to profit or loss:</i>		237,194	26,470	48,031	15,305
Foreign currency translation differences		244,916	19,983	71,358	18,597
Hedge loss		(5,905)	(2,449)	(1,060)	(492)
Fair value difference losses on financial assets through other comprehensive income		(2,271)	11,170	(27,833)	(3,500)
Tax effect		454	(2,234)	5,566	700
<i>Items that will not be reclassified to profit or loss:</i>		53,365	13,292	19,730	6,509
Revaluation and measurement losses of defined benefits plans	16	(1,223)	1,728	-	-
Tax effect		103	(139)	-	-
Gain from investments in equity instruments		59,870	12,318	19,730	6,509
Tax effect		(5,385)	(615)	-	-
Other comprehensive income		290,559	39,762	67,761	21,814
Total comprehensive income		742,593	165,445	425,262	136,721
Total comprehensive income attributable to:					
Non-controlling interests		71,130	4,076	18,932	5,203
Equity holders of the parent		671,463	161,369	406,330	131,518

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 SEPTEMBER 2023 AND 2022

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

	Paid-in capital	Adjustments to share capital	Treasury shares	Reserves for treasury shares	Hedging losses (**)	Restricted reserves appropriated from profit	Gain on loss on remeasurement of defined Benefit plans (*)	Gains from investments in equity instruments (*)	Gains (Losses) on Assets at FVTOIC (**)	Foreign currency translation differences (**)	Retained earnings	Net profit for the period	Put option valuation fund for non-controlling interests	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
Balances as of 1 January 2022	100,000	2,991	(9,782)	9,782	(7,176)	7,196	(10,562)	15,466	-	179,421	332,943	264,650	(125,686)	759,243	74,262	833,505
Transfers to prior years' profit	-	-	-	-	-	22,185	-	-	-	-	242,465	(264,650)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(86,718)	-	-	(86,718)	-	(86,718)
Decrease due to share ratio changes that do not result in loss of control in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(61,133)	(61,133)	-	(61,133)
Increase/decrease due to treasury shares	-	-	(15,553)	15,553	-	-	-	-	-	-	(15,553)	-	-	(15,553)	-	(15,553)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	352,841	-	352,841	4,660	357,501
Other comprehensive income	-	-	-	-	(1,060)	-	-	19,730	(22,267)	57,086	-	-	-	53,489	14,272	67,761
Balances as of 30 September 2022	100,000	2,991	(25,335)	25,335	(8,236)	29,381	(10,562)	35,196	(22,267)	236,507	473,137	352,841	(186,819)	1,002,169	93,194	1,095,363
Balances as of 1 January 2023	100,000	2,991	(25,335)	25,335	(6,015)	29,382	(19,492)	47,867	(10,363)	282,482	473,136	415,672	(225,551)	1,090,109	108,716	1,198,825
Transfers to prior years' profit	-	-	-	-	-	-	-	-	-	-	415,672	(415,672)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	(144,536)	-	-	(144,536)	-	(144,536)
Decrease due to share ratio changes that do not result in loss of control in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(112,691)	(112,691)	-	(112,691)
Increase/decrease due to treasury shares	-	-	(69,806)	69,806	-	-	-	-	-	-	(69,806)	-	-	(69,806)	-	(69,806)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	455,683	-	455,683	(3,649)	452,034
Other comprehensive income	-	-	-	-	(5,905)	-	(1,119)	54,484	(1,817)	170,137	-	-	-	215,780	74,779	290,559
Balances as of 30 September 2023	100,000	2,991	(95,141)	95,141	(11,920)	29,382	(20,611)	102,351	(12,180)	452,619	674,466	455,683	(338,242)	1,434,539	179,846	1,614,385

(*) Other accumulated comprehensive income/(expenses) that will not be reclassified to profit or loss

(**) Accumulated other comprehensive income/(expenses) to be reclassified to profit or loss

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 SEPTEMBER 2023 AND 2022

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

	Notes	Current Period 1 January - 30 September 2023	Prior Period 1 January - 30 September 2022
A. Cash flows from operating activities		469,370	439,289
Profit for the period		452,034	357,501
Adjustments to reconcile net profit for the period		32,046	76,821
Adjustment related to depreciation and amortization	11, 12, 13	137,440	85,560
Adjustment related to reversal of provisions for employment termination benefits	16	26,740	14,241
Adjustment related to interest expenses	25	87,166	28,934
Adjustment related to interest income	24	(12,347)	(12,906)
Adjustments related to losses (gains) on disposal of financial investments	23	(65,953)	(38,146)
Adjustments related to losses (gains) on change in derivative assets and liabilities	29	1,962	(16,865)
Adjustment related to impairment/(reversal of) on receivables		(479)	903
Other adjustments to profit/(loss) reconciliation		(264,807)	(29,809)
Adjustment related to tax expense	26	122,324	44,909
Changes in working capital		90,934	40,409
Adjustments related to (increase)/decrease in inventories		(4,956)	891
Adjustments related to (increase)/decrease in trade receivables		(14,752)	52,550
Adjustments related to (decrease)/increase in trade payables		(31,250)	11,705
Adjustments related to decrease/(increase) in other operating assets		(26,918)	(29,365)
Adjustments related to increase/(decrease) in other operating liabilities		168,810	4,628
Cash flows used in operating activities		575,014	474,731
Tax payments		(97,219)	(32,706)
Payments related to employee benefits	16	(8,425)	(2,736)
Cash outflows for purchases of property, plant and equipment and intangible assets	11, 12	(390,069)	(176,793)
Cash inflows from the sale of shares or debt instruments of other businesses or funds		40,036	-
Cash outflows from the purchase of shares or debt instruments of other businesses or funds		-	(114,799)
Cash inflows from sales of property, plant and equipment and intangible assets		209	138
Cash outflows from share purchases or capital increases in associates and joint ventures		-	(6,173)
Interest received		78,300	51,052
B. Cash flows from investing activities		(271,524)	(246,575)
Cash outflows for repayments of loans	32	(25,450)	(55,842)
Cash inflows from loans	32	31,807	-
Interest paid		(84,664)	(27,359)
Cash outflows from the acquisition of own shares of the business		(69,806)	(15,553)
Cash outflows related to debt payments arising from lease agreements	32	(8,749)	(8,435)
Dividends paid		(144,536)	(86,718)
C. Cash flows from financing activities		(301,398)	(193,907)
Net increase(decrease) in cash and cash equivalents before the effects of foreign currency translation differences (A+B+C)		(103,552)	(1,193)
D. Effect of foreign currency translation differences on cash and cash equivalents		263,500	4,925
Net increase in cash and cash equivalents (A+B+C+D)		159,948	3,732
E. Cash and cash equivalents at the beginning of the period	4	229,151	259,390
Cash and cash equivalents at the end of the period (A+B+C+D+E)	4	389,099	263,122

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 SEPTEMBER 2023

(Amounts expressed in thousand 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 in 1986 as a Limited Company and became a corporation on 30 September 1999. The Company is domiciled 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 September 2023, the average number of the personnel of the Group is 1,503 (31 December 2022: 1,408).

The address of the registered office of the Company is as follows:

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

As of 30 September 2023, 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 18.

The operations of subsidiaries and joint ventures of Logo Yazılım (together referred to as “the Group”) are as follows.

Subsidiaries	Country of operation	Field of activity
Total Soft S.A. (“Total Soft”)	Romania	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
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
Logo Ödeme Hizmetleri A.Ş. (“Logo Ödeme”)(*)	Turkey	Development and marketing of software

Subsidiaries	Country of operation	Field of activity
Logo Infosoft Business Technology Private Limited (“Logo Infosoft”)	India	Development and marketing of software

(*) It was established on 29 November 2022 and has not yet started its operations as of 30 September 2023. The company name of Logo Bilişim Hizmetleri A.Ş. was changed to Logo Ödeme Hizmetleri A.Ş. on 19.09.2023.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial Reporting Standards Applied

The accompanying consolidated financial statements of the Group have been prepared in accordance 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, in compliance with the international standards, Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/IFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and related supplements and interpretations. TAS/IFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués.

The condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 4 October 2022 by the 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 September 2023 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 2022.

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 tangible and intangible assets arising from business combinations.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements as of 30 September 2023 in accordance with TAS 29.

2.1.2 Financial Statements of Subsidiaries Operating in Foreign Countries

The financial statements of subsidiaries operating in foreign countries are adjusted to TAS/IFRS published by the POA for the purpose of fair presentation with necessary adjustments and classifications. Subsidiaries’ assets and liabilities of the related foreign subsidiaries 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. Exchange differences arising from the differences between the average and balance sheet dates are included in the “foreign currency translation difference” under the shareholders’ 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 2022 include the accounts of Logo Yazılım and its subsidiaries. The table below sets out the subsidiaries of Logo Yazılım and ownership interests held by the Company at 30 September 2023 and 31 December 2022:

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1.3 Basis of Consolidation (cont’d)

Subsidiaries	30 September 2023 (%)	31 December 2022 (%)
Total Soft	80.00	80.00
Logo GmbH	100.00	100.00
ABS	80.00	80.00
ABS FS (*)	39.20	39.20
Peoplise	88.00	88.00
Logo Ödeme	100.00	100.00

(*) In 2018, the Company acquired 100% of the shares of Architected Business Solutions SRL and indirectly owns 49% of the shares of Nexia ABS Financial Services SRL. Pursuant to the parent agreement, all risks and gains (including gains, losses and net asset rights) related to Nexia's shares have been transferred to the Company. After the acquisition explained in Note 9, 20% of Total Soft's shares were transferred to Avramos Holding Ltd. In accordance with the agreement, the Company takes all decisions regarding the subsidiary. Therefore, the Company has control over the subsidiary and can be fully consolidated without accounting for non-controlling interests.

Joint ventures	30 September 2023 (%)	31 December 2022 (%)
Logo Infosoft (*)	66.67	50.00

(*) On 1 January 2018, the Company has joint control of Logo Infosoft based on the contract made with GSF Software Labs LLC. After this date, Logo Infosoft was evaluated as a joint venture in the consolidated financial statements and accounted for 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 ventures

Joint venture is a joint initiative in which the sides, 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 subsidiary or joint venture.

LOGO YAZILIM SANAYİ VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1.4 Functional and Presentation Currency

The financial position and operating results of the Group are prepared in TL, which is the currency of the main economic environment in which Logo Yazılım operates (“functional currency”) and the presentation currency for the consolidated financial statements.

Functional currency of subsidiaries operating in Romania is Romanian Leu (“RON”). Functional currency of Logo Infosoft is Indian rupee (“INR”). Financial information of each entity included in consolidation are measured using the currency of the primary economic environment in which these entities operate, normally under their local currencies. The financial statements of subsidiaries operating in foreign countries have been prepared in accordance with the laws and regulations applicable in the country in which they operate, in the currency of that country, and assets and liabilities for each statement of financial position presented are translated to TL at closing exchange rates at the statement of financial position date. Income and expenses are translated to TL at monthly average exchange rates. Foreign currency differences resulting from the use of closing and monthly average rates are followed in the foreign currency translation differences account under shareholders' equity and other comprehensive income.

2.2 Going Concern

The companies 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 going concern of the Group's operations and concluded that the Group has sufficient resources to continue its activities in the near future.

2.3 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.3 New and Amended Turkish Financial Reporting Standards (cont’d)

a) Amendments that are mandatorily effective from 2023 (cont’d)

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 17 *Insurance Contracts* and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</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 2024 for insurance and reinsurance and pension companies.

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, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

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NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.3 New and Amended Turkish Financial Reporting Standards (cont’d)

b) New and revised TFRSs in issue but not yet effective (cont’d)

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 2024 and earlier application is permitted.

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

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

2.4 Changes in Accounting Policies

Accounting policy changes arising from the initial application of a new TAS/TFRS are applied retrospectively or prospectively in accordance with the transitional provisions of the TAS/TFRS. Changes to which no transition clauses are included, material changes in accounting policies or voluntary accounting errors are applied retrospectively and prior period financial statements are restated.

2.5 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the six months period ended 30 September 2023 have been prepared in accordance with TAS 34. In addition, the significant accounting policies used in preparing the condensed interim consolidated financial statements for the period ended 30 September 2023 are consistent with the accounting policies disclosed in the consolidated financial statements as at 31 December 2022. Accordingly, the condensed consolidated interim financial statements should be evaluated with the consolidated financial statements for the year ended 31 December 2022. The Group has disclosed its accounting policies for the first time in Note 2.4.

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**NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
(cont’d)**

2.6 Significant Accounting Estimates and Assumptions

Preparation of the 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 policies disclosed in the consolidated financial statements as of 31 December 2022, property and equipment are stated at historical cost less depreciation, net of any impairment charges. Depreciation on tangible assets is calculated using the straight-line method over their estimated useful lives. Useful lives depend on the best estimates of the management and are reviewed in each balance sheet period and corrected accordingly, when needed.

Revenue recognition

The Group records software license revenue and special software development project revenues based on the completion level of contract activities as of the balance sheet date. Completion level is found by dividing the estimated total service rendered as of the balance sheet date by the total contractually required service.

Logo Enterprise Membership (“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 expenses 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, products, processes or systems before the start of commercial production or use and the costs incurred for these activities are capitalized by the Group. The Management determines the cost of employees to be capitalized taking into account time spent by each employee on research and development activities. The costs of employees relating to research are expensed as incurred.

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NOTE 2 - BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.6 Significant Accounting Estimates and Assumptions (cont’d)

Goodwill impairment test

The Group tests the goodwill amount for impairment every year or in shorter periods in case of impairment. The recoverable amounts of cash generating units have been determined based on fair value calculations less costs to sell.

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 September 2023 has been provided with the comparative financial information of 31 December 2022 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the interim period ended 30 September 2023 have been provided with the comparative financial information, for the period ended 30 September 2022.

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”) are 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 is calculated by the Company by adding depreciation expense and amortization to the net amount of sales income, cost of sales, operating expenses (excluding other income and expenses from operating activities).

30 September 2023	Turkey	Romania	Segmental eliminations	Consolidated
Segment assets	2,068,168	1,542,520	(29,031)	3,581,657
Segment liabilities	1,233,934	762,369	(29,031)	1,967,272
Goodwill	11,155	616,886	-	628,041
Property, plant and equipment and intangible assets	517,357	655,094	-	1,172,451
Right-of-use assets	5,301	17,217	-	22,518

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NOTE 3 - SEGMENT REPORTING (cont'd)

30 September 2023	Turkey	Romania	Consolidated
Revenue	1,123,365	537,769	1,661,134
Cost of sales	(39,563)	(313,546)	(353,109)
Operating expenses	(738,277)	(222,172)	(960,449)
Other operating income	12,744	4,712	17,456
Other operating expenses	(28,342)	(1,115)	(29,457)
Income from investing activities	65,953	-	65,953
Shares in profit/loss of investments valued by equity method	(7,575)	-	(7,575)
Finance income	287,242	4,548	291,790
Finance expenses	(96,090)	(15,295)	(111,385)
Depreciation and amortization	(79,501)	(57,939)	(137,440)
Tax expense	(121,539)	(785)	(122,324)
Net profit/(loss) for the period	457,918	(5,884)	452,034
Adjusted EBITDA	425,026	59,990	485,016
Purchase of property, plant and equipment and intangible assets	277,850	112,219	390,069

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

30 September 2023	Consolidated
Adjusted EBITDA	485,016
Depreciation and amortization	(137,440)
Income from investing activities	65,953
Shares in profit/loss of investments valued by equity method	(7,575)
Other operating income	17,456
Other operating expenses	(29,457)
Finance income	291,790
Finance expenses	(111,385)
Profit before tax	574,358

31 December 2022	Turkey	Romania	Segmental eliminations	Consolidated
Segment assets	1,646,926	1,019,932	-	2,666,858
Segment liabilities	994,967	473,066	-	1,468,033
Goodwill	11,155	425,760	-	436,915
Property, plant and equipment and other intangible asset	315,445	396,965	-	712,410
Right-of-use assets	4,223	16,021	-	20,244

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NOTE 3 - SEGMENT REPORTING (cont'd)

30 September 2022	Turkey	Romania	Segmental eliminations	Consolidated
Revenue	648,185	371,435	-	1,019,620
Cost of sales	(20,823)	(216,220)	-	(237,043)
Operating expenses	(362,765)	(111,731)	-	(474,496)
Other operating income	6,011	964	-	6,975
Other operating expenses	(13,062)	(1,358)	-	(14,420)
Income from investing activities	38,146	-	-	38,146
Finance income	165,465	4,309	-	169,774
Finance expenses	(94,158)	(11,988)	-	(106,146)
Depreciation and amortization	(46,397)	(39,163)	-	(85,560)
Tax expense	(38,288)	(6,621)	-	(44,909)
Net profit/(loss) for the period	328,711	28,790	-	357,501
Adjusted EBITDA	310,994	82,647	-	393,641
Purchase of property, plant and equipment and intangible assets	113,217	63,576	-	176,793

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

30 September 2022	Consolidated
Adjusted EBITDA	393,641
Depreciation and amortization	(85,560)
Income from investing activities	38,146
Other operating income	6,975
Other operating expenses	(14,420)
Finance income	169,774
Finance expenses	(106,146)
Profit before tax	402,410

NOTE 4 – CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Cash	180	37
Bank	336,497	207,375
- Time deposit	278,442	156,487
- Demand deposit	58,055	50,888
Credit card slip receivables	5,572	5,286
Liquid fund (*)	46,850	16,453
	389,099	229,151

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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NOTE 5 - FINANCIAL INVESTMENTS

Short-term financial investments

	30 September 2023	31 December 2022
- Financial assets at fair value through profit or loss	20,138	113,780
- Assets at fair value through other comprehensive income (*)	148,616	297,351
	168,754	411,131

(*) Private sector bonds consist of highly liquid financial investments that are easily convertible into cash, do not bear the risk of significant value changes. Bonds are denominated in US Dollars.

Long-term financial investments

Financial investments at fair value through other comprehensive income

Details of non-current financial investments as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures I”) (*)	14,133	9,659
Logo Ventures Girişim Sermayesi Yatırım Fonu (“Logo Ventures II”) (*)	173,016	83,750
İnterpro Yayıncılık Araştırma ve Organizasyon Hizmetleri A.Ş., (“Interpro”)	81	81
Figo Ticari Bilgi ve Uygulama Platformu A.Ş., (**)	27,908	37,210
Payer Yazılım Sanayi ve Ticaret A.Ş., (**)	2,952	2,952
Dokuz Eylül Teknoloji Geliştirme Bölgesi A.Ş., (“Dokuz Eylül”)	50	50
	218,140	133,702

(*) As of 30 September 2023, Logo Ventures was evaluated as an asset at fair value through other comprehensive income, and the difference between its fair value and cost for this period was TL 59,870 (30 September 2022: TL 19,730) was recognized in other comprehensive income. Interpro and Dokuz Eylül were reflected in the consolidated financial statements at cost since their fair value was not significant as of 30 September 2023 and 31 December 2022. The Company has committed USD 11,200 thousand to İstanbul Portföy Yönetimi A.Ş. Logo Ventures II Venture Capital Management Fund. A total of USD 5,670 thousand was paid, including USD 1,750 thousand in 2023, USD 1,680 thousand in 2022, and 2,240 thousand USD in 2021.

(**) As of 30 September 2023, Payer Yazılım Sanayi ve Ticaret A.Ş. and Figo Ticari Bilgi ve Uygulama Platformu A.Ş., in which the Group holds 10% and 3.02% shares respectively, are considered as assets at fair value through other comprehensive income and since the difference between fair value and cost is insignificant, they are considered equal. In addition, on 5 April 2023 the Company sold 25% of its Figo Ticari Bilgi ve Uygulama Platformu A.Ş. shares. After the sale transaction, Group's ownership has decreased from 4.02% to 3.02%.

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NOTE 5 - FINANCIAL INVESTMENTS (cont’d)

Long-term financial investments (cont’d)

	30 September 2023	31 December 2022
- Assets at fair value through other comprehensive income (***)	347,895	204,247

(***) Private sector bonds consist of financial investments that are easily convertible into cash, do not carry the risk of significant value changes and have high liquidity. Bonds are denominated in US Dollars.

Other long-term financial investments:

	30 September 2023	31 December 2022
Other long-term financial investments (****)	77,376	45,522

(****) 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 85.54%. The Group has not considered the related investment for trading purposes and has recognized the fair value changes in the other comprehensive income statement.

NOTE 6 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD

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

Summary balance-sheet information

Logo Infosoft	30 September 2023	31 December 2022
Cash and cash equivalents	20,867	5,256
Other current assets	20,574	11,687
Other non-current assets	1,739	720
Total assets	43,180	17,663
Other current liabilities	11,124	5,766
Other non-current liabilities	168,498	96,313
Total liabilities	179,622	102,079
Net liabilities	(136,442)	(84,416)

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NOTE 6 - INVESTMENTS ACCOUNTED BY THE EQUITY METHOD (cont’d)

Summary income statement information

Logo Infosoft	30 September 2023	30 September 2022
Income	10,919	1,705
Expenses (-)	(40,338)	(20,149)
Net loss for the period	(29,419)	(18,444)
Ownership ratio of the Group	66.67%	50.00%
Group’s share	(19,613)	(9,222)
Unrecognized losses (*)	(12,038)	(9,222)
Share of losses of investment under equity method	(7,575)	-

(*) As of 30 September 2023, the total loss to the Group's share but not recorded is TL 28,544.

NOTE 7 – BORROWINGS

Details of financial borrowings as of 30 September 2023 and 31 December 2022 is as follows:

Short-term borrowings:	30 September 2023	31 December 2022
Short-term bank loans	30,465	12,680
Lease liabilities	9,520	7,691
Credit card payables	1,410	991
	41,395	21,362
Short-term portions of long-term borrowings:		
Short-term portions of long-term bank loans	55,728	38,251
Lease liabilities	3,143	1,585
	58,871	39,836
Total short-term borrowings	100,266	61,198
Long-term borrowings:	30 September 2023	31 December 2022
Long-term bank loans	228,251	175,796
Lease liabilities	23,442	16,654
Total long-term borrowings	251,693	192,450

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NOTE 7 – BORROWINGS (cont’d)

	30 September 2023		
	Weighted average annual interest rate (%)	Original amount	TL equivalent
Short-term borrowings:			
Bank loans - EUR – unsecured	Euribor 1+2.95%	1,048	30,465
Credit card payables – TL		1,410	1,410
Lease liabilities – Euro	Euribor 3+3.5%	261	7,584
Lease liabilities – TL	12% - 25%	1,936	1,936
			41,395
Short-term portion of long-term borrowings:			
Bank borrowings - EUR – secured	Euribor+ 2.45%-2.50%	1,916	55,728
Lease liabilities – EUR		108	3,143
			58,871
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2.45%-2.50%	7,848	228,251
Lease liabilities - EUR		645	18,769
Lease liabilities – TL		4,673	4,673
			251,693
Total borrowings			351,959
31 December 2022			
	Weighted average annual interest rate (%)	Original amount	TL equivalent
Bank borrowings - EUR - unsecured	Euribor+2.40%	635	12,680
Credit card payables - TL		991	991
Lease liabilities – EUR	Euribor 3+3.5%	271	5,412
Lease liabilities – TL	12% - 25%	2,279	2,279
			21,362
Short-term portion of long-term borrowings:			
Bank borrowings - EUR – secured	Euribor+ 2.45%-2.50%	1,915	38,251
Lease liabilities – EUR		79	1,585
			39,836
Long-term borrowings:			
Bank borrowings - EUR - secured	Euribor+ 2.45%-2.50%	8,803	175,796
Lease liabilities - EUR		673	13,444
Lease liabilities – TL		3,210	3,210
			192,450
Total borrowings			253,648

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NOTE 7 – BORROWINGS (cont’d)

The redemption schedules of long-term borrowings as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
To be paid within 1-2 years	70,766	84,583
To be paid within 2-5 years	172,768	83,406
To be paid in more than 5 years	8,159	24,461
	251,693	192,450

	Carrying value		Fair value	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Bank loans	314,444	226,727	334,343	243,037
	314,444	226,727	334,343	243,037

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

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

The details of trade receivables and payables as of 30 September 2023 and 31 December 2022 are as follows:

Short-term trade receivables:	30 September 2023	31 December 2022
Buyers	470,227	410,637
Cheques and notes receivables	12,984	3,527
Less: Provision for doubtful receivables	(29,615)	(21,743)
Less: Unearned finance income from futures sales	(5,362)	(6,047)
	448,234	386,374

As of 30 September 2023, the average turnover of the trade receivables is 64 days (31 December 2022: 73 days), excluding the credit card receivables, the average turnover is 63 days. The discount rate applied to the undue receivables is 35% (31 December 2022: 18%).

As of 30 September 2023, TL 83,711 of trade receivables (31 December 2022: TL 34,464) were past due but not impaired. The aging analysis of these trade receivables is as follows:

	30 September 2023	31 December 2022
Up to 1 month	54,992	17,543
1-3 months	19,979	12,142
More than 3 months	8,740	4,779
	83,711	34,464

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (cont'd)

As of 30 September 2023, TL 58,316 of overdue receivables consist of trade receivables of Total Soft (31 December 2022: TL 21,078). The Group manages its receivables in accordance with credit risk management policies which is explained in Note 29.

The movement of provision for doubtful receivables for the periods ended 30 September 2023 and 2022 are as follows:

	2023	2022
As of 1 January	21,743	19,587
Provisions made during the period	8,968	2,151
Provisions released	(9,447)	(1,248)
Foreign currency translation difference	8,351	2,625
As of 30 September	29,615	23,115
Trade payables to third parties:	30 September 2023	31 December 2022
Trade payables	125,187	143,813

As of 30 September 2023, the average debt payment period is 90 days (31 December 2022: 93 days).

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (cont’d)

As of 30 September 2023 and 31 December 2022, the Group's exposure to credit risks by financial instrument types is as follows:

30 September 2023	<u>Trade receivables</u>		Related party	<u>Other receivables</u>			Derivative Instruments	Other
	Related party	Other		Other	Banks			
The maximum of credit risk exposure as of reporting date	1,546	448,234	3,666	57	388,919	-	734,789	
- Amount of risk covered by guarantees	-	428	-	-	-	-	-	
Net carrying value of not past due and not impaired financial assets	1,546	364,523	3,666	57	388,919	-	734,789	
Net carrying value of past due and not impaired financial assets	-	83,711	-	-	-	-	-	
Amount of risk covered by guarantees	-	-	-	-	-	-	-	
Net carrying value of Impaired assets	-	-	-	-	-	-	-	
Past due (gross carrying value)	-	29,615	-	-	-	-	-	
Impairment (-)	-	(29,615)	-	-	-	-	-	
Amount of risk covered by guarantees	-	-	-	-	-	-	-	

Guarantees include securities, mortgages and letters of guarantee.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (cont’d)

31 December 2022	<u>Trade receivables</u>		<u>Other receivables</u>				
	Related party	Other	Related party	Other	Banks	Derivative Instruments	Other
The maximum of credit risk exposure as of reporting date	1,067	386,374	1,247	245	229,114	1,962	749,080
- Amount of risk covered by guarantees	-	428	-	-	-	-	-
Net carrying value of not past due and not impaired financial assets	1,067	351,910	1,247	245	229,114	1,962	749,080
Net carrying value of past due and not impaired financial assets	-	34,464	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-
Net carrying value of Impaired assets	-	-	-	-	-	-	-
Past due (gross carrying value)	-	21,743	-	-	-	-	-
Impairment (-)	-	(21,743)	-	-	-	-	-
Amount of risk covered by guarantees	-	-	-	-	-	-	-

Guarantees include securities, mortgages and letters of guarantee.

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NOTE 9 - OTHER RECEIVABLES, PAYABLES AND OTHER ASSETS

Other short-term receivables from third parties:

	30 September 2023	31 December 2022
Deposits and guarantees given	57	69
Income accruals	-	176
	57	245

Other short-term payables to third parties:

	30 September 2023	31 December 2022
Put option liability - ABS (*)	318,734	219,265
Other taxes payable	98,391	75,726
Other payables to third parties	1,577	275
	418,702	295,266

Long-term other payables to third parties:

	30 September 2023	31 December 2022
Put option liability - Peoplise (**)	19,508	6,286
Other	616	615
	20,124	6,901

(*) With the share transfer agreement signed on 19 July 2018, the Group acquired ABS shares and ABS-FS shares which are fully owned by ABS. As a result of these acquisitions, there is a put option granted to Avramos Holding Ltd by Logo Yazılım for the 20% of Total Soft shares transferred to Avramos Holding Ltd. The Company and Avramos Holding Ltd. revised the partnership agreement in 2023 as if Avramos Holding Ltd. exercises the share sale option before 15 November 2023, it will be deemed to have exercised this right with the financial conditions before the end of the first quarter of 2022. Therefore, TotalSoft's 2021 financial statements were taken into account in the calculation of the sale option liability as of 30 September 2023.

(**) As a result of the acquisition of Peoplise, there is a sales option given to the shareholders by Logo Yazılım for the 12% shares held by the minority shareholders.

Other current assets:

	30 September 2023	31 December 2022
Prepaid taxes	9,721	1,625
Personnel advances	7,862	2,009
Business advances	5,088	1,565
Deferred VAT	1,076	725
Other	22,888	12,758
	46,635	18,682

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NOTE 10 - INVENTORIES

	30 September 2023	31 December 2022
Trade goods	7,020	5,143
Raw materials and equipment	6,224	3,118
Other	62	89
	13,306	8,350

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2023	Additions	Disposals	Foreign currency translation differences	30 September 2023
Cost:					
Machinery, plant and equipment	35,681	30,019	(10,814)	10,793	65,679
Motor vehicles	30,709	34,365	(558)	5,157	69,673
Furniture and fixtures	8,781	31	(3,350)	774	6,236
Leasehold improvements	30,045	234	-	642	30,921
	105,216	64,649	(14,722)	17,366	172,509
Accumulated depreciation:					
Machinery, plant and equipment	27,373	7,535	(10,654)	8,577	32,831
Motor vehicles	8,834	7,045	(546)	3,504	18,837
Furniture and fixtures	6,825	310	(3,313)	422	4,244
Leasehold improvements	15,670	1,006	-	406	17,082
	58,702	15,896	(14,513)	12,909	72,994
Net book value	46,514				99,515

	1 January 2022	Additions	Disposals	Foreign currency translation differences	30 September 2022
Cost:					
Machinery, plant and equipment	24,828	2,756	(192)	5,004	32,396
Motor vehicles	6,432	1,828	-	(219)	8,041
Furniture and fixtures	7,677	432	-	404	8,513
Leasehold improvements	28,126	848	-	146	29,120
	67,063	5,864	(192)	5,335	78,070
Accumulated depreciation:					
Machinery, plant and equipment	19,666	2,401	(54)	2,931	24,944
Motor vehicles	6,255	189	-	1,225	7,669
Furniture and fixtures	6,003	310	-	278	6,591
Leasehold improvements	14,173	933	-	127	15,233
	46,097	3,833	(54)	4,561	54,437
Net book value	20,966				23,633

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NOTE 12 - INTANGIBLE ASSETS

	1 January 2023	Additions	Foreign currency translation differences	30 September 2023
Cost:				
Development costs	972,147	325,244	230,130	1,527,521
Advanced technology	25,171	-	4,773	29,944
Customer relations	122,145	-	47,673	169,818
Non-compete agreement	2,748	-	-	2,748
Other intangible assets	41,309	176	19,651	61,136
	1,163,520	325,420	302,227	1,791,167
Accumulated depreciation:				
Development costs	395,759	102,711	75,969	574,439
Advanced technology	21,432	396	4,747	26,575
Customer relations	51,757	7,974	19,171	78,902
Non-compete agreement	2,748	-	-	2,748
Other intangible assets	25,928	1,173	8,466	35,567
	497,624	112,254	108,353	718,231
Net book value	665,896			1,072,936

TL 321,658 (30 September 2022: TL 168,296) of the total additions to development costs for the interim period ended 30 September 2023 consist of capitalized personnel costs.

TL 105,888 (30 September 2022: TL 67,015), TL 6,197 (30 September 2022: TL 1,891), TL 22,190 (30 September 2022: TL 15,243) and TL 3,165 (30 September 2022: TL 1,411) of the depreciation and amortization expenses related to property, plant and equipment, intangible assets, and right-of-use assets as of 30 September 2023 have been accounted for research and development expenses, marketing expenses, general administrative expenses and cost of sales, respectively.

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NOTE 12 - INTANGIBLE ASSETS (cont’d)

	1 January 2022	Additions	Foreign currency translation differences	30 September 2022
Cost:				
Development costs	628,923	169,720	59,764	858,407
Advanced technology	22,584	-	1,627	24,211
Customer relations	96,310	-	16,247	112,557
Non-compete agreement	2,748	-	-	2,748
Other intangible assets	28,478	1,209	6,657	36,344
	779,043	170,929	84,295	1,034,267
Accumulated amortization:				
Development costs	274,779	66,223	15,710	356,712
Advanced technology	18,111	616	1,618	20,345
Customer relations	35,113	5,831	5,181	46,125
Non-compete agreement	2,748	-	-	2,748
Other intangible assets	16,340	2,005	5,313	23,658
	347,091	74,675	27,822	449,588
Net book value	431,952			584,679

NOTE 13 - RIGHT-OF-USE ASSETS

	1 January 2023	Additions	Disposals	Foreign currency translation differences	30 September 2023
Cost:					
Motor vehicles	13,907	4,809	-	857	19,573
Office	34,781	6	(11)	10,761	45,537
	48,688	4,815	(11)	11,618	65,110
Accumulated depreciation: (-)					
Motor vehicles	13,057	1,631	-	289	14,977
Office	15,387	7,659	-	4,569	27,615
	28,444	9,290	-	4,858	42,592
Net book value	20,244				22,518

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NOTE 13 - RIGHT-OF-USE ASSETS (cont'd)

	1 January 2022	Additions	Disposals	Foreign currency translation differences	30 September 2022
Cost:					
Motor vehicles	14,513	-	-	508	15,021
Office	26,120	2,229	-	3,765	32,114
	40,633	2,229	-	4,273	47,135
Accumulated depreciation: (-)					
Motor vehicles	11,433	2,135	-	461	14,029
Office	11,504	4,917	-	1,672	18,093
	22,937	7,052	-	2,133	32,122
Net book value	17,696				15,013

NOTE 14 – GOODWILL

	30 September 2023	31 December 2022
Total Soft	456,638	315,161
Total Soft (ABS)	154,966	106,954
Netsis	5,892	5,892
Peoplise	3,677	3,677
Total Soft (Nexia)	5,282	3,645
Other	1,586	1,586
	628,041	436,915

Movement table of goodwill for the interim accounting periods ended 30 September 2023 and 2022 is as follows:

	2023	2022
As of 1 January	436,915	327,276
Foreign currency translation difference	191,126	63,910
As of 30 September	628,041	391,186

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”).

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NOTE 15 - COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees received:

	Original currency	30 September 2023		31 December 2022	
		Original amount	TL equivalent	Original amount	TL equivalent
Guarantee notes	TL	368	368	368	368
Mortgages received	TL	60	60	60	60
		428	428	428	428

As of 30 September 2023 and 31 December 2022, guarantee/pledge/mortgage (“GPM”) given by the Company on behalf of its legal entity are as follows:

GPM given by the Company:

	30 September 2023				31 December 2022			
	EUR	USD	RON	TL	EUR	USD	RON	TL
A. Total amount of Guarantees provided by the Company on behalf of itself	-	1,223	-	7,058	-	835	-	6,878
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method (*)	515,129	-	334	-	353,528	-	337	-
C. Provided on behalf of third parties in order to maintain operating activities	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
	515,129	1,223	334	7,058	353,528	835	337	6,878

(*) Note 7.

The ratio of other GPMs given by the Company to the Company's equity is 0% (31 December 2022: 0%).

NOTE 16 - EMPLOYEE BENEFITS

Short-term payables for employee benefits:

	30 September 2023	31 December 2022
Taxes, funds and social security payables	153,067	83,972
Due to personnel	30,680	21,915
Personnel premiums	27,965	107,701
	211,712	213,588

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NOTE 16 - EMPLOYEE BENEFITS (cont’d)

Long-term provisions for employee benefits:	30 September 2023	31 December 2022
Provision for employment termination benefits	45,340	39,157
Provision for unused vacation	49,268	28,723
	94,608	67,880

The movements of provision for unused vacation liability for the interim periods ended 30 September 2023 and 2022 are as follow:

	2023	2022
As of 1 January	28,723	16,473
Increase during the period	13,355	5,840
Foreign currency translation difference	7,190	2,150
As of 30 September	49,268	24,463

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 23 for each year of service (31 December 2022: TL 15). 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.

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 are used in the calculation of the total liability. Actuarial gain/(loss) is accounted under the “Actuarial gain/(loss) calculated within the scope of employee benefits”:

	30 September 2023	31 December 2022
Discount rate (%)	3.71	3.40
Probability of retirement (%)	94.80	93.86

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 real rate after adjusting for the anticipated effects of future inflation. Since the Group calculates the liability for employment termination benefits every six months, the maximum amount of TL 23 which is effective from 1 July 2023 (1 July 2022: TL 15) has been taken into consideration in the calculations.

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NOTE 16 - EMPLOYEE BENEFITS (cont’d)

The movements of the provision for employment termination benefits for the interim periods ended 30 September 2023 and 2022 are as follows:

	2023	2022
As of 1 January	39,157	20,918
Service cost	7,022	7,705
Interest cost	6,363	697
Actuarial loss	1,223	-
Compensation paid	(8,425)	(2,736)
As of 30 September	45,340	26,584

NOTE 17 - PREPAID EXPENSES AND CONTRACT LIABILITIES

Short-term prepaid expenses:	30 September 2023	31 December 2022
Prepaid expenses	31,632	27,765
	31,632	27,765
Long-term prepaid expenses:	30 September 2023	31 December 2022
Advances given	1,396	2,508
	1,396	2,508
Contract liabilities:	30 September 2023	31 December 2022
Contract liabilities (*)	675,646	454,395
Advances received	13,891	8,482
	689,537	462,877

(*) 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.

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NOTE 17 - PREPAID EXPENSES AND CONTRACT LIABILITIES (cont'd)

The details of contract liabilities as of 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Pay as you go sales income	369,124	236,516
LEM sales income	222,953	177,150
Revenue from continuing projects	27,298	14,999
After-sales services revenue	56,271	25,730
	675,646	454,395

NOTE 18 – EQUITY

The Company's authorized and paid-in share capital consists of 10,000,000,000 (31 December 2022: 10,000,000,000) shares with a nominal value of Kurus 1 each. The shareholding structure of the Company as at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	Share (%)	31 September 2022	Share (%)
Logo Teknoloji ve Yatırım A.Ş.	33,630	33.63	33,630	33.63
Publicly traded	66,370	66.37	66,370	66.37
	100,000	100.00	100,000	100.00
Capital adjustment differences	2,991		2,991	
Paid-in capital	102,991		102,991	

The shares representing capital are categorized as group A and B. The privileges granted to group A shares are as follows: half of the board members 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. Adjustment to share capital represents the difference between the historical amounts and the amounts adjusted according to the inflation of cash contributions to share capital.

Treasury shares

As of 30 September 2023, the amount of treasury shares which is accounted in Group's equity is TL 95,141 (31 December 2022: TL 25,335).

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.

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NOTE 18 – EQUITY (cont’d)

Dividend distribution (cont’d)

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.

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. The 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 19 - EXPENSES BY NATURE

As of 30 September 2023 and 2022, expenses are disclosed by function and the details of the expenses are summarized in Note 21 and Note 22.

NOTE 20 - REVENUE AND COST OF SALES

Revenue:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July- 30 September 2022
Sales income	826,933	309,189	469,771	191,506
Service income	493,189	192,352	298,098	114,185
SaaS service income	360,900	142,685	260,436	80,394
Sales returns	(9,342)	(3,842)	(3,677)	(1,412)
Sales discounts	(10,546)	(3,610)	(5,008)	(1,908)
Net sales income	1,661,134	636,774	1,019,620	382,765
Cost of sales	(353,109)	(136,120)	(237,043)	(106,833)
Gross profit	1,308,025	500,654	782,577	275,932

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NOTE 20 - REVENUE AND COST OF SALES

Cost of sales:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Cost of Service	319,117	123,928	220,053	101,259
Cost of transfer of financial rights	25,749	9,001	12,573	4,744
Cost of trade goods sold	5,078	2,000	3,006	222
Depreciation and amortization	3,165	1,191	1,411	608
Cost of sales	353,109	136,120	237,043	106,833

NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

Research and development expenses:	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Personnel expenses	244,601	104,477	86,130	37,208
Depreciation and amortization	105,888	41,301	67,015	24,163
Outsourced benefits and services	30,101	12,174	16,704	6,337
Consultancy expenses	13,763	4,991	6,701	2,819
Motor vehicles expenses	7,934	3,468	3,697	581
Travel expenses	1,147	454	505	213
Other	35,463	13,058	23,391	9,912
	438,897	179,923	204,143	81,233

Marketing, selling and Distribution expenses:	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Personnel expenses	155,246	58,415	77,236	36,326
Advertising and sales expenses	122,109	40,102	57,280	23,786
Consultancy expenses	11,216	2,383	6,160	1,456
Motor vehicles expenses	7,041	3,087	4,866	1,853
Depreciation and amortization	6,197	2,240	1,891	602
Outsourced benefits and services	4,769	1,632	3,634	1,217
Travel expenses	1,364	505	563	178
Other	7,995	3,006	2,605	1,095
	315,937	111,370	154,235	66,513

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NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (cont’d)

General administrative expenses:	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Personnel expenses	121,034	55,011	74,841	20,832
Consultancy expenses	29,255	11,981	14,737	6,498
Depreciation and amortization	22,190	8,987	15,243	5,393
Motor vehicle expenses	5,618	2,319	2,880	1,080
Outsourced benefits and services	1,687	641	1,110	445
Travel expenses	1,194	454	704	216
Other	24,637	14,353	6,603	2,308
	205,615	93,746	116,118	36,772

NOTE 22 - OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses

Other operating income	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange gains (*)	11,429	1,804	4,944	1,666
Rediscount income	1,308	707	492	(252)
Overdue interest income	491	152	347	60
Other	4,228	2,458	1,192	671
	17,456	5,121	6,975	2,145

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

Other operating expenses	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange losses (*)	13,188	4,356	2,780	948
Rediscount expenses	6,570	715	1,485	741
Performance premium of subsidiary	-	-	5,398	-
Provision expense	-	(1,177)	972	972
Other	9,699	2,356	3,785	1,113
	29,457	6,250	14,420	3,774

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

NOTE 23 - INCOME FROM INVESTING ACTIVITIES

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Gain on sale of securities	65,953	19,077	38,146	12,132
	65,953	19,077	38,146	12,132

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NOTE 24 - FINANCE INCOME

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Foreign exchange gains	279,443	56,549	118,680	31,127
Interest income	12,347	3,878	51,052	23,314
Dividend income	-	-	42	42
	291,790	60,427	169,774	54,483

NOTE 25 - FINANCE EXPENSES

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Interest expenses	84,664	38,901	27,359	8,618
Foreign exchange losses	14,839	11,373	74,171	20,071
Interest cost of employment termination benefits	6,363	2,252	697	235
Interest expense from leases	2,502	638	1,576	461
Credit card commissions	609	291	1,705	742
Other financial expenses	2,408	679	638	254
	111,385	54,134	106,146	30,381

NOTE 26 - TAX ASSETS AND LIABILITIES

	30 September 2023	30 September 2022
Current period tax expense	(111,986)	(34,111)
Deferred tax income	(10,338)	(10,798)
Current period tax expense	(122,324)	(44,909)

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.

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NOTE 26 - TAX ASSETS AND LIABILITIES (cont’d)

Deferred taxes (cont’d)

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 at 30 September 2023 and 31 December 2022 using the enacted tax rates, is as follows:

	Total temporary differences		Deferred tax assets/(liabilities)	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Deferred tax assets:				
Provisions for expenses	53,517	102,889	10,703	20,578
Provision for employment termination benefits	20,726	20,279	4,145	4,056
Deferred income	18,387	15,366	3,677	3,534
Valuation of other financial assets	15,225	11,264	3,045	2,591
Provision for vacation	12,774	5,981	2,555	1,196
Finance income unaccrued	10,708	5,171	2,142	1,189
Provision for doubtful receivables	1,682	1,217	336	243
	133,019	162,167	26,603	33,387
Deferred tax liabilities:				
Difference between the tax base and carrying value of property, plant and equipment and intangible assets	(176,705)	(121,845)	(35,341)	(24,369)
Gains on investments in equity instruments	(26,930)	-	(5,386)	-
	(203,635)	(121,845)	(40,727)	(24,369)
Deferred income tax assets/(liabilities), net			(14,124)	9,018

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

Deferred tax assets	1 January - 30 September 2023	1 January – 31 December 2022
To be recovered less than 12 months	19,903	28,135
To be recovered more than 12 months	6,700	5,252
	26,603	33,387
Deferred tax liabilities		
To be recovered more than 12 months	(40,727)	(24,369)
	(40,727)	(24,369)
Deferred income tax assets/(liabilities), net	(14,124)	9,018

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NOTE 26 - TAX ASSETS AND LIABILITIES (cont’d)

Deferred tax assets (cont’d)

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

	2023	2022
1 January	9,018	3,735
Charged to statements of profit or loss	(10,338)	(10,798)
Charged to other comprehensive income	(4,828)	5,566
Foreign currency translation difference	(7,976)	(3,431)
30 September	(14,124)	(4,928)

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 the interim period 2023 is 25% (31 December 2022: 23%). The corporate tax rate is 16% in Romania for 2023 (31 December 2022: 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 20%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. 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.

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NOTE 26 - TAX ASSETS AND LIABILITIES (cont’d)

Corporate Tax (cont’d)

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

Within the scope of the Temporary Article added to the Technology Development Zones Law No. 4691 with Article 44 of the Law No. 5035, the income and corporate taxpayers operating in the technology development zones are exempted from income and corporate tax for earnings, which are exclusively from the software and R&D activities in this zone, until 31 December 2028.

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 27 - EARNINGS PER SHARE

In the interim period ending on 30 September 2023, the profit for the period was full TL 47.50 (30 September 2022: full TL 36.60) per thousand shares calculated from the nominal value of 1 Kr.

	1 January - 30 September 2023	1 January – 30 September 2022
Net income attributable to equity holders of the parent	455,683	352,841
Average number of shares for the year	9,592,392	9,639,900
Earnings per share (Full TL)	4.75	3.66

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NOTE 28 - RELATED PARTY DISCLOSURES

a) Receivables from related parties as of 30 September 2023 and 31 December 2022:

Trade receivables from related parties:	30 September 2023	31 December 2022
Other	1,546	1,067
	1,546	1,067

Other receivables from related parties:	30 September 2023	31 December 2022
Logo Infosoft	3,666	1,247
	3,666	1,247

b) Services given to related parties for the periods ended 30 September 2023 and 2022:

Services given to related parties	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Timus Siber Güvenlik Tekn. A.Ş.	2,969	721	1,847	908
Logo Infosoft	2,338	180	1,617	726
Logo Teknoloji ve Yatırım A.Ş.	58	32	55	29
	5,365	933	3,519	1,663

c) Services received from related parties for the periods ended 30 September 2023 and 2022:

Services received to related parties	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Logo Infosoft	1,127	385	133	133
Timus Siber Güvenlik Tekn. A.Ş.	-	-	20	20
	1,127	385	153	153

d) Remuneration of the key management:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Remuneration of the key management	45,450	19,096	21,398	8,784

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NOTE 29 – DERIVATIVE INSTRUMENTS

Derivative financial assets:

Derivatives that are carried at fair value:	30 September 2023	31 December 2022
- Foreign swap contracts	-	1,962
	-	1,962

Classification of derivative instruments

Derivative instruments that are held for speculative purposes and that do not meet hedge accounting requirements are classified as “traded” and the fair value changes of these instruments are recognized in profit or loss. Assets related to derivative instruments that are expected to close within 12 months following the reporting date are presented as current assets and liabilities are presented as current liabilities.

Fair value measurement of derivative instruments

Information on the methods and assumptions used in determining the fair values of derivatives is explained in Note 2.

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 aggregate risk from any individual counterparty (excluding 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 monitors the liquidity reserve movements according to the estimated cash flows. The Company management holds adequate cash and credit commitment that will meet the need cash for recent future in order to manage its liquidity risk. In this context, the Company has credit limit from banks amounting to over TL 100,000 that can be utilized whenever needed.

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NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

30.1 Financial risk management (cont’d)

Non-derivative financial instruments	Carrying value	Total contractual cash outflow (I+II+III+IV)	30 September 2023			
			Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	351,959	371,858	67,497	39,556	256,576	8,229
Trade payables						
- Trade payables to third parties	125,187	125,187	125,187	-	-	-
Payables related to employee benefits	211,712	211,712	211,712	-	-	-
Other payables						
- Other payables to third parties	438,826	438,826	418,702	-	20,124	-
Total liabilities	1,127,684	1,147,583	823,098	39,556	276,700	8,229

Non-derivative financial instruments	Carrying value	Total contractual cash outflow (I+II+III+IV)	31 December 2022			
			Up to 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)
Borrowings	253,648	269,958	16,102	50,217	178,845	24,794
Trade payables						
- Trade payables to third parties	143,813	143,813	143,813	-	-	-
Payables related to employee benefits	213,588	213,588	213,588	-	-	-
Other payables						
- Other payables to third parties	302,167	302,167	295,266	-	6,901	-
Total liabilities	913,216	929,526	668,769	50,217	185,746	24,794

Interest rate risk

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

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NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

30.1 Financial risk management (cont’d)

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

	30 September 2023	31 December 2022
<u>Financial instruments with fixed interest rate</u>		
Financial assets		
- Financial assets at amortized cost	278,442	156,487
- Financial assets at fair value through other comprehensive income	496,511	501,598
Financial liabilities	67,980	39,601
Put option valuation fund for non-controlling interests	338,242	225,551
<u>Financial instruments with floating interest rate</u>		
Financial assets		
- Financial assets at fair value through profit/loss	66,988	130,233
Financial liabilities	283,979	214,047

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 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 foreign currency denominated debts or creditors into Turkish Lira. The foreign currency risk is followed 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 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Assets		
USD	27.3767	18.6983
EUR	29.0305	19.9349
Liabilities		
USD	27.4260	18.7320
EUR	29.0828	19.9708

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
(cont’d)**

		Foreign Currency Position as of 31 December 2023		
		TL equivalent	USD	EUR
1.	Trade receivables	36,142	735	552
2a.	Monetary financial assets (cash and bank accounts included)	406,337	14,705	130
2b.	Non-monetary financial assets	-	-	-
3.	Other	-	-	-
4.	Current assets (1+2+3)	442,479	15,440	682
5.	Trade receivables	-	-	-
6a.	Monetary financial assets	347,895	12,708	-
6b.	Non-monetary financial assets	-	-	-
7.	Other	-	-	-
8.	Non-current assets (5+6+7)	347,895	12,708	-
9.	Total assets (4+8)	790,374	28,148	682
10.	Trade payables	(12,850)	(343)	(118)
11.	Financial liabilities	(96,920)	-	(3,333)
12a.	Other monetary liabilities	-	-	-
12b.	Other non-monetary liabilities	-	-	-
13.	Current liabilities (10+11+12)	(109,770)	(343)	(3,451)
14.	Trade payables	-	-	-
15.	Financial liabilities	(247,020)	-	(8,493)
16a.	Other monetary liabilities	-	-	-
16b.	Other non-monetary liabilities	-	-	-
17.	Non-current liabilities (14+15+16)	(247,020)	-	(8,493)
18.	Total liabilities (13+17)	(356,790)	(343)	(11,944)
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	-	-	-
20.	Net foreign assets/(liability) position (9-18+19)	433,584	27,805	(11,262)
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a -10-11-12a-14-15-16a)	433,584	27,805	(11,262)
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-
23.	Export (*)	148,302	680	4,467
24.	Import	-	-	-

(*) includes exports from the countries in which the Group operates. The total amount of sales made by the Group outside of Turkey in the interim period of 30 September 2023 is TL 556,394 (30 September 2022: TL 382,344).

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**NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS
(cont’d)**

		Foreign Currency Position as of 31 December 2022			
		TL equivalent	USD	EUR	Other
1.	Trade receivables	25,137	785	523	25
2a.	Monetary financial assets (cash and bank accounts included)	337,519	17,888	153	3
2b.	Non-monetary financial assets	-	-	-	-
3.	Other	-	-	-	-
4.	Current assets (1+2+3)	362,656	18,673	676	28
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	204,247	10,923	-	-
6b.	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	204,247	10,923	-	-
9.	Total assets (4+8)	566,903	29,596	676	28
10.	Trade payables	(7,826)	(337)	(76)	(16)
11.	Financial liabilities	(57,928)	-	(2,900)	-
12a.	Other monetary liabilities	-	-	-	-
12b.	Other non-monetary liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(65,754)	(337)	(2,976)	(16)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(189,240)	-	(9,476)	-
16a.	Other monetary liabilities	-	-	-	-
16b.	Other non-monetary liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(189,240)	-	(9,476)	-
18.	Total liabilities (13+17)	(254,994)	(337)	(12,452)	-
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	-	-	-	-
20.	Net foreign assets/(liability) position (9-18+19)	311,909	29,259	(11,776)	28
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+3+5+6a -10-11-12a-14-15-16a)	311,909	29,259	(11,776)	12
22.	Fair value of derivative instruments used in foreign currency hedge	-	-	-	-
23.	Export (*)	142,704	1,000	6,221	-
24.	Import	-	-	-	-

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NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

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 September 2023			
	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	76,382	(76,382)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	76,382	(76,382)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	(2,756)	2,756	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	(2,756)	2,756	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	(265)	265	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- USD net effect (7+8)	(265)	265	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(29,939)	29,939	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
12- EUR net effect (10+11)	(29,939)	29,939	-	-

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NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency sensitivity (cont'd)

	31 December 2022			
	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	54,800	(54,800)	-	-
2- Hedged portion from USD risks (-)	-	-	-	-
3- USD net effect (1+2)	54,800	(54,800)	-	-
Change of EUR against TL by 10%				
4- EUR net assets/liabilities	(1,188)	1,188	-	-
5- Hedged portion from EUR risks (-)	-	-	-	-
6- EUR net effect (4+5)	(1,188)	1,188	-	-
Change of USD against RON by 10%				
7- USD net assets/liabilities	(89)	89	-	-
8- Hedged portion from USD risks (-)	-	-	-	-
9- USD net effect (7+8)	(89)	89	-	-
Change of EUR against RON by 10%				
10- EUR net assets/liabilities	(22,288)	22,288	-	-
11- Hedged portion from EUR risks (-)	-	-	-	-
12- EUR net effect (10+11)	(22,288)	22,288	-	-

Hedging activities

The functional currency of Total Soft, the Group's subsidiary operating in Romania, is RON. In order to hedge the foreign currency translation risk arising from the conversion of Total Soft's Euro-denominated borrowings into RON, 54% of Total Soft's Euro-denominated revenues are defined as hedging instruments which is planned to generate between 2020 and 2028. The Group management considers the low risk of hedging ineffectiveness that may arise in the future due to the low hedge ratio used. For the year ended 30 September 2023, foreign exchange expense amounting to TL (5,905) (30 September 2022: TL (1,060)) was accounted for in the hedge gains/losses under shareholders' equity.

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.

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NOTE 30 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

Capital risk management (cont’d)

	30 September 2023	31 December 2022
Total payables	477,146	397,461
Less: Cash and cash equivalents (*)	(557,853)	(640,282)
Net debt	(80,707)	(242,821)
Total equity	1,434,539	1.090,109
Total capital	1,353,832	847,288
Debt/equity ratio	(6%)	(29%)

(*) Cash and cash equivalents include cash and cash equivalents, deposits with maturities longer than 3 months and shares and private sector bonds included in short-term financial investments.

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 Group, 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 Group could realize in a current market exchange.

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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.

Certain financial assets including cash and cash equivalents are carried at cost, and their carrying values are approximately equal to their fair values due to their short-term nature.

It is assumed that the book values of trade receivables reflect their fair values with the related doubtful receivables provisions.

Monetary liabilities

It is assumed that the carrying values of financial liabilities and other monetary liabilities approximate their fair values due to the variable interest rate of long-term financial liabilities. It is anticipated that the book 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 September 2023 is as follows:

Financial assets at fair value in the statement of financial position	Level 1	Level 2	Level 3
Financial investments (*)	516,649	-	295,516

(*) Note 5 and Note 29

Financial assets at fair value in the statement of financial position	Level 1	Level 2	Level 3
Put option liabilities	-	-	338,242

Sensitivity analysis is not presented separately since the sensitivities of the inputs used in the analyses do not have a significant impact on the consolidated financial statements.

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

NOTE 31 - FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments and their fair values

30 September 2023

	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
<u>Financial assets</u>							
Cash and cash equivalents	389,099	-	-	-	-	389,099	4
Financial assets	-	20,138	792,027	-	-	812,165	5
Trade receivables	449,780	-	-	-	-	449,780	8
Receivables from related parties	5,212	-	-	-	-	5,212	28
<u>Financial liabilities</u>							
Financial payables	-	-	-	351,959	-	351,959	7
Other payables	-	-	-	100,584	-	100,584	9
Put option liabilities	-	-	-	-	338,242	338,242	9
Trade payables	-	-	-	125,187	-	125,187	9
Payables to related parties	-	-	-	4	-	4	28

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

NOTE 31 - FINANCIAL INSTRUMENTS (cont’d)

Categories of financial instruments and their fair values (cont’d)

31 December 2022

	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	Liabilities at fair value	Carrying value	Note
<u>Financial assets</u>							
Cash and cash equivalents	229,151	-	-	-	-	229,151	4
Financial assets	-	113,780	680,822	-	-	794,602	5
Trade receivables	387,441	-	-	-	-	387,441	8
Receivables from related parties	2,314	-	-	-	-	2,314	28
Derivatives instruments	-	1,962	-	-	-	1,962	29
<u>Financial liabilities</u>							
Financial payables	-	-	-	253,648	-	253,648	7
Other payables	-	-	-	76,616	-	76,616	9
Put option liabilities	-	-	-	-	225,551	225,551	9
Trade payables	-	-	-	143,813	-	143,813	9
Payables to related parties	-	-	-	4	-	4	28

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2023

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

NOTE 32 – DISCLOSURES ON THE STATEMENT OF CASH FLOWS

	Bank loans and credit cards	Leases	Total
1 January 2023	227,718	25,930	253,648
Cash inflows	31,807	-	31,807
Cash outflows	(25,450)	-	(25,450)
Foreign currency translation differences	81,778	14,110	95,888
Increase in lease liabilities (TFRS 16)	-	4,815	4,815
Cash outflows from lease liabilities (TFRS 16)	-	(8,749)	(8,749)
30 September 2023	315,853	36,106	351,959
Cash and cash equivalents (-)			(389,099)
Net debt			(37,140)
	Bank loans and credit cards	Leases	Total
1 January 2022	245,844	20,579	266,423
Cash inflows	19,898	-	19,898
Cash outflows	(55,221)	-	(55,221)
Foreign currency translation differences	17,197	7,926	25,123
Increase in lease liabilities (TFRS 16)	-	8,126	8,126
Cash outflows from lease liabilities (TFRS 16)	-	(10,701)	(10,701)
31 December 2022	227,718	25,930	253,648
Cash and cash equivalents (-)			(229,151)
Net debt			24,497